

GSA Carleton Inc.



Financial Statements

For the year ended April 30, 2016



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For the year ended April 30, 2016

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Independent Auditor's Report

**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
Assets		
Current		
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
Tangible capital assets (Note 2)	73,027	74,789
Intangible assets (Note 2)	882	1,102
	\$ 1,346,609	\$ 1,425,112

Liabilities and Fund Balances

Current		
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
Fund balances		
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
	\$ 1,346,609	\$ 1,425,112

On behalf of the Board:


 _____ Director

 _____ Director

GSA Carleton Inc.
Statement of Changes in Fund Balances

For the year ended April 30, 2016

	Balance beginning of year	Excess of revenue over expenses for the year	Transfer to (from)	Balance end of year
Unrestricted				
General Fund	\$ 230,259	\$ 78,133	\$ (32,299)	\$ 276,093
Internally restricted				
Invested in tangible capital assets 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
	404,653	(17,812)	32,299	419,140
	\$ 634,912	\$ 60,321	\$ -	\$ 695,233

For the year ended April 30, 2015

	Balance beginning of year	Excess of revenue over expenses for the year	Transfer to (from)	Balance end of year
Unrestricted				
General Fund	\$ 237,622	\$ 33,988	\$ (41,351)	\$ 230,259
Internally restricted				
Invested in tangible capital assets 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
	383,281	(19,979)	41,351	404,653
	\$ 620,903	\$ 14,009	\$ -	\$ 634,912

GSA Carleton Inc.
Statement of Operations

For the year ended April 30	2016	2015
Revenue from business operations		
Sales	\$ 588,791	\$ 603,814
Cost of sales	<u>314,087</u>	<u>328,948</u>
Gross profit	<u>274,704</u>	<u>274,866</u>
Other revenue		
Student fees	741,556	552,532
Designated organizations	45,873	201,375
Investment and other income	<u>252,179</u>	<u>54,250</u>
	<u>1,039,608</u>	<u>808,157</u>
Total revenue	<u>1,314,312</u>	<u>1,083,023</u>
Expenses		
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	<u>18,697</u>	<u>17,196</u>
	<u>1,253,991</u>	<u>1,069,014</u>
Excess of revenue over expenses for the year	<u>\$ 60,321</u>	<u>\$ 14,009</u>

GSA Carleton Inc.
Statement of Cash Flows

For the year ended April 30	2016	2015
Cash flows from operating activities		
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
Cash flows from investing activities		
Purchase of assets	(15,830)	(2,537)
Reinvestment of interest	(34)	(40)
	<u>(15,864)</u>	(2,577)
Increase in cash during the year	213,527	90,005
Cash, beginning of year	959,015	869,010
Cash, end of year	\$ 1,172,542	\$ 959,015

GSA Carleton Inc.

Summary of Significant Accounting Policies

April 30, 2016

Nature of Business	<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">i) representing graduate students at Carleton University;ii) developing and maintaining unity, and encouraging cooperation among them;iii) developing, monitoring and promoting the social and academic affairs of them; andiv) advancing the cause of higher learning.
Basis of Presentation	<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>
Use of Estimates	<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>
Financial Instruments	<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>

GSA Carleton Inc.
Summary of Significant Accounting Policies

April 30, 2016

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
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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.

GSA Carleton Inc.
Summary of Significant Accounting Policies

April 30, 2016

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	\$ 23,883	\$ 23,849

2. Tangible Capital Assets and Intangible Assets

	2016			2015		
	Accumulated Cost	Amortization	Net Book Value	Cost	Amortization	Net Book Value
Tangible capital assets						
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
	\$ 573,421	\$ 500,394	\$ 73,027	\$ 557,592	\$ 482,803	\$ 74,789
Intangible assets						
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).

GSA Carleton Inc.
Notes to Financial Statements

April 30, 2016

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.

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>

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>

GSA Carleton Inc.
Notes to Financial Statements

April 30, 2016

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.
