

Carleton University Students' Association, Inc.
Financial Statements
For the year ended April 30, 2008

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Auditors' Report

**To the Members of
Carleton University Students' Association, Inc.**

We have audited the statement of financial position of Carleton University Students' Association, Inc. as at April 30, 2008 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the association as at April 30, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Ontario Corporations Act, we report that in our opinion, except for the changes in accounting policies and standards for financial instruments as explained in the summary of significant accounting policies, these principles have been applied on a basis consistent with that of the preceding year.

Collins Barrow Ottawa LLP

Chartered Accountants, Licensed Public Accountants

August 18, 2009

Carleton University Students' Association, Inc.
Statement of Financial Position

April 30 2008 2007

Assets

Current

Cash	\$ 936,594	\$ 2,200,623
Marketable securities	554,741	1,241,198
Prepaid expenses	56,331	48,352
Accounts receivable (Note 1)	155,125	162,473
Inventories	111,196	103,692

1,813,987 3,756,338

Long-term investments (Note 3) 580,000 425,032

Due from Haven Books Inc. 220,558 -

Capital assets (Note 2) 1,156,485 512,606

Investment in Haven Books Inc. (Note 4) 303,906 -

\$ 4,074,936 \$ 4,693,976

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$ 1,404,076	\$ 1,530,487
Due to Carleton University	40,072	510,442
Deferred contributions (Note 6)	190,333	139,432
Due to Radio Carleton Inc.	110,604	83,221

1,745,085 2,263,582

Deferred contributions related to capital assets (Note 7) 20,420 41,245

1,765,505 2,304,827

Contingent liability (Note 11)

Net assets

Invested in capital assets	1,136,065	471,361
Unrestricted	873,366	1,617,788
Internally restricted	300,000	300,000

2,309,431 2,389,149

\$ 4,074,936 \$ 4,693,976

On behalf of the Council:

_____ Director _____ Director

Carleton University Students' Association, Inc.
Statement of Changes in Net Assets

For the year ended April 30

	Invested in Capital Assets	Unrestricted	Internally Restricted (Note 9)	2008	2007
Balance, beginning of year	\$ 471,361	\$ 1,617,788	\$ 300,000	\$ 2,389,149	\$ 2,023,817
Net revenue (expenses) for the year (1)	(109,491)	29,773	-	(79,718)	365,332
Net acquisition of capital assets (2)	774,195	(774,195)	-	-	-
Balance, end of year	\$ 1,136,065	\$ 873,366	\$ 300,000	\$ 2,309,431	\$ 2,389,149

(1) Amortization expense	\$ (127,275)
Loss on disposal of capital assets	3,041
Less amortization of deferred contributions recognized as revenue (Note 9)	20,825
	<u>\$ (109,491)</u>

(2) Total acquisition of capital assets	\$ 774,195
Less deferred contributions	-
	<u>\$ 774,195</u>

Carleton University Students' Association, Inc.
Statement of Operations

For the year ended April 30	2008	2007
Revenue		
Business operations - Schedule 1	\$ 1,941,372	\$ 1,952,843
University Centre - Schedule 2	1,229,834	1,245,523
Student fees	707,242	720,094
Other revenue - Carleton Operations - Schedule 3	336,927	384,175
Investment	139,555	145,283
Equity in investment in Haven Books Inc.	(33,430)	-
	<u>4,321,500</u>	<u>4,447,918</u>
Expenses		
Administrative	608,406	543,764
Business operations - Schedule 1		
Cost of sales	1,775,742	1,699,277
Operating expenses	322,612	281,576
Campus clubs	97,627	97,516
Elections	42,435	23,226
Entertainment productions	26,194	31,987
Executives	585,153	478,082
Media expenses		
Publications	105,745	112,324
Office automation	32,776	28,901
Student council	16,930	13,158
Student issues	55,371	79,836
Student services	35,205	6,167
University Centre - Schedule 2	697,022	686,772
	<u>4,401,218</u>	<u>4,082,586</u>
Net revenue (expenses) for the year	\$ (79,718)	\$ 365,332

