

# **Carleton University Students' Association, Inc.**

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**Financial Statements**  
For the years ended April 30, 2013,  
April 30, 2012 and as at May 1, 2011

**Carleton University Students' Association, Inc.**  
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For the years ended April 30, 2013,  
April 30, 2012 and as at May 1, 2011

**Contents**

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<b>Independent Auditor's Report</b>	1
<b>Financial Statements</b>	
Statements of Financial Position	3
Statements of Changes in Net Assets	4
Statements of Operations	5
Statements of Cash Flows	6
Summary of Significant Accounting Policies	7
Notes to Financial Statements	10
<b>Supplementary Financial Information</b>	
Schedule 1 - Revenue and Expenses - Business Operations	19
Schedule 2 - Revenue and Expenses - University Centre Operations	20
Schedule 3 - Other Revenue	21

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## Independent Auditor's Report

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Carleton University Students' Association, Inc. which comprise the statements of financial position as at April 30, 2013, April 30, 2012 and May 1, 2011 and the statements of operations, changes in net assets and cash flows for the years ended April 30, 2013 and April 30, 2012, and a summary of significant accounting policies and other explanatory information.

#### Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

#### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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## Independent Auditor's Report (continued)

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### Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial positions of the association as at April 30, 2013, April 30, 2012 and May 1, 2011 and the results of its operations and its cash flows for the years ended April 30, 2013 and April 30, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

### **Report on Other Legal and Regulatory Requirements**

As required by the Ontario Corporations Act, we report that, in our opinion, these principles have been applied on a consistent basis.

*Collins Barrow Ottawa LLP*

Chartered Accountants, Licensed Public Accountants

February 3, 2014

Ottawa, Ontario


**Carleton University Students' Association, Inc.**  
**Statements of Financial Position**

	April 30 2013	April 30 2012	May 1 2011
<b>Assets</b>			
<b>Current</b>			
Cash (Note 2)	\$ 1,983,545	\$ 1,970,231	\$ 1,426,969
Marketable securities (Note 5)	727,811	1,515,744	1,310,116
Accounts receivable (Note 3)	187,973	168,482	229,155
Prepaid expenses	50,566	35,679	34,087
Inventories	263,435	101,172	136,831
Due from Radio Carleton Inc.	-	-	5,049
	<u>3,213,330</u>	<u>3,791,308</u>	<u>3,142,207</u>
Due from Haven Books Inc.	-	53,549	248,402
Tangible capital assets (Note 4)	1,218,479	873,147	971,376
Investment in Haven Books Inc. (Note 6)	-	774,118	639,588
	<u>\$ 4,431,809</u>	<u>\$ 5,492,122</u>	<u>\$ 5,001,573</u>

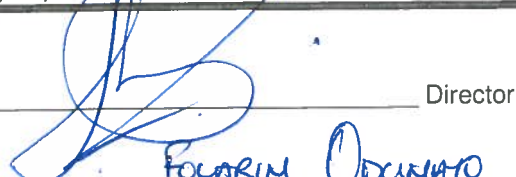
**Liabilities and Net Assets**

<b>Current</b>			
Accounts payable and accrued liabilities	\$ 1,123,736	\$ 1,733,636	\$ 1,403,402
Government liabilities	57,490	35,779	37,917
Consignment books liability	143,638	-	-
Due to Carleton University	2,003	2,681	51,516
Deferred contributions (Note 8)	473,734	404,370	329,499
Due to Radio Carleton Inc.	44,516	17,764	-
Current portion of long-term debt (Note 10)	10,236	5,118	5,118
	<u>1,855,353</u>	<u>2,199,348</u>	<u>1,827,452</u>
Deferred contributions related to capital assets (Note 9)	3,956	8,383	17,961
Long-term debt (Note 10)	127,958	133,076	138,194
	<u>1,987,267</u>	<u>2,340,807</u>	<u>1,983,607</u>
<b>Contingent liability (Note 11)</b>			
<b>Net assets</b>			
Internally restricted for invested in capital assets	1,214,523	864,764	953,415
Unrestricted	1,230,019	1,986,551	1,764,551
Internally restricted for building fund (Note 12)	-	300,000	300,000
	<u>2,444,542</u>	<u>3,151,315</u>	<u>3,017,966</u>
	<u>\$ 4,431,809</u>	<u>\$ 5,492,122</u>	<u>\$ 5,001,573</u>

On behalf of the Corporation:

  
ALEXANDER GOLOVIKO  
PRESIDENT, CUSA Inc.

