

Carleton University Students' Association, Inc.
Financial Statements
For the year ended April 30, 2009

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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, 2009 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, 2009 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 Canada Corporations Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Collins Barrow Ottawa LLP

Chartered Accountants, Licensed Public Accountants

November 25, 2009

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

April 30

2009

2008

Assets

Current

Cash (Note 1)	\$ 1,552,876	\$ 936,594
Marketable securities (Note 4)	220,159	554,741
Prepaid expenses	64,401	56,331
Accounts receivable (Note 2)	281,295	155,125
Inventories	125,899	111,196
	<u>2,244,630</u>	<u>1,813,987</u>
Long-term investments (Note 4)	578,838	580,000
Due from Haven Books Inc.	282,059	220,558
Capital assets (Note 3)	1,072,041	1,156,485
Investment in Haven Books Inc. (Note 5)	360,695	303,906
	<u>\$ 4,538,263</u>	<u>\$ 4,074,936</u>

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$ 1,794,876	\$ 1,404,076
Due to Carleton University	99,381	40,072
Deferred contributions (Note 7)	232,159	190,333
Due to Radio Carleton Inc.	128,226	110,604
	<u>2,254,642</u>	<u>1,745,085</u>
Deferred contributions related to capital assets (Note 8)	22,604	20,420
	<u>2,277,246</u>	<u>1,765,505</u>

Contingent liability (Note 12)

Net assets

Invested in capital assets	1,049,437	1,136,065
Unrestricted	911,580	873,366
Internally restricted (Note 10)	300,000	300,000
	<u>2,261,017</u>	<u>2,309,431</u>
	<u>\$ 4,538,263</u>	<u>\$ 4,074,936</u>

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 10)	2009	2008
Balance, beginning of year	\$1,136,065	\$ 873,366	\$ 300,000	\$2,309,431	\$2,389,149
Excess (deficiency) of revenues over expenses for the year (1)	(121,699)	73,285	-	(48,414)	(79,718)
Net acquisition of capital assets (2)	35,071	(35,071)	-	-	-
Balance, end of year	\$1,049,437	\$ 911,580	\$ 300,000	\$2,261,017	\$2,309,431

(1) Amortization expense \$ 132,027
Less amortization of deferred
contributions recognized as
revenue (Note 9) (10,328)

\$ 121,699

(2) Total acquisition of capital
assets \$ 47,583
Less deferred contributions (12,512)

\$ 35,071

Carleton University Students' Association, Inc.
Statement of Operations

For the year ended April 30	2009	2008
Revenue		
Business operations - Schedule 1	\$ 2,031,080	\$ 1,941,372
University Centre - Schedule 2	1,271,786	1,229,834
Student fees	701,234	707,242
Other revenue - Carleton Operations - Schedule 3	379,182	336,927
Investment	36,193	139,555
Equity in investment in Haven Books Inc.	56,789	(33,430)
	<u>4,476,264</u>	<u>4,321,500</u>
Expenses		
Administrative	705,971	608,406
Business operations - Schedule 1		
Cost of sales	1,910,468	1,775,742
Operating expenses	303,323	322,612
Campus clubs	94,708	97,627
Elections	29,411	42,435
Entertainment productions	23,504	26,194
Executives	525,230	585,153
Media expenses		
Publications	98,366	105,745
Office automation	30,749	32,776
Student council	12,232	16,930
Student issues	79,349	55,371
Student services	17,191	35,205
University Centre - Schedule 2	694,176	697,022
	<u>4,524,678</u>	<u>4,401,218</u>
Deficiency of revenues over expenses for the year	\$ (48,414)	\$ (79,718)

Note:

Amortization of capital assets included in expenses is as follows:

2009	\$ 132,027
2008	127,275

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

For the year ended April 30	2009	2008
Cash flows from operating activities		
Deficiency of revenue over expenses for the year	\$ (48,414)	\$ (79,718)
Adjustments for:		
Amortization of capital assets	132,027	127,275
Loss on disposal of capital assets	-	3,041
Equity in investment in Haven Books Inc.	(56,789)	33,430
Amortization of deferred contributions related to capital assets	(10,328)	(20,825)
	<u>16,496</u>	<u>63,203</u>
Changes in non-cash working capital items		
Accounts receivable	(126,170)	7,348
Inventories	(14,703)	(7,504)
Prepaid expenses	(8,070)	(7,979)
Accounts payable and accrued liabilities	390,800	(126,411)
Due to Carleton University	59,309	(470,370)
Deferred contributions	41,826	50,901
Due to Radio Carleton Inc.	17,622	27,383
	<u>377,110</u>	<u>(463,429)</u>
Cash flows from investing activities		
Investment in Haven Books Inc.	-	(337,336)
Purchase of capital assets	(47,583)	(774,195)
Deferred contributions related to capital assets	12,512	-
	<u>(35,071)</u>	<u>(1,111,531)</u>
Cash flows from financing activities		
Increase in due from Haven Books Inc.	(61,501)	(220,558)
Proceeds on disposals of investments	335,744	531,489
	<u>274,243</u>	<u>310,931</u>
Increase (decrease) in cash during the year	616,282	(1,264,029)
Cash and cash equivalents, beginning of year	936,594	2,200,623
Cash and cash equivalents, end of year	\$ 1,552,876	\$ 936,594

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

April 30, 2009

Nature of Organization

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:

- 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.