Note:

Amortization of capital assets included in expenses is as follows:

2008	\$ 127,275
2007	97,182

Carleton University Students' Association, Inc.
Statement of Cash Flows

For the year ended April 30	2008	2007
Cash flows from operating activities		
Net revenue (expenses) for the year	\$ (79,718)	\$ 365,332
Adjustments for:		
Amortization of capital assets	127,275	97,182
Loss on disposal of capital assets	3,041	-
Equity in investment in Haven Books Inc.	33,430	-
Amortization of deferred contributions related to capital assets	(20,825)	(24,466)
	<u>63,203</u>	438,048
Changes in non-cash working capital items		
Accounts receivable	7,348	58,674
Inventories	(7,504)	(8,345)
Prepaid expenses	(7,979)	6,172
Accounts payable and accrued liabilities	(126,411)	385,317
Due to Carleton University	(470,370)	465,289
Deferred contributions	50,901	42,848
Due to Radio Carleton Inc.	27,383	44,541
	<u>(463,429)</u>	1,432,544
Cash flows from investing activities		
Investment in Haven Books Inc.	(337,336)	-
Purchase of capital assets	(774,195)	(445,017)
Deferred contributions related to capital assets	-	14,042
Purchase of investments	-	(2,253,886)
	<u>(1,111,531)</u>	(2,684,861)
Cash flows from financing activities		
Increase in due from Haven Books Inc.	(220,558)	-
Proceeds on disposals of investments	531,489	2,185,859
	<u>310,931</u>	2,185,859
Increase (decrease) in cash during the year	(1,264,029)	933,542
Cash and cash equivalents, beginning of year	<u>2,200,623</u>	<u>1,267,081</u>
Cash and cash equivalents, end of year	\$ 936,594	\$ 2,200,623

Carleton University Students' Association, Inc. Summary of Significant Accounting Policies

April 30, 2008

Nature of Organization	<p>Carleton University Students' Association, Inc. ("the Association") is incorporated as a not-for-profit organization without share capital under the Corporations Act of Ontario and is not subject to income tax. The Association has four purposes and objectives:</p> <ul style="list-style-type: none">a) to serve the needs of students;b) to represent the students of Carleton University to the University Administration, to the public and public officials, to other centres of learning and to other organizations;c) to advance the cause of higher learning at Carleton University, and the Province of Ontario, and the Dominion of Canada and;d) to promote and assist in maintaining an academic and social environment free of prejudice, exploitations, abuse or violence on the basis of, but not limited to, sex, race, language, religion, age, national or social status, political affiliation or belief, sexual orientation or marital status.
Changes in Accounting Policies and Standards	<p>Effective May 1, 2007, the association adopted the CICA Handbook Section 3855, Financial Instruments – Recognition and Measurement. The new accounting standards for financial instruments require that all financial assets and financial liabilities be classified according to their characteristics, management's intentions, or the choice of category in certain circumstances. When initially recognized, all financial assets and financial liabilities are recorded at fair value. In subsequent periods, financial assets and financial liabilities will be measured at fair value, except for those financial instruments with long-term maturities and for which the association has the intent and ability to hold these financial instruments to maturity which will be measured at amortized cost using the effective interest rate method. Gains or losses arising from a change in the fair value of a financial asset or financial liability are recognized in operations as they occur. Previously the association's financial assets and financial liabilities were recorded at cost and gains and losses were only recognized when realized. Since fair value of the association's financial instruments approximate carrying values due to their short-term maturities, this change in accounting policy did not have an impact on the association's financial statements, so the required retrospective application of this change in accounting policy was not considered necessary.</p> <p>Effective May 1, 2007, the association also adopted the CICA Handbook Section 3861, Financial Instruments – Disclosure and Presentation, which establishes standards for presentation and disclosure of financial instruments.</p>

Carleton University Students' Association, Inc. Summary of Significant Accounting Policies

April 30, 2008

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Financial Instruments

The Association's financial instruments consist of cash, accounts receivable, marketable securities, investments in Haven Books Inc., due from Haven Books Inc., accounts payable and accrued liabilities, due to Carleton University and due to Radio Carleton Inc.