Director

  
POLARIN ODUMAYO  
VICE PRESIDENT FINANCE,  
CUSA Inc.

Director

The accompanying summary of significant accounting policies, notes and schedules are an integral part of these financial statements.

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

For the year ended April 30

	Invested in Capital Assets	Unrestricted	Internally Restricted (Note 12)	2013
Balance, beginning of year	\$ 864,764	\$ 1,986,551	\$ 300,000	\$ 3,151,315
Deficiency of revenues over expenses for the year (1)	(121,199)	(585,574)	-	(706,773)
Interfund transfer	-	300,000	(300,000)	-
Net acquisition of tangible capital assets (2)	470,958	(470,958)	-	-
<b>Balance, end of year</b>	<b>\$ 1,214,523</b>	<b>\$ 1,230,019</b>	<b>\$ -</b>	<b>\$ 2,444,542</b>

For the year ended April 30

	Invested in Capital Assets	Unrestricted	Internally Restricted (Note 12)	2012
Balance, beginning of year	\$ 953,415	\$ 1,764,551	\$ 300,000	\$ 3,017,966
Excess (deficiency) of revenues over expenses for the year (1)	(116,835)	250,184	-	133,349
Net acquisition of capital assets (2)	28,184	(28,184)	-	-
<b>Balance, end of year</b>	<b>\$ 864,764</b>	<b>\$ 1,986,551</b>	<b>\$ 300,000</b>	<b>\$ 3,151,315</b>

	2013	2012
(1) Amortization expense	\$ 125,626	\$ 126,413
Less amortization of deferred contributions recognized as revenue (Note 8)	(4,427)	(9,578)
	<b>\$ 121,199</b>	<b>\$ 116,835</b>
(2) Total acquisition of capital assets	<b>\$ 470,958</b>	<b>\$ 28,184</b>

## Carleton University Students' Association, Inc. Statements of Operations

For the year ended April 30	2013	2012
<b>Revenue</b>		
Business operations - Schedule 1	\$ 4,765,098	\$ 2,443,640
University Centre - Schedule 2	1,401,790	1,517,074
Student fees	866,911	837,365
Other revenue - Carleton Operations - Schedule 3	101,567	340,903
Investment	33,233	18,440
Equity in investment in Haven Books Inc.	-	134,530
	<b>7,168,599</b>	<b>5,291,952</b>
<b>Expenses</b>		
Business operations - Schedule 1		
Cost of sales	3,938,131	1,998,940
Operating expenses	610,175	345,918
Entertainment productions	32,065	19,640
Media expenses		
Publications	82,275	102,492
Office automation	24,634	28,032
Student council	25,166	20,270
Student issues	48,326	70,955
Student services	24,435	8,926
University Centre - Schedule 2	2,601,771	2,563,430
Loss on dissolution of investment in Haven Books Inc.	488,394	-
	<b>7,875,372</b>	<b>5,158,603</b>
<b>Excess (deficit) of revenues over expenses for the year</b>	<b>\$ (706,773)</b>	<b>\$ 133,349</b>

**Note:**

Amortization of capital assets included in expenses is as follows:

