

GSA Carleton Inc.



Financial Statements

For the year ended April 30, 2022



GSA Carleton Inc.
Financial Statements
For the year ended April 30, 2022

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of GSA Carleton Inc. (the "Corporation") which comprise the statement of financial position as at April 30, 2022, and the statements of changes in fund balances, operations, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at April 30, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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. In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

AUDIT • TAX • ADVISORY

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Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly Ottawa LLP

Chartered Professional Accountants, Licensed Public Accountants
October 5, 2022
Ottawa, Ontario


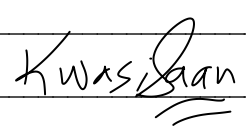
GSA Carleton Inc.
Statement of Financial Position

April 30	2022	2021
Assets		
Current		
Bank	\$ 2,066,502	\$ 1,757,386
Accounts receivable	-	102,793
Due from Carleton University	11,710	-
Materials inventory	871	871
Prepaid expenses	135,150	-
	2,214,233	1,861,050
Tangible capital assets (Note 1)	53,344	65,874
Intangible assets (Note 1)	5,346	6,682
	\$ 2,272,923	\$ 1,933,606

Liabilities and Fund Balances

Current		
Accounts payable and accrued liabilities	\$ 90,830	\$ 77,904
Government remittances	8,807	638
Deferred revenue (Notes 2 and 8)	464,661	428,880
Due to Carleton University	-	55,305
Due to designated organizations (Note 3)	205,196	170,425
	769,494	733,152
Fund balances		
Unrestricted		
General Fund	850,235	605,922
Internally restricted funds:		
Invested in tangible capital assets and intangible assets	58,690	72,556
Capital development fund	167,064	137,616
Accessibility fund	356,030	326,582
Unicentre fund	21,806	21,806
Other funds	49,604	35,972
	1,503,429	1,200,454
	\$ 2,272,923	\$ 1,933,606

On behalf of the Board:


 _____ Director

 _____ Director
 10/12/2022

GSA Carleton Inc.
Statement of Changes in Fund Balances

For the year ended April 30, 2022

	Balance, beginning of year	Excess of revenue over expenses for the year	Transfer to (from)	Balance, end of year
Unrestricted				
General Fund	\$ 605,922	\$ 318,484	\$ (74,171)	\$ 850,235
Internally restricted				
Invested in tangible capital assets and intangible assets	72,556	(15,509)	1,643	58,690
Capital development fund	137,616	-	29,448	167,064
Accessibility fund	326,582	-	29,448	356,030
Unicentre fund	21,806	-	-	21,806
Other funds	35,972	-	13,632	49,604
	594,532	(15,509)	74,171	653,194
	\$ 1,200,454	\$ 302,975	\$ -	\$ 1,503,429

For the year ended April 30, 2021

	Balance, beginning of year	Excess of revenue over expenses for the year	Transfer to (from)	Balance, end of year
Unrestricted				
General Fund, restated	\$ 250,312	\$ 416,033	\$ (60,423)	\$ 605,922
Internally restricted				
Invested in tangible capital assets and intangible assets	91,891	(19,335)	-	72,556
Capital development fund	109,815	-	27,801	137,616
Accessibility fund	298,783	-	27,799	326,582
Unicentre fund	21,806	-	-	21,806
Other funds	31,149	-	4,823	35,972
	553,444	(19,335)	60,423	594,532
	\$ 803,756	\$ 396,698	\$ -	\$ 1,200,454

GSA Carleton Inc.
Statement of Operations

For the year ended April 30	2022	2021
Revenue from business operations		
Sales	\$ -	\$ 617
Other revenue		
Student fees	989,727	929,590
Health insurance fees (Note 8)	1,359,427	1,414,574
Investment and other income	40,094	40,625
CEWS subsidy (Note 4)	67,033	326,696
	<u>2,456,281</u>	<u>2,711,485</u>
Total revenue	<u>2,456,281</u>	<u>2,712,102</u>
Expenses		
Administration	75,651	79,484
Amortization of tangible and intangible capital assets	11,643	14,445
Business operations (Note 5)	72,661	170,114
Bad debts	18,122	5,872
Council	4,873	2,700
Elections	4,450	4,560
General operations (Note 6)	30,863	48,138
Grants and awards	46,170	52,175
Health insurance costs (Note 8)	1,375,242	1,322,525
Professional fees	32,796	44,921
Publications	5,142	-
Salaries and benefits	432,863	506,389
Service centre distribution	40,000	60,000
Sponsored events (Note 6)	2,335	3,421
Travel grants	495	660
	<u>2,153,306</u>	<u>2,315,404</u>
Excess of revenue over expenses for the year	<u>\$ 302,975</u>	<u>\$ 396,698</u>

GSA Carleton Inc.
Statement of Cash Flows

For the year ended April 30	2022	2021
Cash flows from operating activities		
Excess of revenue over expenses for the year	\$ 302,975	\$ 396,698
Adjustments for		
Amortization of tangible and intangible capital assets	15,509	19,335
	318,484	416,033
Changes in non-cash working capital items		
Accounts receivable	102,794	(80,500)
Materials inventory	-	15,216
Prepaid expenses	(135,150)	-
Accounts payable and accrued liabilities	12,926	(29,409)
Government remittances	8,169	(3,900)
Deferred revenue	35,781	(4,029)
Due to Carleton University	(67,016)	33,805
Due to designated organizations	34,771	673
	310,759	347,889
Cash flows from investing activities		
Purchase of tangible capital assets	(1,643)	-
Increase in cash during the year	309,116	347,889
Cash, beginning of year	1,757,386	1,409,497
Cash, end of year	\$ 2,066,502	\$ 1,757,386

GSA Carleton Inc.