Cash, accounts receivable, due from Haven Books Inc., accounts payable and accrued liabilities, due to Carleton University and due to Radio Carleton Inc. are carried at cost which is equivalent to their fair values given their short-term maturities, unless otherwise noted.

Marketable securities and long term investments are classified as held for trading and are measured at their fair value based on brokers' statements.

Investment in Haven Books Inc. is recorded at cost plus its accumulated equity share in net income (loss).

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Financial Risk Management

The association manages its investments according to its cash needs and in such a way as to maximize investment income. The Board is not involved in any hedging relationships through its operations and does not hold or use any derivative instruments for trading purposes.

Contributed Materials and Services

Volunteers, as well as members of the staff of CUSA, contribute an indeterminable number of hours per year to assist CUSA in carrying out its service activities. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

Carleton University Students' Association, Inc. Summary of Significant Accounting Policies

April 30, 2008

Capital Assets and Amortization

Capital assets are stated at cost, or if contributed, their fair market value at the time of contribution. Amortization is provided for over the estimated useful life of the assets at the following annual rates:

Automation equipment	3 - 5 years straight-line basis
Equipment and furniture	5 years straight-line basis
Leasehold improvements	10 years straight-line basis
Accessibility program assets	5 years straight-line basis

University Services

Amounts received by the Association from Carleton University in regards to Radio Carleton Inc., the Ontario Public Interest Research Group, the University of Ottawa Community Legal Clinic, the Canadian Federation of Students, the Ontario Federation of Students, the World University Services of Canada, the Interval House, the Commerce Society, the Carleton University Student Emergency Response Team, Engineers without Borders, Sock'n' Buskin Theatre Company, the Charlatan and the New University Government are re-distributed to the respective organizations and not recognized as revenue.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on the first-in, first-out method.

Revenue Recognition

The Association follows the deferral method of accounting for restricted contributions. Restricted contributions are recorded as deferred contributions and are recognized as revenue when the related expenditures are incurred.

Student fees are recognized as revenue when received or receivable if amounts can be reasonably estimated and collection is reasonably assured.

Revenue received by the Association for provision of goods or services is recognized when goods or services are provided.

Investment income is recognized as revenue when earned. Fair value changes for investments are recorded as income and recorded in the statement of operations.

Capital Disclosures

The Association's objectives when managing capital are to:

- safeguard the Association's ability to continue as a going concern;
- provide an adequate return that will enable it to continue the mission of the Association.

The Association sets the amount of capital in proportion to risk. The Association manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying asset. The organization is not subject to any externally imposed capital requirements.

Carleton University Students' Association, Inc.
Notes to Financial Statements

April 30, 2008

1. Accounts Receivable

Accounts receivable includes amounts owing from the GSA Carleton Inc. of \$95,445 (2007 - \$75,877).

2. Capital Assets

	2008		2007	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
General				
Office equipment	\$ 67,704	\$ 32,220	\$ 35,484	\$ 46,139
Leasehold improvements	20,446	18,050	2,396	3,194
Accessibility program assets	150,095	129,675	20,420	41,245
	238,245	179,945	58,300	90,578
Business operations				
Equipment				
Olivers	100,921	61,088	39,833	39,829
Roosters	63,817	48,627	15,190	13,629
Unicentre Store	15,760	9,558	6,202	8,913
Leasehold improvements				
Olivers	671,491	395,979	275,512	306,603
Roosters	124,000	124,000	-	-
Unicentre Store	196,379	196,379	-	-
Building	709,667	2,366	707,301	-
	1,882,035	837,997	1,044,038	368,974
Automation equipment	181,857	146,969	34,888	26,018
	2,302,137	1,164,911	1,137,226	485,570
University Centre				
Equipment - Main hall	32,502	19,867	12,635	8,767
Leasehold improvements	162,533	155,909	6,624	18,269
	195,035	175,776	19,259	27,036
	\$ 2,497,172	\$ 1,340,687	\$ 1,156,485	\$ 512,606