2013	\$	125,626
2012	\$	126,413

## Carleton University Students' Association, Inc. Statements of Cash Flows

For the year ended April 30	2013	2012
<b>Cash flows from operating activities</b>		
Excess (deficit) of revenue over expenses for the year	\$ (706,773)	\$ 133,349
Adjustments for:		
Amortization of capital assets	125,626	126,413
Loss on wind-up of investment in Haven Books Inc.	488,394	-
Equity in investment in Haven Books Inc.	-	(134,530)
Amortization of deferred contributions related to capital assets	(4,427)	(9,578)
	<u>(97,180)</u>	115,654
Changes in non-cash working capital items		
Accounts receivable	(19,491)	60,673
Inventories	(162,263)	35,659
Prepaid expenses	(14,887)	(1,592)
Accounts payable and accrued liabilities	(609,900)	330,236
Government remittances payable	21,711	(2,138)
Consignment books liability	143,638	-
Due to Carleton University	(678)	(48,835)
Deferred contributions	69,364	74,871
Due from/to Radio Carleton Inc.	26,752	22,813
	<u>(642,934)</u>	587,341
<b>Cash flows from investing activities</b>		
Distribution of net assets from investment in Haven Books Inc.	285,724	-
Purchase of tangible capital assets	(470,958)	(28,184)
Purchase of investments	(7,816)	(205,629)
Proceeds on disposals of investments	795,749	-
	<u>602,699</u>	(233,813)
<b>Cash flows from financing activities</b>		
Increase in due from Haven Books Inc.	53,549	194,853
Repayment of long-term debt	-	(5,119)
	<u>53,549</u>	189,734
<b>Increase in cash during the year</b>	<b>13,314</b>	<b>543,262</b>
<b>Cash, beginning of year</b>	<b>1,970,231</b>	<b>1,426,969</b>
<b>Cash, end of year</b>	<b>\$ 1,983,545</b>	<b>\$ 1,970,231</b>



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

April 30, 2013, April 30, 2012 and May 1, 2011

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<b>Nature of Organization</b>	<p>Carleton University Students' Association, Inc. ("the Association") is incorporated as a not-for-profit organization without share capital under the Ontario Corporations Act and is not subject to income tax. The Association has four purposes and objectives:</p> <ul style="list-style-type: none"><li>a) to serve the needs of students;</li><li>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;</li><li>c) to advance the cause of higher learning at Carleton University, and the Province of Ontario, and the Dominion of Canada; and</li><li>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.</li></ul>
<b>Basis for Presentation</b>	<p>These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies.</p>
<b>Use of Estimates</b>	<p>The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The organization's estimates relate to useful life of capital assets and accounts payable and accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.</p>
<b>Financial Instruments</b>	<p><u>Measurement of financial instruments</u></p> <p>Financial instruments are financial assets or liabilities of the association where, in general, the has the right to receive cash or another financial asset from another party or the organization has the obligation to pay another party cash or other financial assets.</p> <p>The association initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions that are measured at the exchange amount.</p> <p>The association subsequently measures all its financial assets and financial liabilities at amortized cost.</p>

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

April 30, 2013, April 30, 2012 and May 1, 2011

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**Financial Instruments**  
(continued)

Financial assets and financial liabilities measured at amortized cost include cash, marketable securities, accounts receivable, accounts payable and accrued liabilities, government liabilities, due from or to Radio Carleton Inc., due from or to Carleton University and long-term debt.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write down, if any, is recognized in excess of revenues over expenses. The previously recognized impairment loss may be reversed, to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost. The amount of the reversal is recognized in the excess of revenue over expenses.

Transaction costs

The association recognizes its transactions 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.

**Contributed Materials  
and Services**

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

**Tangible Capital Assets**

Tangible capital assets are recorded at cost. Amortization is based on the estimated useful life of the asset on a straight-line basis as follows:

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.

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

April 30, 2013, April 30, 2012 and May 1, 2011

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**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.

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

April 30, 2013, April 30, 2012 and May 1, 2011

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### 1. Impact of the Change in the Basis of Accounting

The Association has elected to apply the Canadian Accounting Standards for Not-for-Profit Organizations of Part III of CICA Accounting Handbook.

These financial statements are the first financial statements for which the association has applied Canadian accounting standards for not for profit organizations, hereafter referred to as "ASNPO."

The financial statements for the year ended April 30, 2013 were prepared in accordance with ASNPO and provisions set out in FIRST TIME ADOPTION, Section 1501, for first time adopters of this basis of accounting.

The association has not elected to use any of the exemptions relating to the initial application of ASNPO under Section 1501.

The adoption of ASNPO did not result in any changes to net assets at the date of transition (May 1, 2011) and the previously issued financial statements for the year ended April 30, 2012 except for the reclassification of government remittances payable, tangible capital assets and goodwill. As a result, no reconciliations were prepared.

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### 2. 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. In addition, the Association signed with Scotiabank a line of credit by way of overdraft in the amount of \$ 250,000 with a Seasonal Bulge to \$ 500,000 between July 1 and November 30. At the year end none of the lines were used.

