

GSA Carleton Inc.
Financial Statements
For the year ended April 30, 2018

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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, 2018, 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, 2018, 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 16, 2018
Ottawa, Ontario

GSA Carleton Inc.
Statement of Financial Position

April 30 **2018** **2017**

Assets

Current

Bank	\$ 1,331,986	\$ 1,262,726
Short-term investments	-	23,886
Accounts receivable	3,142	4,989
Receivable from external organizations	26,742	16,698
Materials inventory	16,358	17,541
Prepaid expenses	3,579	300

1,381,807 **1,326,140**

Tangible capital assets (Note 1)

65,437 **67,146**

Intangible assets (Note 1)

564 **706**

\$ 1,447,808 **\$ 1,393,992**

Liabilities and Fund Balances

Current

Accounts payable and accrued liabilities	\$ 423,778	\$ 463,579
Government liabilities	3,941	4,539
Due to external organizations (Note 2)	184,997	150,185

612,716 **618,303**

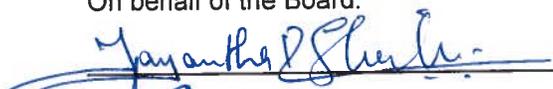
Fund balances

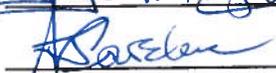
Unrestricted		
General Fund	348,424	322,415
Internally restricted funds:		
Invested in tangible capital assets and intangible assets	66,001	67,852
Capital development fund	129,410	118,066
Accessibility fund	246,368	226,946
Unicentre fund	21,806	21,806
Other funds	23,083	18,604

835,092 **775,689**

\$ 1,447,808 **\$ 1,393,992**

On behalf of the Board:

 _____ Director

 _____ Director

GSA Carleton Inc.
Statement of Changes in Fund Balances

For the year ended April 30, 2018

	Balance, beginning of year	Excess of revenue over expenses for the year	Transfer to (from)	Balance, end of year
Unrestricted				
General Fund	\$ 322,415	\$ 75,529	\$ (49,520)	\$ 348,424
Internally restricted				
Invested in tangible capital assets and intangible assets	67,852	(16,126)	14,275	66,001
Capital development fund	118,066	-	11,344	129,410
Accessibility fund	226,946	-	19,422	246,368
Unicentre fund	21,806	-	-	21,806
Other funds	18,604	-	4,479	23,083
	<u>453,274</u>	<u>(16,126)</u>	<u>49,520</u>	<u>486,668</u>
	\$ 775,689	\$ 59,403	-	\$ 835,092

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
Unrestricted				
General Fund	\$ 276,093	\$ 97,457	\$ (51,135)	\$ 322,415
Internally restricted				
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
	<u>419,140</u>	<u>(17,001)</u>	<u>51,135</u>	<u>453,274</u>
	\$ 695,233	\$ 80,456	-	\$ 775,689

GSA Carleton Inc.
Statement of Operations

For the year ended April 30

2018

2017

Revenue from business operations		
Sales	\$ 565,889	\$ 602,380
Cost of sales	<u>300,021</u>	<u>320,094</u>
Gross profit	<u>265,868</u>	<u>282,286</u>
Other revenue		
Student fees	835,483	823,143
Investment and other income	<u>20,624</u>	<u>29,140</u>
	<u>856,107</u>	<u>852,283</u>
Total revenue	<u>1,121,975</u>	<u>1,134,569</u>
Expenses		
Administration	94,088	86,508
Amortization of capital assets	7,714	7,896
Business operations (Note 3)	298,372	300,932
Bad debts	4,066	883
Council (Note 4)	18,875	23,637
Department rebates	718	4,123
Elections	8,965	8,822
General operations (Note 4)	44,388	59,015
Grants and awards	21,694	17,394
Liaison travel (Note 4)	9,694	12,166
Professional fees	21,672	14,739
Publications	4,814	4,588
Salaries and benefits	437,637	416,441
Service Centre distribution	60,000	60,000
Sponsored events (Note 4)	18,438	21,225
Travel grants	<u>11,437</u>	<u>15,744</u>
	<u>1,062,572</u>	<u>1,054,113</u>
Excess of revenue over expenses for the year	<u>\$ 59,403</u>	<u>\$ 80,456</u>

GSA Carleton Inc.
Statement of Cash Flows

For the year ended April 30	2018	2017
Cash flows from operating activities		
Excess of revenue over expenses for the year	\$ 59,403	\$ 80,456
Adjustments for		
Amortization of tangible and intangible capital assets	16,126	17,001
	75,529	97,457
Changes in non-cash working capital items		
Accounts receivable	(8,197)	38,621
Materials inventory	1,183	(2,169)
Prepaid expenses	(3,279)	295
Accounts payable and accrued liabilities	(39,801)	(46,708)
Government liabilities	(598)	3,509
Due to external organizations	34,812	10,126
	59,649	101,131
Cash flows from investing activities		
Purchase of assets	(14,275)	(10,944)
Reinvestment of interest	-	(3)
Proceeds on disposition of investments	23,886	-
	9,611	(10,947)
Increase in cash during the year	69,260	90,184
Cash, beginning of year	1,262,726	1,172,542
Cash, end of year	\$ 1,331,986	\$ 1,262,726

GSA Carleton Inc.
Summary of Significant Accounting Policies

April 30, 2018

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> 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> <p><u>Impairment</u> 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</p>

GSA Carleton Inc.
Summary of Significant Accounting Policies

April 30, 2018

Financial Instruments
(continued)

Impairment (continued)

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.

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.

GSA Carleton Inc.
Summary of Significant Accounting Policies

April 30, 2018

Fund Accounting
(continued)

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 Sexual Assault 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.

GSA Carleton Inc.
Notes to Financial Statements

April 30, 2018

1. Tangible Capital Assets and Intangible Assets

	2018			2017		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Tangible capital assets						
Mike's Place						
Furniture	\$ 70,185	\$ 62,951	\$ 7,234	\$ 70,185	\$ 61,142	\$ 9,043
Equipment	96,602	88,941	7,661	96,602	87,026	9,576
Computer equipment	2,407	2,063	344	2,407	1,916	491
Leasehold improvements	209,659	190,819	18,840	208,308	186,278	22,030
GSA Office						
Furniture and equipment	89,264	66,616	22,648	79,670	62,154	17,516
Computer equipment	84,824	76,937	7,887	81,494	74,033	7,461
Leasehold improvements	45,699	44,876	823	45,699	44,670	1,029
	\$ 598,640	\$ 533,203	\$ 65,437	\$ 584,365	\$ 517,219	\$ 67,146
Intangible assets						
Software	\$ 1,908	\$ 1,344	\$ 564	\$ 1,908	\$ 1,202	\$ 706

2. 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.

3. Business Operations

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

	2018	2017
Insurance	\$ 15,137	\$ 18,390
Labour	179,363	175,342
Operating	54,827	58,953
Rent and license fees	40,633	39,142
Amortization of capital assets	8,412	9,105
	\$ 298,372	\$ 300,932

GSA Carleton Inc.
Notes to Financial Statements

April 30, 2018

4. 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>2018</u>	<u>2017</u>
Council	\$ 9,980	\$ 12,652
General operations	28,195	20,998
Sponsorship events	3,089	4,586
Liaison travel	-	317
	<u>\$ 41,264</u>	<u>\$ 38,553</u>

5. 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, 2018.

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 2017 fiscal year.
