

# **GSA Carleton Inc.**



## **Financial Statements**

**For the year ended April 30, 2016**



**GSA Carleton Inc.**  
**Financial Statements**  
For the year ended April 30, 2016

**Contents**

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## Independent Auditor's Report

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**To the Members of  
GSA Carleton Inc.**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of GSA Carleton Inc. which comprise the statement of financial position as at April 30, 2016, and the statements of operations, changes in fund balances and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

#### Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We have conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion these financial statements present fairly, in all material respects, the financial position of the Corporation as at April 30, 2016, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### **Report on Other Legal and Regulatory Requirements**

As required by the Ontario Corporations Act, we report that, in our opinion, these principles have been applied on a basis consistent with the previous year.

*Collins Barrow Ottawa LLP*

Chartered Professional Accountants, Licensed Public Accountants  
October 12, 2016  
Ottawa, Ontario

**GSA Carleton Inc.**  
**Statement of Financial Position**

| April 30                                | 2016                | 2015                |
|---|---------------------|---------------------|
| <b>Assets</b>                           |                     |                     |
| <b>Current</b>                          |                     |                     |
| Bank                                    | \$ 1,172,542        | \$ 959,015          |
| Short-term investments (Note 1)         | 23,883              | 23,849              |
| Accounts receivable                     | 59,648              | 5,103               |
| Receivable from external organizations  | 660                 | 342,457             |
| Materials inventory                     | 15,372              | 18,024              |
| Prepaid expenses                        | 595                 | 773                 |
|   | 1,272,700           | 1,349,221           |
| <b>Tangible capital assets (Note 2)</b> | <b>73,027</b>       | <b>74,789</b>       |
| <b>Intangible assets (Note 2)</b>       | <b>882</b>          | <b>1,102</b>        |
|   | <b>\$ 1,346,609</b> | <b>\$ 1,425,112</b> |

**Liabilities and Fund Balances**

|   |                     |                     |
|---|---------------------|---------------------|
| <b>Current</b>  |                     |                     |
| Accounts payable and accrued liabilities                  | \$ 510,288          | \$ 342,056          |
| Government liabilities                                    | 1,029               | 19,391              |
| Deferred revenue  | -                   | 7,896               |
| Due to external organizations (Note 3)                    | 140,059             | 420,857             |
|   | 651,376             | 790,200             |
| <b>Fund balances</b>                                      |                     |                     |
| Unrestricted  |                     |                     |
| General Fund  | 276,093             | 230,259             |
| Internally restricted funds:                              |                     |                     |
| Invested in tangible capital assets and intangible assets | 73,909              | 75,891              |
| Capital development fund                                  | 103,423             | 94,427              |
| Accessibility fund  | 207,691             | 189,231             |
| Unicentre fund  | 21,806              | 21,806              |
| Other funds   | 12,311              | 23,298              |
|   | 695,233             | 634,912             |
|   | <b>\$ 1,346,609</b> | <b>\$ 1,425,112</b> |

On behalf of the Board:

  
 \_\_\_\_\_ Director  
  
 \_\_\_\_\_ Director

**GSA Carleton Inc.**  
**Statement of Changes in Fund Balances**

**For the year ended April 30, 2016**

|  | Balance<br>beginning of<br>year | Excess<br>of revenue<br>over expenses<br>for the year | Transfer<br>to (from) | Balance<br>end of year |
|--|---------------------------------|---|-----------------------|------------------------|
| <b>Unrestricted</b>  |                                 |   |                       |                        |
| General Fund   | \$ 230,259                      | \$ 78,133   | \$ (32,299)           | \$ 276,093             |
| <b>Internally restricted</b>                                 |                                 |   |                       |                        |
| Invested in tangible capital assets<br>and intangible assets | 75,891                          | (17,812)  | 15,830                | 73,909                 |
| Capital development fund                                     | 94,427                          | -   | 8,996                 | 103,423                |
| Accessibility fund   | 189,231                         | -   | 18,460                | 207,691                |
| Unicentre fund   | 21,806                          | -   | -                     | 21,806                 |
| Other funds  | 23,298                          | -   | (10,987)              | 12,311                 |
|  | <b>404,653</b>                  | <b>(17,812)</b>                                       | <b>32,299</b>         | <b>419,140</b>         |
|  | <b>\$ 634,912</b>               | <b>\$ 60,321</b>                                      | <b>\$ -</b>           | <b>\$ 695,233</b>      |

