

GSA Carleton Inc.



Financial Statements

For the year ended April 30, 2023



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Financial Statements
For the year ended April 30, 2023

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Independent Auditor's Report

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

Baker Tilly Ottawa LLP
Chartered Professional Accountants
400-301 Moodie Drive
Ottawa, ON
Canada K2H 9C4

T: +1 613.820.8010
F: +1 613.820.0465

ottawa@bakertilly.ca
www.bakertilly.ca

Opinion

We have audited the financial statements of GSA Carleton Inc. (the "Corporation") which comprise the statement of financial position as at April 30, 2023, 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, 2023, 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.

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
September 14, 2023
Ottawa, Ontario

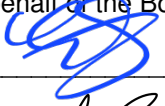

GSA Carleton Inc.
Statement of Financial Position

April 30	2023	2022
Assets		
Current		
Bank	\$ 2,134,597	\$ 2,066,502
Accounts receivable	14,866	-
Due from Carleton University	16,351	11,710
Materials inventory	13,114	871
Prepaid expenses	118,046	135,150
	2,296,974	2,214,233
Tangible capital assets (Note 1)	56,681	53,344
Intangible assets (Note 1)	4,277	5,346
	\$ 2,357,932	\$ 2,272,923

Liabilities and Fund Balances

Current		
Accounts payable and accrued liabilities	\$ 86,222	\$ 90,830
Government remittances	20,639	8,807
Deferred revenue (Note 2)	474,688	464,661
Due to designated organizations (Note 3)	207,102	205,196
	788,651	769,494
Fund balances		
Unrestricted		
General Fund	855,410	850,235
Internally restricted funds:		
Invested in tangible capital assets and intangible assets	60,958	58,690
Capital development fund	196,535	167,064
Accessibility fund	377,769	356,030
Unicentre fund	21,806	21,806
Other funds	56,803	49,604
	1,569,281	1,503,429
	\$ 2,357,932	\$ 2,272,923

On behalf of the Board:


 _____ President Director

 _____ Director

GSA Carleton Inc.
Statement of Changes in Fund Balances

For the year ended April 30, 2023

	Balance, beginning of year	Excess of revenue over expenses for the year	Transfer to (from)	Balance, end of year
Unrestricted				
General Fund	\$ 850,235	\$ 80,591	\$ (75,416)	\$ 855,410
Internally restricted				
Invested in tangible capital assets and intangible assets	58,690	(14,739)	17,007	60,958
Capital development fund	167,064	-	29,471	196,535
Accessibility fund	356,030	-	21,739	377,769
Unicentre fund	21,806	-	-	21,806
Other funds	49,604	-	7,199	56,803
	653,194	(14,739)	75,416	713,871
	\$ 1,503,429	\$ 65,852	\$ -	\$ 1,569,281

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, restated	\$ 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

GSA Carleton Inc.
Statement of Operations

For the year ended April 30	2023	2022
Revenue from business operations		
Sales	\$ 95,562	\$ -
Inventory expensed as cost of sales	38,970	-
	<u>56,592</u>	<u>-</u>
Gross profit		
Other revenue		
Student fees	1,023,844	989,727
Health insurance fees	1,415,316	1,359,427
Investment and other income	40,775	40,094
CEWS subsidy (recovered)	(3,800)	67,033
	<u>2,476,135</u>	<u>2,456,281</u>
Total revenue	<u>2,532,727</u>	<u>2,456,281</u>
Expenses		
Administration	80,433	75,651
Amortization of tangible and intangible capital assets	9,609	11,643
Business operations (Note 4)	228,586	72,661
Bad debts	8,945	18,122
Council	9,029	4,873
Elections	4,071	4,450
General operations	28,025	30,863
Grants and awards	67,931	46,170
Health insurance costs	1,400,254	1,375,242
Liaison travel	9,527	-
Professional fees	28,853	32,796
Publications	-	5,142
Salaries and benefits	460,688	432,863
Service centre distribution	103,900	40,000
Sponsored events	25,149	2,335
Travel grants	1,875	495
	<u>2,466,875</u>	<u>2,153,306</u>
Excess of revenue over expenses for the year	<u>\$ 65,852</u>	<u>\$ 302,975</u>