Summary of Significant Accounting Policies

April 30, 2022

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. <p>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.</p>
Basis of Presentation	<p>These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations which are part of 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>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><u><i>Measurement of arm's length financial instruments</i></u></p> <p>The Corporation initially measures its arm's length financial assets and liabilities at fair value. The Corporation subsequently measures all its arm's length financial assets and financial liabilities at amortized cost except for investments in equity instruments that are quoted in an active market, which are measured at fair value.</p> <p>Arm's length financial assets and financial liabilities measured at amortized cost include cash, accounts receivable, due from Carleton University, accounts payable and accrued liabilities, and due to designated organizations.</p> <p>There are no financial assets or financial liabilities measured at fair value.</p>

GSA Carleton Inc.
Summary of Significant Accounting Policies

April 30, 2022

**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 transaction 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 assets are 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, 2022

**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 Sexual Assault fund and the GRC fund. The sexual assault fund is used for activities related to the sexual assault programming, education and outreach. Designated student fees net of annual program expenditures are accumulated in the fund. . 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.

Deferred Revenue

Deferred revenue relates to health insurance fees collected from students in advance of the period in which the insurance relates and is recognized on a monthly basis as the insurance benefits are provided to the students.

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.

Government Assistance

The Corporation applied for financial assistance under government incentive programs. The Corporation recognizes these incentives as revenue when there is reasonable assurance that the Corporation has complied with the conditions for receipt of such assistance.

GSA Carleton Inc.
Notes to Financial Statements

April 30, 2022

1. Tangible Capital Assets and Intangible Assets

	2022			2021		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Tangible capital assets						
Mike's Place						
Furniture	\$ 70,185	\$ 67,222	\$ 2,963	\$ 70,185	\$ 66,481	\$ 3,704
Equipment	97,431	93,911	3,520	97,431	93,031	4,400
Computer equipment	4,796	4,058	738	4,796	3,741	1,055
Leasehold improvements	209,659	201,942	7,717	209,659	200,013	9,646
GSA Office						
Furniture and equipment	104,338	88,116	16,222	104,338	84,060	20,278
Computer equipment	93,111	87,847	5,264	91,467	85,826	5,641
Leasehold improvements	81,685	64,765	16,920	81,685	60,535	21,150
	\$ 661,205	\$ 607,861	\$ 53,344	\$ 659,561	\$ 593,687	\$ 65,874
Intangible assets						
Software	\$ 13,008	\$ 7,662	\$ 5,346	\$ 13,008	\$ 6,326	\$ 6,682

2. Deferred Revenue

	2022		2021	
Balance, beginning of year	\$ 428,880		\$ 432,909	
Amounts received during the year	1,395,208		1,410,545	
Less: Amount recognized as revenue during the year	(1,359,427)		(1,414,574)	
Balance, end of year	\$ 464,661		\$ 428,880	

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.

GSA Carleton Inc.
Notes to Financial Statements

April 30, 2022

4. CEWS Subsidy

CEWS subsidy represents Canada Emergency Wage Subsidy claimed by the Corporation during the year. Government assistance may be subject to audit under the terms and conditions of the subsidy program. Should an audit reveal that any of the qualifying criteria or expenses incurred are not in accordance with program guidelines, the federal government may require the Corporation to reimburse a portion of the assistance. Any reimbursements will be recorded in the year in which notice is provided to the Corporation.

5. Business Operations

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

	<u>2022</u>	<u>2021</u>
Insurance	\$ 14,621	\$ 10,530
Labour	-	84,607
Operating	14,917	29,619
Rent and license fees	39,257	40,468
Amortization of capital assets	3,866	4,890
	<u>\$ 72,661</u>	<u>\$ 170,114</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>2022</u>	<u>2021</u>
General operations	\$ 33,609	\$ 30,532
Sponsorship events	2,335	3,421
	<u>\$ 35,944</u>	<u>\$ 33,953</u>

GSA Carleton Inc.
Notes to Financial Statements

April 30, 2022

7. Risks and Concentrations

The Corporation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Corporation's risk exposure and concentrations as at April 30, 2022.

The Corporation is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

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 due from Carleton University.

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 designated organizations and government remittances.

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 previous fiscal year.

8. Change in Presentation of Health Insurance Fees and Costs

During the audit it was determined that health insurance fees should be reported on a gross basis; the Corporation previously reported this revenue on the net basis. As a result, the 2021 other revenue and expenses both increased by \$1,322,525. \$428,880 which was previously presented in accounts payable and accrued liabilities was reclassified as deferred revenue. This change did not impacted the prior year excess of revenues over expenses or the prior year restricted or unrestricted fund balances.

Other certain comparative amounts have been reclassified in order to conform to the presentation adopted for the current year.

GSA Carleton Inc.
Notes to Financial Statements

April 30, 2022

9. Economic Dependence

The Corporation depends primarily on the student fees received from Carleton University for financial support.

10. Uncertainty Due to COVID-19

The duration and full financial impact of the COVID-19 pandemic is unknown at this time, as are any additional measures to be taken by governments, the Corporation or others to attempt to reduce the spread of COVID-19. Any estimate of the length and severity of this pandemic is subject to significant uncertainty and accordingly it is unknown whether COVID-19 may materially and adversely impact the Corporation's operations, financial results and condition in future periods.