**For the year ended April 30, 2015**

|  | Balance<br>beginning of<br>year | Excess<br>of revenue<br>over expenses<br>for the year | Transfer<br>to (from) | Balance<br>end of year |
|--|---------------------------------|---|-----------------------|------------------------|
| <b>Unrestricted</b>  |                                 |   |                       |                        |
| General Fund   | \$ 237,622                      | \$ 33,988   | \$ (41,351)           | \$ 230,259             |
| <b>Internally restricted</b>                                 |                                 |   |                       |                        |
| Invested in tangible capital assets<br>and intangible assets | 93,332                          | (19,979)  | 2,538                 | 75,891                 |
| Capital development fund                                     | 73,295                          | -   | 21,132                | 94,427                 |
| Accessibility fund   | 171,852                         | -   | 17,379                | 189,231                |
| Unicentre fund   | 21,806                          | -   | -                     | 21,806                 |
| Other funds  | 22,996                          | -   | 302                   | 23,298                 |
|  | <b>383,281</b>                  | <b>(19,979)</b>                                       | <b>41,351</b>         | <b>404,653</b>         |
|  | <b>\$ 620,903</b>               | <b>\$ 14,009</b>                                      | <b>\$ -</b>           | <b>\$ 634,912</b>      |

## GSA Carleton Inc. Statement of Operations

| For the year ended April 30                             | 2016             | 2015             |
|---|------------------|------------------|
| <b>Revenue from business operations</b>                 |                  |                  |
| Sales   | \$ 588,791       | \$ 603,814       |
| Cost of sales   | 314,087          | 328,948          |
|   | 274,704          | 274,866          |
| <b>Other revenue</b>                                    |                  |                  |
| Student fees  | 741,556          | 552,532          |
| Designated organizations                                | 45,873           | 201,375          |
| Investment and other income                             | 252,179          | 54,250           |
|   | 1,039,608        | 808,157          |
| <b>Total revenue</b>                                    | <b>1,314,312</b> | <b>1,083,023</b> |
| <b>Expenses</b>   |                  |                  |
| Administration  | 208,271          | 85,514           |
| Amortization of capital assets                          | 7,737            | 7,663            |
| Business operations (Note 5)                            | 282,566          | 287,659          |
| Bad debts   | -                | 5,007            |
| Council (Note 6)  | 15,750           | 15,854           |
| Department rebates                                      | 3,143            | 4,907            |
| Elections   | 10,196           | 6,373            |
| General operations (Note 6)                             | 74,718           | 188,307          |
| Grants and awards                                       | 16,274           | 16,576           |
| Liaison travel  | 14,895           | 11,004           |
| Professional fees                                       | 123,063          | 19,268           |
| Publications  | 5,665            | 7,021            |
| Salaries and benefits                                   | 389,473          | 372,903          |
| Service Centre distribution                             | 60,000           | -                |
| Sponsored events (Note 6)                               | 23,543           | 23,762           |
| Travel grants   | 18,697           | 17,196           |
|   | 1,253,991        | 1,069,014        |
| <b>Excess of revenue over expenses<br/>for the year</b> | <b>\$ 60,321</b> | <b>\$ 14,009</b> |

**GSA Carleton Inc.**  
**Statement of Cash Flows**

| <b>For the year ended April 30</b>                     | <b>2016</b>         | <b>2015</b>       |
|--|---------------------|-------------------|
| <b>Cash flows from operating activities</b>            |                     |                   |
| Excess of revenue over expenses for the year           | \$ 60,321           | \$ 14,009         |
| Adjustments for  |                     |                   |
| Amortization of tangible and intangible capital assets | 17,812              | 19,979            |
|  | <u>78,133</u>       | 33,988            |
| Changes in non-cash working capital items              |                     |                   |
| Accounts receivable                                    | 287,252             | 2,775             |
| Materials inventory                                    | 2,652               | (577)             |
| Prepaid expenses                                       | 178                 | 3,747             |
| Accounts payable and accrued liabilities               | 168,232             | 15,227            |
| Government liabilities                                 | (18,362)            | (223)             |
| Deferred revenues                                      | (7,896)             | (1,204)           |
| Due to external organizations                          | (280,798)           | 38,849            |
|  | <u>229,391</u>      | 92,582            |
| <b>Cash flows from investing activities</b>            |                     |                   |
| Purchase of assets                                     | (15,830)            | (2,537)           |
| Reinvestment of interest                               | (34)                | (40)              |
|  | <u>(15,864)</u>     | (2,577)           |
| <b>Increase in cash during the year</b>                | <b>213,527</b>      | <b>90,005</b>     |
| <b>Cash, beginning of year</b>                         | <b>959,015</b>      | <b>869,010</b>    |
| <b>Cash, end of year</b>                               | <b>\$ 1,172,542</b> | <b>\$ 959,015</b> |

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## GSA Carleton Inc.