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### 3. Accounts Receivable

Accounts receivable includes amounts owing from the GSA Carleton Inc. of \$145,344 (April 30, 2012 - \$113,269, May 1, 2011 - \$104,536) and from Carleton University of \$ nil (April 30, 2012 - \$20,921, May 1, 2011 - \$58,944).

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

April 30, 2013, April 30, 2012 and May 1, 2011

4. **Tangible Capital Assets**

	April 30, 2013		
	Cost	Accumulated Amortization	Net Book Value
<b>General</b>			
Office equipment	\$ 87,376	\$ 76,999	\$ 10,377
Leasehold improvements	9,965	8,855	1,110
Accessibility program assets	172,724	168,767	3,957
	<b>270,065</b>	<b>254,621</b>	<b>15,444</b>
<b>Business operations</b>			
Equipment			
Olivers	111,327	103,301	8,026
Roosters	99,664	77,775	21,889
Henry's	30,098	18,406	11,692
Leasehold improvements			
Olivers	308,580	187,720	120,860
Roosters	122,826	122,826	-
Henry's	231,090	221,427	9,663
Building	1,184,065	165,536	1,018,529
	<b>2,087,650</b>	<b>896,991</b>	<b>1,190,659</b>
<b>Automation equipment</b>	<b>199,267</b>	<b>186,891</b>	<b>12,376</b>
	<b>2,556,982</b>	<b>1,338,503</b>	<b>1,218,479</b>
<b>University Centre</b>			
Equipment - Main hall	24,820	24,820	-
Leasehold improvements	160,302	160,302	-
	<b>185,122</b>	<b>185,122</b>	<b>-</b>
	<b>\$ 2,742,104</b>	<b>\$ 1,523,625</b>	<b>\$ 1,218,479</b>

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

**April 30, 2013, April 30, 2012 and May 1, 2011**

**4. Tangible Capital Assets (continued)**

	April 30, 2012		
	Cost	Accumulated Amortization	Net Book Value
<b>General</b>			
Office equipment	\$ 91,673	\$ 75,679	\$ 15,994
Leasehold improvements	9,965	8,657	1,308
Accessibility program assets	172,724	164,340	8,384
	<u>274,362</u>	<u>248,676</u>	<u>25,686</u>
<b>Business operations</b>			
Equipment			
Olivers	111,327	96,147	15,180
Roosters	92,366	68,206	24,160
Henry's	30,098	14,509	15,589
Leasehold improvements			
Olivers	308,580	156,862	151,718
Roosters	122,826	122,826	-
Henry's	231,090	214,485	16,605
Building	720,404	118,890	601,514
	<u>1,616,691</u>	<u>791,925</u>	<u>824,766</u>
<b>Automation equipment</b>	<u>199,267</u>	<u>177,129</u>	<u>22,138</u>
	<u>2,090,320</u>	<u>1,217,730</u>	<u>872,590</u>
<b>University Centre</b>			
Equipment - Main hall	24,820	24,263	557
Leasehold improvements	160,302	160,302	-
	<u>185,122</u>	<u>184,565</u>	<u>557</u>
	<u>\$ 2,275,442</u>	<u>\$ 1,402,295</u>	<u>\$ 873,147</u>

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

**April 30, 2013, April 30, 2012 and May 1, 2011**

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**4. Tangible Capital Assets (continued)**

	May 1, 2011		
	Cost	Accumulated Amortization	Net Book Value
<b>General</b>			
Office equipment	\$ 91,673	\$ 65,458	\$ 26,215
Leasehold improvements	22,425	20,918	1,507
Accessibility program assets	172,724	154,762	17,962
	286,822	241,138	45,684
 <b>Business operations</b>			
Equipment			
Olivers	133,034	104,938	28,096
Roosters	76,888	58,613	18,275
Henry's	34,419	14,967	19,452
Leasehold improvements			
Olivers	308,580	126,004	182,576
Roosters	122,826	122,826	-
Henry's	231,090	207,543	23,547
Building	720,404	90,134	630,270
	1,627,241	725,025	902,216
 <b>Automation equipment</b>	190,946	170,469	20,477
	2,105,009	1,136,632	968,377
 <b>University Centre</b>			
Equipment - Main hall	32,502	29,697	2,805
Leasehold improvements	160,302	160,108	194
	192,804	189,805	2,999
	\$ 2,297,813	\$ 1,326,437	\$ 971,376

