

GSA Carleton Inc.



Financial Statements

For the year ended April 30, 2024



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Independent Auditor's Report

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

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Opinion

We have audited the financial statements of GSA Carleton Inc. (the "Corporation") which comprise the statement of financial position as at April 30, 2024, 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, 2024, 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 13, 2024
Ottawa, Ontario



GSA Carleton Inc.
Statement of Financial Position

April 30	2024	2023
Assets		
Current		
Bank	\$ 2,376,959	\$ 2,134,597
Short-term investment (Note 1)	15,156	-
Accounts receivable	1,258	14,866
Due from Carleton University	-	16,351
Materials inventory	6,850	13,114
Prepaid expenses	128,618	118,046
	2,528,841	2,296,974
Tangible capital assets (Note 2)	74,412	56,681
Intangible assets (Note 2)	3,421	4,277
	\$ 2,606,674	\$ 2,357,932

Liabilities and Fund Balances

Current		
Accounts payable and accrued liabilities	\$ 338,923	\$ 86,222
Government remittances	20,226	20,639
Deferred revenue	512,306	474,688
Due to Carleton University	22,625	-
Due to designated organizations (Note 3)	232,427	207,102
	1,126,507	788,651
Fund balances		
Unrestricted		
General fund	722,466	855,410
Internally restricted funds:		
Invested in tangible capital assets and intangible assets	77,835	60,958
Restricted funds:		
Capital development fund	213,631	196,535
Accessibility fund	382,627	377,769
Unicentre fund	21,806	21,806
Other funds	61,802	56,803
	1,480,167	1,569,281
	\$ 2,606,674	\$ 2,357,932

On behalf of the Board:


 _____ Director

 _____ Director

GSA Carleton Inc.
Statement of Changes in Fund Balances

For the year ended April 30, 2024

	Balance, beginning of year	Excess of revenue over expenses for the year	Transfer to (from)	Balance, end of year
Unrestricted				
General fund	\$ 855,410	\$ (132,944)	\$ -	\$ 722,466
Internally restricted				
Invested in tangible capital assets and intangible assets	60,958	(17,090)	33,967	77,835
Externally restricted				
Capital development fund	196,535	31,755	(14,659)	213,631
Accessibility fund	377,769	24,166	(19,308)	382,627
Unicentre fund	21,806	-	-	21,806
Other funds	56,803	4,999	-	61,802
	652,913	60,920	(33,967)	679,866
	\$ 1,569,281	\$ (89,114)	\$ -	\$ 1,480,167

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	\$ 22,182	\$ (17,007)	\$ 855,410
Internally restricted				
Invested in tangible capital assets and intangible assets	58,690	(14,739)	17,007	60,958
Externally restricted				
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
	594,504	58,409	-	652,913
	\$ 1,503,429	\$ 65,852	\$ -	\$ 1,569,281

GSA Carleton Inc.
Statement of Operations

For the year ended April 30

2024

2023

	Unrestricted	Externally Restricted	Total	Total
Revenue from business operations				
Sales	\$ 229,294	\$ -	\$ 229,294	\$ 95,562
Inventory expensed as cost of sales	92,361	-	92,361	38,970
Gross profit	136,933	-	136,933	56,592
Other revenue				
Student fees	1,086,688	84,650	1,171,338	1,023,844
Health insurance fees	1,507,542	-	1,507,542	1,415,316
Investment and other income	40,490	-	40,490	40,775
CEWS subsidy (recovered)	-	-	-	(3,800)
	2,634,720	84,650	2,719,370	2,476,135
Total revenue	2,771,653	84,650	2,856,303	2,532,727
Expenses				
Administration	104,318	-	104,318	80,433
Amortization of tangible and intangible capital assets	10,808	-	10,808	9,609
Bad debts	14,605	-	14,605	8,945
Business operations (Note 4)	337,957	-	337,957	228,586
Council	1,477	-	1,477	9,029
Elections	4,736	-	4,736	4,071
General operations	24,084	7,589	31,673	34,219
Grants and awards	178,158	-	178,158	62,535
Health insurance costs	1,493,532	-	1,493,532	1,400,254
Liaison travel	6,229	-	6,229	9,527
Professional fees	47,856	-	47,856	28,853
Salaries and benefits	525,459	10,806	536,265	460,688
Service centre distribution	148,987	-	148,987	103,900
Sexual assault awareness	-	5,335	5,335	1,077
Sponsored events	23,481	-	23,481	25,149
	2,921,687	23,730	2,945,417	2,466,875
Excess (deficiency) of revenue over expenses for the year	\$ (150,034)	\$ 60,920	\$ (89,114)	\$ 65,852