Carleton University Students' Association, Inc.
Notes to Financial Statements

April 30, 2008

3. Short-Term and Long-Term Investments

	2008		2007	
	Book Value	Market Value	Book Value	Market Value
Fixed income Short-term	\$ 554,741	\$ 565,216	\$ 1,241,198	\$ 1,255,149
Fixed income Long-term	580,000	577,970	425,032	429,689
	<u>\$ 1,134,741</u>	<u>\$ 1,143,186</u>	<u>\$ 1,666,230</u>	<u>\$ 1,684,838</u>

The difference of \$8,445 between market value and book value represents accrued interest that is included in accounts receivable.

Market Values

Market values of assets approximate amounts at which these instruments could be exchanged in a transaction between knowledgeable and willing parties. For the fixed income investments, publicly quoted investment information supplied by the custodian of securities is used to determine the market value. The estimated market value may differ from that which could be realized in an immediate settlement of the investments.

Fixed Income Investments

The fixed income investments consist of federal government bonds, provincial government bonds, guaranteed investment certificates, bankers acceptances and corporate bonds. The stated interest rates for these investments range from 3.65% to 4.35%. The investments mature between May 2007 and June 2011.

4. Investment in Haven Books Inc.

On February 8, 2008, the association purchased 100% of the shares of Haven Books Inc. and Haven Books 02 Inc. Both companies are incorporated under the laws of Canada. Haven Books Inc. operates a bookstore and is subject to corporate income taxes. Haven Books 02 Inc. is inactive.

Cost of investment during the year	\$ 337,336
Equity from investment for the year	<u>(33,430)</u>
Balance, end of year	<u>\$ 303,906</u>

Carleton University Students' Association, Inc.
Notes to Financial Statements

April 30, 2008

4. Investments (continued)

Haven Books Inc.
Financial Position

Total assets	\$ 96,278
Total liabilities	\$ 280,765
Shareholder's deficiency	<u>(184,487)</u>
	<u>\$ 96,278</u>

Results of Operations

Total revenues	\$ 25,139
Total expenses	<u>58,569</u>
Net loss	<u>\$ (33,430)</u>

5. Employee Benefits

The Association provides termination benefits for all full-time employees. These benefits provide for the payment on termination of one week's normal salary for every year of service with the Association at the current rate of pay, as well as fifty percent of the value of all accrued sick leave credits at the current rate of pay.

In 2008, the value of these benefits is \$306,300 and is included in accounts payable and accrued liabilities (2007 - \$279,122).

Carleton University Students' Association, Inc.
Notes to Financial Statements

April 30, 2008

6. Deferred Contributions

Deferred contributions represent unexpended externally restricted amounts relating to the Accessibility Program received in the current and prior years for expenditures in a future year. The contributions are used to ensure that both events held and services provided by CUSA are accessible to all students. Changes in the deferred balance are as follows:

	2008	2007
Balance, beginning of year	\$ 139,432	\$ 96,584
Contribution received	92,984	94,675
Amount remitted to Carleton University	(33,600)	(34,000)
Transfer to deferred contributions - capital assets	-	(14,042)
Recognized as revenue	(8,483)	(3,785)
	\$ 190,333	\$ 139,432

7. Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets represent the unamortized amount used for the purchase of capital assets relating to Accessibility Program. The changes in the deferred balance are as follows:

	2008	2007
Balance, beginning of year	\$ 41,245	\$ 51,669
Transfer from deferred revenue - Accessibility Program	-	14,042
Recognized as revenue	(20,825)	(24,466)
	\$ 20,420	\$ 41,245

8. Line of Credit

The Association has an operating line of credit with the Scotiabank in the amount of \$15,000. At the year end none of the line was used.

