

**GSA Carleton Inc.**  
**Financial Statements**  
For the year ended April 30, 2017

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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, 2017, 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, 2017, 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 19, 2017  
Ottawa, Ontario

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

**April 30** **2017** **2016**

**Assets**

**Current**

Bank	\$ 1,262,726	\$ 1,172,542
Short-term investments (Note 1)	23,886	23,883
Accounts receivable	4,989	59,648
Receivable from external organizations	16,698	660
Materials inventory	17,541	15,372
Prepaid expenses	300	595

**1,326,140** **1,272,700**

**Tangible capital assets (Note 2)**

**67,146** **73,027**

**Intangible assets (Note 2)**

**706** **882**

**\$ 1,393,992** **\$ 1,346,609**

**Liabilities and Fund Balances**

**Current**

Accounts payable and accrued liabilities	\$ 463,579	\$ 510,288
Government liabilities	4,539	1,029
Due to external organizations	150,185	140,059

**618,303** **651,376**

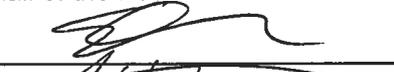
**Fund balances**

Unrestricted		
General Fund	322,415	276,093
Internally restricted funds:		
Invested in tangible capital assets and intangible assets	67,852	73,909
Capital development fund	118,066	103,423
Accessibility fund	226,946	207,691
Unicentre fund	21,806	21,806
Other funds	18,604	12,311

**775,689** **695,233**

**\$ 1,393,992** **\$ 1,346,609**

On behalf of the Board:

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

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

**For the year ended April 30, 2017**

	Balance, beginning of year	Excess of revenue over expenses for the year	Transfer to (from)	Balance, end of year
<b>Unrestricted</b>				
General Fund	\$ 276,093	\$ 97,457	\$ (51,135)	\$ 322,415
<b>Internally restricted</b>				
Invested in tangible capital assets and intangible assets	73,909	(17,001)	10,944	67,852
Capital development fund	103,423	-	14,643	118,066
Accessibility fund	207,691	-	19,255	226,946
Unicentre fund	21,806	-	-	21,806
Other funds	12,311	-	6,293	18,604
	<b>419,140</b>	<b>(17,001)</b>	<b>51,135</b>	<b>453,274</b>
	<b>\$ 695,233</b>	<b>\$ 80,456</b>	<b>\$ -</b>	<b>\$ 775,689</b>

**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
<b>Unrestricted</b>				
General Fund	\$ 230,259	\$ 78,133	\$ (32,299)	\$ 276,093
<b>Internally restricted</b>				
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
	<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>

**GSA Carleton Inc.**  
**Statement of Operations**

For the year ended April 30	2017	2016
<b>Revenue from business operations</b>		
Sales	\$ 602,380	\$ 608,384
Cost of sales	320,094	314,087
Gross profit	282,286	294,297
<b>Other revenue</b>		
Student fees	823,143	741,556
Designated organizations	-	45,873
Investment and other income	29,140	252,179
	852,283	1,039,608
<b>Total revenue</b>	<b>1,134,569</b>	<b>1,333,905</b>
<b>Expenses</b>		
Administration	86,508	208,271
Amortization of capital assets	7,896	7,737
Business operations (Note 4)	300,932	302,159
Bad debts	883	-
Council (Note 5)	23,637	15,750
Department rebates	4,123	3,143
Elections	8,822	10,196
General operations (Note 5)	59,015	74,718
Grants and awards	17,394	16,274
Liaison travel (Note 5)	12,166	14,895
Professional fees	14,739	123,063
Publications	4,588	5,665
Salaries and benefits	416,441	389,473
Service Centre distribution	60,000	60,000
Sponsored events (Note 5)	21,225	23,543
Travel grants	15,744	18,697
	1,054,113	1,273,584
<b>Excess of revenue over expenses for the year</b>	<b>\$ 80,456</b>	<b>\$ 60,321</b>

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

<b>For the year ended April 30</b>	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities</b>		
Excess of revenue over expenses for the year	\$ 80,456	\$ 60,321
Adjustments for		
Amortization of tangible and intangible capital assets	17,001	17,812
	<b>97,457</b>	78,133
Changes in non-cash working capital items		
Accounts receivable	38,621	287,252
Materials inventory	(2,169)	2,652
Prepaid expenses	295	178
Accounts payable and accrued liabilities	(46,709)	168,232
Government liabilities	3,510	(18,362)
Deferred revenues	-	(7,896)
Due to external organizations	10,126	(280,798)
	<b>101,131</b>	229,391
<b>Cash flows from investing activities</b>		
Purchase of assets	(10,944)	(15,830)
Reinvestment of interest	(3)	(34)
	<b>(10,947)</b>	(15,864)
<b>Increase in cash during the year</b>	<b>90,184</b>	213,527
<b>Cash, beginning of year</b>	<b>1,172,542</b>	959,015
<b>Cash, end of year</b>	<b>\$ 1,262,726</b>	<b>\$ 1,172,542</b>

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## GSA Carleton Inc.

### Summary of Significant Accounting Policies

**April 30, 2017**

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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, 2017**

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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
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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.

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

**April 30, 2017**

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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 accounted for joint programs with Carleton University and CUSA. Graduate students voted to terminate the University Centre levy and it ceased to be collected after the Spring/Summer 2015 term. 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 represents internally restricted funds that can be allocated to cover dental grants for graduate students that require emergency, uncovered dental procedures. The amount that the council sets aside is based on assessed need for urgent dental matters. The fund operates on a first come first served basis and once used up it is gone. 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.

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

**April 30, 2017**

**1. Short-Term Investments**

	2017		2016	
Scotia Investment Fund	\$ 23,886	\$	23,883	

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

	2017			2016		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
<b>Tangible capital assets</b>						
<b>Mike's Place</b>						
Furniture	\$ 70,185	\$ 61,142	\$ 9,043	\$ 70,185	\$ 58,882	\$ 11,303
Equipment	96,602	87,026	9,576	96,602	84,632	11,970
Computer equipment	2,407	1,916	491	2,407	1,705	702
Leasehold improvements	208,308	186,278	22,030	198,169	182,037	16,132
<b>GSA Office</b>						
Furniture and equipment	79,670	62,154	17,516	79,670	57,775	21,895
Computer equipment	81,494	74,033	7,461	80,689	70,950	9,739
Leasehold improvements	45,699	44,670	1,029	45,699	44,413	1,286
	<b>\$ 584,365</b>	<b>\$ 517,219</b>	<b>\$ 67,146</b>	<b>\$ 573,421</b>	<b>\$ 500,394</b>	<b>\$ 73,027</b>
<b>Intangible assets</b>						
Software	\$ 1,908	\$ 1,202	\$ 706	\$ 1,908	\$ 1,026	\$ 882

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

**April 30, 2017**

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**4. Business Operations**

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

	2017	2016
Insurance	\$ 18,390	\$ 21,933
Labour	175,342	164,017
Operating	58,953	68,680
Rent and license fees	39,142	37,454
Amortization of capital assets	9,105	10,075
	\$ 300,932	\$ 302,159

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**5. 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:

	2017	2016
Council	\$ 12,652	\$ 3,147
General operations	20,998	33,877
Sponsorship events	4,586	748
Liason travel	317	-
	\$ 38,553	\$ 37,772

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**6. 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, 2017.

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.

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

**April 30, 2017**

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**6. Risks and Concentrations (continued)**

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 2016 fiscal year.

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