### Summary of Significant Accounting Policies

April 30, 2016

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|                              |   |
|------------------------------|---|
| <b>Nature of Business</b>    | <p>GSA Carleton Inc. ("the corporation") was incorporated on June 9, 1981, without share capital, by Letters Patent pursuant to the Ontario Corporations Act, with the objectives of:</p> <ul style="list-style-type: none"><li>i) representing graduate students at Carleton University;</li><li>ii) developing and maintaining unity, and encouraging cooperation among them;</li><li>iii) developing, monitoring and promoting the social and academic affairs of them; and</li><li>iv) advancing the cause of higher learning.</li></ul>  |
| <b>Basis of Presentation</b> | <p>These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies.</p>  |
| <b>Use of Estimates</b>      | <p>The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the year. The corporation's estimates relate to provision for doubtful receivables and estimated useful life of tangible and intangible capital assets. Actual results could differ from these estimates.</p>   |
| <b>Financial Instruments</b> | <p><u>Measurement of financial instruments</u></p> <p>Financial instruments are financial assets or liabilities of the corporation where, in general, the corporation has the right to receive cash or another financial asset from another party or the corporation has the obligation to pay another party cash or other financial assets.</p> <p>The corporation initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions that are measured at the exchange amount.</p> <p>The corporation subsequently measures all its financial assets and financial liabilities at amortized cost.</p> <p>Financial assets and financial liabilities measured at amortized cost include cash, investments, accounts receivable, receivable from external organizations, due to external organizations, accounts payable and accrued liabilities and government liabilities.</p> |

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**GSA Carleton Inc.**  
**Summary of Significant Accounting Policies**

**April 30, 2016**

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**Financial Instruments**  
(continued)

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write down, if any, is recognized in excess of revenues over expenses. The previously recognized impairment loss may be reversed, to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost. The amount of the reversal is recognized in the excess of revenue over expenses.

Transaction costs

The corporation recognizes its transactions costs in the excess of revenue over expenses in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

**Tangible Capital Assets**

Tangible capital assets are stated at cost. Amortization is provided over the estimated useful life of the assets at the following annual rates:

|                        |     |                           |
|------------------------|-----|---------------------------|
| Computer equipment     | 30% | diminishing balance basis |
| Furniture & equipment  | 20% | diminishing balance basis |
| Leasehold improvements | 20% | straight-line basis       |

One-half of the above rates are used in the year of acquisition.

**Intangible Assets**

Intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are recorded at cost. Amortization is provided over the estimated useful life of the assets at the following annual rates:

|          |     |                           |
|----------|-----|---------------------------|
| Software | 20% | diminishing balance basis |
|----------|-----|---------------------------|

**Fund Accounting**

The corporation follows the deferral method of accounting for revenue.

The General fund accounts for business operations, program delivery and administrative activities. This fund reports unrestricted resources.

Invested in capital assets represents the net book value of tangible and intangible capital assets.

The Capital development fund accounts for revenue designated for capital expenditures. All graduate students pay a pro-rated fee of \$3 per term for improvements in this area. Any purchases of equipment or leasehold improvements over \$500 can be paid out of this fund at the discretion of the Board of Directors.

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**GSA Carleton Inc.**  
**Summary of Significant Accounting Policies**

**April 30, 2016**

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**Fund Accounting**  
(continued)

The Accessibility fund accounts for revenue designated for student accessibility expenditures. All graduate students pay a pro-rated fee of \$3 per term for improvements in this area. Any improvements made to spaces operated by the GSA or to accommodate students wanting to participate in graduate life can be paid out of this fund at the discretion of the Board of Directors.

The Unicentre fund accounts for joint programs with Carleton University and CUSA (see Note 4). All graduate students pay a pro-rated fee of \$25 per term. The amount allocated to GSA is based on services provided as stipulated in an agreement between GSA and Carleton University. Any unused funds have been internally restricted at the discretion of the Board of Directors.

Other funds accounts for the Dental Grant fund and the GRC fund. The Dental Grant fund stipulates that \$6,000 from GSA's annual operating budget can be allocated to cover dental grants for graduate students that require emergency, uncovered dental procedures. The GRC fund stipulates that surpluses from the GRC annual budget can be set aside in a separate fund for future graduate residence expenditures. Both fund revenues and expenditures are at the discretion of the Board of Directors.

**Inventory**

Inventory is valued at lower of cost or net realizable value.

**Income Tax Status**

The corporation is a non-profit organization as defined in subsection 149(1)(l) of the Income Tax Act, Canada and, as such, is exempt from income taxes.