Carleton University Students' Association, Inc.
Notes to Financial Statements

April 30, 2008

9. Internally Restricted

Building Fund

The organization has set aside a reserve in the amount of \$300,000 for the future purchase of a building or possible capital improvements to existing premises.

10. Commitments

The Association entered into an agreement in April 1996 with Carleton University for the use of space. The five year agreement ended in April 2001 and is renewed automatically for successive five year periods.

The rent paid to Carleton University is based on the square footage occupied by the Association from year to year. During the current year \$438,468 was paid for rent (2007 - \$394,748).

Because the space requirements can change, we are unable to determine the rent that will be paid for the next five years.

11. Contingent Liability

Correspondence has been received from various parties which provide notice of possible claims with respect to a vehicle accident in the City of Ottawa. In the opinion of management, the outcome of these possible claims is not determinable. Any resulting losses will be charged to operations in the year of resolutions.

12. Comparative Figures

Comparative amounts were reported on by another Chartered Accounting firm under an audit report.

In some instances comparative amounts have been changed to conform to the presentation format adopted for the current year.

Carleton University Students' Association, Inc.
Schedule 1 - Revenue and Expenses - Business Operations

For the year ended April 30

	Roosters	Olivers	Unicentre Store	2008	2007
Sales	\$ 586,430	\$ 579,782	\$ 775,160	\$ 1,941,372	\$ 1,952,843
Cost of sales	472,001	575,464	728,277	1,775,742	1,699,277
Gross profit	114,429	4,318	46,883	165,630	253,566
Operating expenses	77,315	203,377	41,920	322,612	281,576
Net revenue (expenses) for the year	\$ 37,114	\$ (199,059)	\$ 4,963	\$ (156,982)	\$ (28,010)

Carleton University Students' Association, Inc.
Schedule 2 - Revenue and Expenses
- University Centre Operations

For the year ended April 30	2008	2007
Revenue		
University Centre fees	\$ 929,984	\$ 948,265
Building operations	170,958	172,488
GSA funding contribution	101,090	82,872
Other revenue - Schedule 3	27,802	41,898
	<u>1,229,834</u>	<u>1,245,523</u>
Expenses		
Aboriginal Centre	22,206	16,883
Bill Ellis Centre for Mature and Part-time Students	43,176	37,826
Building operations	285,050	280,371
Building security	923	3,809
Carleton Disability Awareness Centre	31,093	23,204
Food centre	32,354	27,608
Foot patrol	39,144	45,183
Gay, Lesbian, Bisexual Transgendered Centre	41,797	39,792
International Students' Centre	47,882	53,890
Ombudsman's office	83,903	82,986
Racial, ethnicity and cultural hall	34,121	31,399
Womyn's centre	35,373	43,821
	<u>697,022</u>	<u>686,772</u>
Net revenue for the year	\$ 532,812	\$ 558,751

Carleton University Students' Association, Inc.
Schedule 3 - Other Revenue

For the year ended April 30 2008 2007

University Centre Operations - Other Revenue

Disability Awareness Centre	\$	-	\$	3
Entertainment and production		1,763		6,792
Foot patrol		33,042		33,277
International Students' Centre		8,324		8,695
Women's Centre		122		737
Miscellaneous (expense)		(15,449)		(7,606)
	\$	27,802	\$	41,898

Carleton Operations - Other Revenue

Clubs	\$	55,856	\$	56,805
Publications		20,400		20,946
Elections		9,000		9,000
Fax and photo		1,431		3,356
Front office services		143,938		189,420
Miscellaneous		106,302		104,648
	\$	336,927	\$	384,175