GSA Carleton Inc.
Statement of Cash Flows

For the year ended April 30	2024	2023
Cash flows from operating activities		
Excess (deficiency) of revenue over expenses for the year	\$ (89,114)	\$ 65,852
Adjustments for		
Amortization of tangible and intangible capital assets	17,090	14,739
	<u>(72,024)</u>	80,591
Changes in non-cash working capital items		
Accounts receivable	13,608	(14,866)
Materials inventory	6,264	(12,243)
Prepaid expenses	(10,572)	17,104
Accounts payable and accrued liabilities	252,701	(4,608)
Government remittances	(413)	11,832
Deferred revenue	37,618	10,027
Due to/from Carleton University	38,977	(4,641)
Due to designated organizations	25,325	1,906
	<u>291,484</u>	85,102
Cash flows from investing activities		
Net increase in investments	(15,156)	-
Purchase of tangible capital assets	(33,966)	(17,007)
	<u>242,362</u>	68,095
Increase in cash during the year	242,362	68,095
Cash, beginning of year	2,134,597	2,066,502
Cash, end of year	\$ 2,376,959	\$ 2,134,597

GSA Carleton Inc.

Summary of Significant Accounting Policies

April 30, 2024

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 estimated useful life of tangible and intangible capital assets and certain accrued liabilities. 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, short-term investment, due to 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, 2024

**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

In accordance with the principles of fund accounting, the Corporation maintains its accounting records to ensure that limitations and restrictions placed on the use of available resources are observed. Under this method, all resources are classified for accounting and reporting purposes into funds that are in accordance with specific activities and objectives. Accordingly, separate accounts are maintained for the following funds:

GSA Carleton Inc.

Summary of Significant Accounting Policies

April 30, 2024

**Fund Accounting
(continued)**

General Fund

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.

Capital Development Fund

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 as defined by the student fee and service agreement with Carleton University.

Accessibility Fund

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 as defined by the student fee and service agreement with Carleton University.

Unicentre Fund

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 restricted for future payments out of this fund as defined by the student fee and service agreement with Carleton University.

Other Funds

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. Fund expenditures are paid out as defined by the student fee and service agreement with Carleton University.

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

The Corporation follows the restricted fund method of accounting for revenue. 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.

GSA Carleton Inc.
Summary of Significant Accounting Policies

April 30, 2024

**Revenue Recognition
(continued)**

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.

Allocation of Costs

The Corporation engages in different programs for the students. The costs of each program include direct costs of the program as well as other allocated costs. The allocated costs include administrative salaries that are common to the administration of each of the programs, as well as other overhead costs such as professional fees, insurance, and other administration costs. The allocated costs are based on estimated usage by each program which is applied on a consistent basis each year.

GSA Carleton Inc.
Notes to Financial Statements

April 30, 2024

1. Short-Term Investments

The short-term investment consists of a guaranteed investment certificate with a fixed rate of 5.20%, maturing by February 2025.

2. Tangible Capital Assets and Intangible Assets

	2024			2023		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Tangible capital assets						
Mike's Place						
Furniture	\$ 75,309	\$ 68,801	\$ 6,508	\$ 70,185	\$ 67,814	\$ 2,371
Equipment	103,967	97,008	6,959	103,967	95,269	8,698
Computer equipment	10,780	7,067	3,713	10,780	5,476	5,304
Leasehold improvements	215,218	205,668	9,550	211,838	203,703	8,135
GSA Office						
Furniture and equipment	121,613	95,915	25,698	105,627	91,489	14,138
Computer equipment	99,350	92,024	7,326	94,129	89,630	4,499
Leasehold improvements	85,940	71,282	14,658	81,685	68,149	13,536
	\$ 712,177	\$ 637,765	\$ 74,412	\$ 678,211	\$ 621,530	\$ 56,681
Intangible assets						
Software	\$ 13,008	\$ 9,587	\$ 3,421	\$ 13,008	\$ 8,731	\$ 4,277

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, 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, 2024

4. Business Operations

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

	<u>2024</u>	<u>2023</u>
Insurance	\$ 9,685	\$ 11,622
Labour	215,145	112,767
Operating	57,884	59,542
Rent and license fees	48,961	39,525
Amortization of tangible capital assets	6,282	5,130
	<u>\$ 337,957</u>	<u>\$ 228,586</u>

5. Commitments

The Corporation has leased space under an agreement which expires April 30, 2029. Future minimum payments excluding HST are as follows:

2025	\$ 103,580
2026	103,580
2027	103,580
2028	103,580
2029	103,580
	<u>\$ 517,900</u>

6. Economic Dependence

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

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, 2024.

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.

GSA Carleton Inc.
Notes to Financial Statements

April 30, 2024

7. Risks and Concentrations (continued)

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 risk mainly in respect of any amount due from Carleton.

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 due to Carleton University.

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's risk exposures from the prior year.

8. Comparative Amounts

In certain instances 2023 amounts presented for comparative purposes have been reclassified to conform to the financial statement presentation adopted for the current year.