Adoption of New Accounting Policies

Effective May 1, 2008 the Association has adopted the Canadian Institute of Chartered Accountants (CICA) Section 3031, Inventories, which provides additional guidance in the measurement and disclosure of inventories. The standard requires inventories to be presented at the lower of cost and net realizable value, which is consistent with the Association's former policy.

There were no significant impacts on the Association's financial position or on the results of its operations arising from the adoption of the above new standards.

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.

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

April 30, 2009

Financial Instruments

The 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. As permitted under options provided for not-for-profit organizations, the Association has continued to follow the disclosure and presentation requirements of CICA Handbook Section 3861 - Financial Instruments - Disclosure and Presentation.

The Association's financial instruments consist of cash, accounts receivable, marketable securities, long-term investments, 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 are classified as held for trading and are measured at their fair value based on brokers' statements.

Long-term investments are classified as held to maturity and are recorded at amortized cost using the effective interest rate method. Investments are carried at amortized cost since the Association has the intent and ability to hold the investments until maturity.

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

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

April 30, 2009

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.

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
Building	25 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.

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

April 30, 2009

Capital Disclosures

The Association's objectives when managing capital are to:

- safeguard the Association's ability to continue as a going concern; and
- 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 Association is not subject to any externally imposed capital requirements.

Future Changes in Accounting Standards

The Canadian Institute of Chartered Accountants (CICA) has revised certain Canadian generally accepted accounting principles for not-for-profit organizations as set out in CICA Handbook Section 4400, Financial Statement Presentation by Not-For-Profit Organizations. These revisions relate to presentation and disclosure standards and hence will have no impact on the Association's net financial position or its results of operations.

The changes will impact the following:

- presentation of the Association's statement of financial position and statement of changes in net assets whereby the requirement to treat net assets invested in capital assets as a separate component of net assets is no longer required but rather can be presented as a category of internally restricted net assets when the Association chooses to do so; and
- presentation and recognition of revenues and expenses on a gross bases and not a net basis when the Association is acting as a principal in transactions.

These sections are effective for fiscal periods commencing on or after January 1, 2009 which would be the Association's April 30, 2010 fiscal year, however earlier adoption is permitted. The effects on the Association's financial statement presentation and disclosure of adopting these changes has not yet been fully determined. These changes in disclosure and presentation standards, if any, will be required on a retrospective basis and comparative amounts may need to be reclassified to a similar basis where practicable.

The Accounting Standards Board of the CICA has announced that all Canadian reporting entities, subject to certain exceptions which include not-for-profit organizations, will adopt International Financial Reporting Standards (IFRSs) as Canadian generally accepted accounting principles for years beginning on or after January 1, 2011. The Association, at its option, may adopt IFRSs if it so chooses.

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

April 30, 2009

1. Cash and Line of Credit

The Association's bank accounts are held at one chartered bank, earning interest at nominal rates.

The Association also 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.

2. Accounts Receivable

Accounts receivable includes amounts owing from the GSA Carleton Inc. of \$103,142 (2008 - \$95,445).

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

April 30, 2009

3. **Capital Assets**

	2009		2008	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
General				
Office equipment	\$ 76,505	\$ 45,998	\$ 30,507	\$ 35,483
Leasehold improvements	22,425	18,926	3,499	2,397
Accessibility program assets	162,607	140,003	22,604	20,420
	261,537	204,927	56,610	58,300
Business operations				
Equipment				
Olivers	104,085	74,100	29,985	39,833
Roosters	68,470	54,409	14,061	15,190
Unicentre Store	15,760	12,120	3,640	6,202
Leasehold improvements				
Olivers	671,491	427,017	244,474	275,512
Roosters	124,000	124,000	-	-
Unicentre Store	196,379	196,379	-	-
Building	720,404	31,782	688,622	707,301
	1,900,589	919,807	980,782	1,044,038
Automation equipment	187,594	164,380	23,214	34,888
	2,349,720	1,289,114	1,060,606	1,137,226
University Centre				
Equipment - Main hall	32,502	23,339	9,163	12,635
Leasehold improvements	162,533	160,261	2,272	6,624
	195,035	183,600	11,435	19,259
	\$ 2,544,755	\$ 1,472,714	\$ 1,072,041	\$ 1,156,485

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

April 30, 2009

4. **Short-Term and Long-Term Investments**

	2009		2008	
	Book Value	Market Value	Book Value	Market Value
Fixed income				
Short-term	\$ 220,159	\$ 220,159	\$ 554,741	\$ 565,216
Fixed income				
Long-term:				
Total Premium Yield Deposit Notes, bought March 2008 for \$578,838, maturing March 2011 at the same amount, interest variable depending on market conditions	578,838	558,018	580,000	577,970
	\$ 798,997	\$ 778,177	\$ 1,134,741	\$ 1,143,186

The difference of \$20,820 in the current year market value and book value represents the difference in long-term investments recorded at amortized cost instead of the fair value.