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

April 30, 2013, April 30, 2012 and May 1, 2011

### 5. Short-Term and Long-Term Investments

	April 30, 2013		April 30, 2012		May 1, 2011	
	Book Value	Market Value	Book Value	Market Value	Book Value	Market Value
Fixed income						
Short-term	\$ 727,811	\$ 727,598	\$ 1,515,744	\$ 1,515,744	\$ 1,310,116	\$ 1,311,929

### 6. 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 were 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.

Effective May 1, 2012, Haven Books Inc. distributed its net assets to the association. Subsequently, Haven Books Inc and Haven Books 02 Inc. were dissolved as corporations. The residual balance in Investment in Haven Books Inc. is considered a loss on dissolution of the investment..

	April 30 2013	April 30 2012	May 1 2011
Balance, beginning of the year	\$ 774,118	\$ 639,588	\$ 460,088
Equity from investment for the year	-	134,530	179,500
Distribution of net assets from Haven Books Inc.	(488,394)	-	-
Loss on dissolution of investment	(285,724)	-	-
Balance, end of year	\$ -	\$ 774,118	\$ 639,588

#### Haven Books Inc. Financial Position

	April 30 2013	April 30 2012	May 1 2011
Total assets	\$ -	\$ 484,090	\$ 549,889
Total liabilities	\$ -	\$ 198,366	\$ 398,694
Shareholder's equity	-	285,724	151,195
	\$ -	\$ 484,090	\$ 549,889



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

**April 30, 2013, April 30, 2012 and May 1, 2011**

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**6. Investment in Haven Books Inc. (continued)**

Haven Books Inc.  
Results of Operations

	<b>April 30 2013</b>	<b>April 30 2012</b>	<b>May 1 2011</b>
Total revenues	\$ -	\$ 2,051,228	\$ 1,832,640
Total expenses	-	1,916,698	1,653,140
Net income	<u>\$ -</u>	<u>\$ 134,530</u>	<u>\$ 179,500</u>

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**7. 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 2013, the value of these benefits is \$238,793 (April 30, 2012 - \$245,862, May 1, 2011 - \$234,917) and is included in accounts payable and accrued liabilities.

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**8. 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:

	<b>April 30 2013</b>	<b>April 30 2012</b>	<b>May 1 2011</b>
Balance, beginning of year	\$ 404,370	\$ 329,499	\$ 270,710
Contribution received	114,030	109,962	99,181
Amount remitted to Carleton University	(33,560)	(33,544)	(33,256)
Transfer to deferred contributions			
- capital assets	-	-	(4,477)
Recognized as revenue	(11,106)	(1,547)	(2,659)
Balance, end of year	<u>\$ 473,734</u>	<u>\$ 404,370</u>	<u>\$ 329,499</u>

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

**April 30, 2013, April 30, 2012 and May 1, 2011**

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### 9. 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:

	April 30 2013	April 30 2012	May 1 2011
Balance, beginning of year	\$ 8,383	\$ 17,961	\$ 21,500
Transfer from deferred revenue			
- Accessibility Program	-	-	4,477
Recognized as revenue	(4,427)	(9,578)	(8,016)
Balance, end of year	\$ 3,956	\$ 8,383	\$ 17,961

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### 10. Long-Term Debt

On April 30, 2009 the Association agreed to pay the Canadian Federation of Students for unremitted membership fees related to prior years. The amount of \$153,549 is to be repaid in thirty equal annual instalments of \$5,118.

At year-end the Association and the Canadian Federation of Students found themselves under a legal dispute over membership rights, benefits and responsibilities of the Association within the CFS, and thus the Association postponed a payment of the annual installment of \$5,118. The current liability of \$10,236 represents the two year current liability.

Principal repayments over the next five years and thereafter are as follows:

2014	\$ 10,236
2015	5,118
2016	5,118
2017	5,118
2018	5,118
Thereafter	107,486
	\$ 138,194

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

**April 30, 2013, April 30, 2012 and May 1, 2011**

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### 11. **Contingent Liability**

The association has been named as one of many co-defendants in a lawsuit 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 resolution.

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### 12. **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 Council. During the current fiscal year, the Council passed a motion to close the reserve and return the funds to unrestricted net assets.