GSA Carleton Inc.
Statement of Cash Flows

For the year ended April 30	2023	2022
Cash flows from operating activities		
Excess of revenue over expenses for the year	\$ 65,852	\$ 302,975
Adjustments for		
Amortization of tangible and intangible capital assets	14,739	15,509
	80,591	318,484
Changes in non-cash working capital items		
Accounts receivable	(14,866)	102,794
Materials inventory	(12,243)	-
Prepaid expenses	17,104	(135,150)
Accounts payable and accrued liabilities	(4,608)	12,926
Government remittances	11,832	8,169
Deferred revenue	10,027	35,781
Due to Carleton University	(4,641)	(67,016)
Due to designated organizations	1,906	34,771
	85,102	310,759
Cash flows from investing activities		
Purchase of tangible capital assets	(17,007)	(1,643)
	68,095	309,116
Increase in cash during the year	68,095	309,116
Cash, beginning of year	2,066,502	1,757,386
Cash, end of year	\$ 2,134,597	\$ 2,066,502

GSA Carleton Inc.

Summary of Significant Accounting Policies

April 30, 2023

Nature of Business

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:

- 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; and
- iv) advancing the cause of higher learning.

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.

Basis of Presentation

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.

Use of Estimates

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, estimated useful life of tangible and intangible capital assets, and certain accrued liabilities. Actual results could differ from these estimates.

Financial Instruments

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.

Measurement of arm's length financial instruments

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.

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.

There are no financial assets or financial liabilities measured at fair value.

GSA Carleton Inc.
Summary of Significant Accounting Policies

April 30, 2023

**Financial Instruments
(continued)**

Impairment

Financial assets measured at amortized 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, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. 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.

It is the Corporation's policy to expense capital items below a threshold of \$500.

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 restricted fund 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.

GSA Carleton Inc.

Summary of Significant Accounting Policies

April 30, 2023

**Fund Accounting
(continued)**

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. 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.

The Unicentre fund accounted for joint programs with Carleton University and CUSA. Graduate students voted to terminate the University Centre levy as of the Spring/Summer 2015 term. Any unused funds have been internally restricted at the discretion of the Board of Directors.

Other funds includes the Sexual Assault fund and GRC fund. The sexual assault fund relates 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.

GSA Carleton Inc.
Summary of Significant Accounting Policies

April 30, 2023

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, 2023

1. Tangible Capital Assets and Intangible Assets

	2023			2022		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Tangible capital assets						
Mike's Place						
Furniture	\$ 70,185	\$ 67,814	\$ 2,371	\$ 70,185	\$ 67,222	\$ 2,963
Equipment	103,967	95,269	8,698	97,431	93,911	3,520
Computer equipment	10,780	5,476	5,304	4,796	4,058	738
Leasehold improvements	211,838	203,703	8,135	209,659	201,942	7,717
GSA Office						
Furniture and equipment	105,627	91,489	14,138	104,338	88,116	16,222
Computer equipment	94,129	89,630	4,499	93,111	87,847	5,264
Leasehold improvements	81,685	68,149	13,536	81,685	64,765	16,920
	\$ 678,211	\$ 621,530	\$ 56,681	\$ 661,205	\$ 607,861	\$ 53,344
Intangible assets						
Software	\$ 13,008	\$ 8,731	\$ 4,277	\$ 13,008	\$ 7,662	\$ 5,346

2. Deferred Revenue

	2023	2022
Balance, beginning of year	\$ 464,661	\$ 428,880
Amounts received during the year	1,425,343	1,395,208
Less: Amount recognized as revenue during the year	(1,415,316)	(1,359,427)
Balance, end of year	\$ 474,688	\$ 464,661

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, 2023

4. Business Operations

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

	<u>2023</u>		<u>2022</u>
Insurance	\$ 11,622	\$	14,621
Labour	112,767		-
Operating	59,542		14,917
Rent and license fees	39,525		39,257
Amortization of capital assets	5,130		3,866
	<u>\$ 228,586</u>	\$	<u>72,661</u>

5. Economic Dependence

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

6. 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, 2023.

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.

GSA Carleton Inc.
Notes to Financial Statements

April 30, 2023

5. Risks and Concentrations (continued)

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 changes in the Corporation risk exposures from the prior year.