The difference of \$8,445 in 2008 between market value and book value consists of \$10,475 accrued interest that was included in accounts receivable less the \$2,030 difference in long-term investments recorded at amortized cost instead of the fair value.

5. **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.

Balance, beginning of the year	\$ 303,906
Equity from investment for the year	56,789
Balance, end of year	\$ 360,695

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

April 30, 2009

5. Investments (continued)

Haven Books Inc.
Financial Position

Total assets	\$ 252,660
Total liabilities	\$ 380,359
Shareholder's deficiency	<u>(127,699)</u>
	<u>\$ 252,660</u>

Results of Operations

Total revenues	\$ 1,254,003
Total expenses	<u>1,197,214</u>
Net loss	<u>\$ 56,789</u>

6. 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 2009, the value of these benefits is \$257,919 and is included in accounts payable and accrued liabilities (2008 - \$248,061).

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

April 30, 2009

7. 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:

	2009	2008
Balance, beginning of year	\$ 190,333	\$ 139,432
Contribution received	92,195	92,984
Amount remitted to Carleton University	(33,082)	(33,600)
Transfer to deferred contributions - capital assets	(12,512)	-
Recognized as revenue	(4,775)	(8,483)
	\$ 232,159	\$ 190,333

8. 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:

	2009	2008
Balance, beginning of year	\$ 20,420	\$ 41,245
Transfer from deferred revenue - Accessibility Program	12,512	-
Recognized as revenue	(10,328)	(20,825)
	\$ 22,604	\$ 20,420

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

April 30, 2009

9. Fees for Designated Organizations

The Association collects student fees and redistributes these funds to service centres run by CUSA (Clubs and Societies, Foot Patrol, and Accessibility Fund). These amounts are recorded as revenue and expenses of the Association.

The Association collects preauthorized contributions on behalf of the Sprott Business Students' Society, Engineers Without Borders, CKCU, OPIRG, Legal Aid, CFS, CFS Ontario, WUSC, Interval House, CUSERT, Sock n' Buskin, Carleton Debating Society, and Garden Spot and remits the funds to their organizations. These amounts, totaling \$844,546, are not recorded as revenue or expenses of the Association.

10. Internally Restricted

Building Fund

The Association 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. Expenditures allocated to this fund are at the discretion of the Accessibility Committee.

11. 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 \$455,119 was paid for rent (2008 - \$438,468).

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

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

April 30, 2009

12. 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.

Another possible claim has been noted in regards to the termination of a former employee, of which the outcome is also not determinable.

Any resulting losses from the above potential contingent liabilities will be charged to operations in the year of resolutions.

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

For the year ended April 30

	Roosters	Olivers	Unicentre Store	2009	2008
Sales	\$ 683,947	\$ 588,682	\$ 758,451	\$ 2,031,080	\$ 1,941,372
Cost of sales	536,445	630,738	743,285	1,910,468	1,775,742
Gross profit	147,502	(42,056)	15,166	120,612	165,630
Operating expenses	78,011	184,746	40,566	303,323	322,612
Net revenue (expenses) for the year	\$ 69,491	\$ (226,802)	\$ (25,400)	\$ (182,711)	\$ (156,982)

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

For the year ended April 30	2009	2008
Revenue		
University Centre fees	\$ 922,569	\$ 929,984
Building operations	183,713	170,958
GSA funding contribution	110,629	101,090
Other revenue - Schedule 3	54,875	27,802
	1,271,786	1,229,834
Expenses		
Aboriginal Centre	17,089	22,206
Bill Ellis Centre for Mature and Part-time Students	19,924	43,176
Building operations	316,806	285,050
Building security	-	923
Carleton Disability Awareness Centre	33,947	31,093
Food centre	30,537	32,354
Foot patrol	41,243	39,144
Gay, Lesbian, Bisexual Transgendered Centre	37,159	41,797
International Students' Centre	57,661	47,882
Ombudsman's office	80,477	83,903
Racial, ethnicity and cultural hall	22,320	34,121
Womyn's centre	37,013	35,373
	694,176	697,022
Net revenue for the year	\$ 577,610	\$ 532,812

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

For the year ended April 30 2009 2008

University Centre Operations - Other Revenue

Entertainment and production	\$	150	\$	1,763
Foot patrol		45,005		33,042
International Students' Centre		2,826		8,324
Women's Centre		651		122
Miscellaneous (expense)		6,243		(15,449)
		6,243		(15,449)
	\$	54,875	\$	27,802

Carleton Operations - Other Revenue

Clubs	\$	55,317	\$	55,856
Publications		15,350		20,400
Elections		9,000		9,000
Fax and photo		1,149		1,431
Front office services		155,713		143,938
Miscellaneous		142,653		106,302
		142,653		106,302
	\$	379,182	\$	336,927