**Revenue Recognition**

Restricted contributions relating to general operations are deferred and recognized as revenue of the General fund in the period in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as revenue of the General fund when earned.

**GSA Carleton Inc.**  
**Notes to Financial Statements**

**April 30, 2016**

**1. Short-Term Investments**

|                        | 2016             | 2015             |
|------------------------|------------------|------------------|
| Scotia Investment Fund | <b>\$ 23,883</b> | <b>\$ 23,849</b> |

**2. Tangible Capital Assets and Intangible Assets**

|                                | 2016                |                   |                   | 2015              |                   |                   |
|--------------------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                | Accumulated<br>Cost | Amortization      | Net Book<br>Value | Cost              | Amortization      | Net Book<br>Value |
| <b>Tangible capital assets</b> |                     |                   |                   |                   |                   |                   |
| Mike's Place                   |                     |                   |                   |                   |                   |                   |
| Furniture                      | \$ 70,185           | \$ 58,882         | \$ 11,303         | \$ 70,185         | \$ 56,056         | \$ 14,129         |
| Equipment                      | 96,602              | 84,632            | 11,970            | 95,985            | 81,716            | 14,269            |
| Computer equipment             | 2,407               | 1,705             | 702               | 2,407             | 1,404             | 1,003             |
| Leasehold improvements         | 198,169             | 182,037           | 16,132            | 198,169           | 178,005           | 20,164            |
| GSA Office                     |                     |                   |                   |                   |                   |                   |
| Furniture and equipment        | 79,670              | 57,775            | 21,895            | 71,428            | 53,331            | 18,097            |
| Computer equipment             | 80,689              | 70,950            | 9,739             | 74,510            | 68,101            | 6,409             |
| Leasehold improvements         | 45,699              | 44,413            | 1,286             | 44,908            | 44,190            | 718               |
|                                | <b>\$ 573,421</b>   | <b>\$ 500,394</b> | <b>\$ 73,027</b>  | <b>\$ 557,592</b> | <b>\$ 482,803</b> | <b>\$ 74,789</b>  |
| <b>Intangible assets</b>       |                     |                   |                   |                   |                   |                   |
| Software                       | \$ 1,908            | \$ 1,026          | \$ 882            | \$ 1,908          | \$ 806            | \$ 1,102          |

**3. Due to External Organizations**

The amount due to external organizations includes \$1,841 (2015 - \$nil) due to Carleton University and \$nil (2015 - \$280,000) due to CUSA (Carleton University Students' Association).

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**GSA Carleton Inc.**  
**Notes to Financial Statements**

**April 30, 2016**

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**4. Fees for Designated Organizations**

The Corporation collects preauthorized contributions on behalf of the Canadian Federation of Students, Ontario Public Interest Research Group, World University Services of Canada, The Leveller, Carleton University Foot Patrol, Carleton Food Collective, Charlatan Publications Inc., and C.K.C.U. and remits the funds to their organizations. These amounts are not recorded as revenue and expenses of the Corporation.

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**5. Business Operations**

Expenses for the operation of Mike's Place are as follows:

|                                | <u>2016</u>       | <u>2015</u>       |
|--------------------------------|-------------------|-------------------|
| Insurance                      | \$ 21,933         | \$ 22,115         |
| Labour                         | 164,017           | 165,523           |
| Operating                      | 49,087            | 50,983            |
| Rent and license fees          | 37,454            | 36,722            |
| Amortization of capital assets | 10,075            | 12,316            |
|                                | <u>\$ 282,566</u> | <u>\$ 287,659</u> |

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**6. Distribution of Residual Fee**

Included in the following expenses are amounts incurred to fund any clubs, societies, services, events, or programs that are open and advertised to all University students:

|                    | <u>2016</u>      | <u>2015</u> |
|--------------------|------------------|-------------|
| Council            | \$ 3,147         | \$ -        |
| General            | 33,877           | -           |
| Sponsorship events | 748              | -           |
|                    | <u>\$ 37,772</u> | <u>\$ -</u> |

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**GSA Carleton Inc.**  
**Notes to Financial Statements**

**April 30, 2016**

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**7. Risks and Concentrations**

The corporation is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations as at April 30, 2016.

*Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The corporation is exposed to this credit risk mainly in respect of its accounts receivable and due from external organizations.

*Liquidity risk*

Liquidity risk is the risk that the corporation will encounter difficulty in meeting obligations associated with financial liabilities. The corporation is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, due to external organizations and government liabilities.

*Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk. The corporation is not exposed to any significant market risk.

*Changes in risk*

There have been no significant changes in the corporation risk exposures from the 2015 fiscal year.

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