#### **Invested in Capital Assets**

Net assets internally restricted for capital assets represents the net book value of capital assets less deferred contributions related to capital assets.

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### 13. **Fees for Designated Organizations**

The Association collects student fees and redistributes these funds to service centres run by the association (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 Engineers Without Borders, CKCU, OPIRG, Legal Aid, CFS, CFS Ontario, WUSC, Interval House, CUSERT, Sock n' Buskin, Carleton Debating Society, Millenium Village and Garden Spot and remits the funds to their organizations. These amounts are not recorded as revenue or expenses of the Association.

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### 14. **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 \$586,535 was paid for rent (2012 - \$532,007, 2011 - \$500,066).

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

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

**April 30, 2013, April 30, 2012 and May 1, 2011**

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**15. Risks and Concentrations**

The association is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations as at April 30, 2013, April 30, 2012 and May 1, 2011.

*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 organization is exposed to this credit risk mainly in respect of its accounts receivable.

*Liquidity risk*

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, government liabilities and long-term debt.

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

**For the year ended April 30, 2013**

	<u>Haven Books</u>	<u>Roosters</u>	<u>Olivers</u>	<u>Henry's</u>	<u>Total</u>
Sales	\$ 2,098,311	\$ 809,701	\$ 1,064,684	\$ 792,402	\$ 4,765,098
Cost of sales	1,684,546	673,767	879,827	699,991	3,938,131
Gross profit	413,765	135,934	184,857	92,411	826,967
Operating expenses	218,981	95,830	227,770	67,594	610,175
Net revenue (loss) for the year	\$ 194,784	\$ 40,104	\$ (42,913)	\$ 24,817	\$ 216,792

**For the year ended April 30, 2012**

	<u>Roosters</u>	<u>Olivers</u>	<u>Henry's</u>	<u>Total</u>
Sales	\$ 728,900	\$ 940,891	\$ 773,849	\$ 2,443,640
Cost of sales	584,310	729,288	685,342	1,998,940
Gross profit	144,590	211,603	88,507	444,700
Operating expenses	86,940	203,125	55,853	345,918
Net revenue for the year	\$ 57,650	\$ 8,478	\$ 32,654	\$ 98,782

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

<b>For the years ended April 30</b>	<b>2013</b>	<b>2012</b>
<b>Revenue</b>		
University Centre fees	\$ 1,072,652	\$ 1,098,470
Building operations	153,375	188,041
GSA funding contribution	40,177	113,269
Other revenue - Schedule 3	32,698	14,973
Campus clubs	68,662	69,311
Foot patrol	34,226	33,010
	<u>1,401,790</u>	<u>1,517,074</u>
<b>Expenses</b>		
Aboriginal Centre	29,675	23,907
Administrative	834,372	1,075,591
Bill Ellis Centre for Mature and Part-time Students	24,982	24,211
Building operations	379,193	349,049
Campus clubs	199,232	138,261
Carleton Disability Awareness Centre	41,535	46,289
Elections	65,323	52,257
Executives	665,925	515,030
Food centre	38,350	41,987
Foot patrol	35,858	36,219
Gay, Lesbian, Bisexual Transgendered Centre	60,357	46,231
International Students' Centre	61,299	52,403
Ombudsman's office	78,976	80,000
Orientation	3,317	2,760
Racial, ethnicity and cultural hall	37,513	34,672
Womyn's centre	45,864	44,563
	<u>2,601,771</u>	<u>2,563,430</u>
<b>Deficiency of revenue over expenses for the year</b>	<b>\$ (1,199,981)</b>	<b>\$ (1,046,356)</b>

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

**For the years ended April 30** **2013** **2012**

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**University Centre Operations - Other Revenue**

Entertainment and production	\$ 1,211	\$ -
International Students' Centre	4,478	2,290
Miscellaneous	<u>27,009</u>	<u>12,683</u>
	<u>\$ 32,698</u>	<u>\$ 14,973</u>

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**Carleton Operations - Other Revenue**

Publications	\$ 19,736	\$ 25,454
Fax and photo	478	653
Front office services	18,300	223,544
Miscellaneous	<u>63,053</u>	<u>91,252</u>
	<u>\$ 101,567</u>	<u>\$ 340,903</u>

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