

Financial statements of

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

April 30, 2015

Carleton University Students' Association, Inc.

April 30, 2015

Table of contents

Independent Auditor's Report 1-2

Statement of financial position 3

Statement of changes in net assets 4

Statement of operations 5

Statement of cash flows 6

Notes to the financial statements 7-11

Revenue and expenses - Business operations - Schedule 1..... 12

Other revenues - Schedule 2 13

Executives, services and program expenses - Schedule 3..... 14

Support and administration - Schedule 4 15

Independent Auditor's Report

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

Report of the Financial Statements

We have audited the accompanying financial statements of Carleton University Students' Association, Inc. (the "Association"), which comprise the statement of financial position as at April 30, 2015 and the statements of changes in net assets, operations and cash flows for the year then ended, 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 audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 judgment, 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Association as at April 30, 2015, and the results of its operations and its cash flows for the year then ended 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, the Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants

October 13, 2015

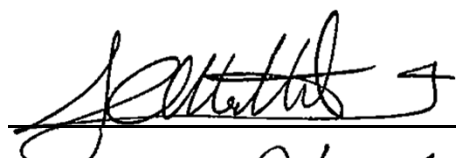
Carleton University Students' Association, Inc.

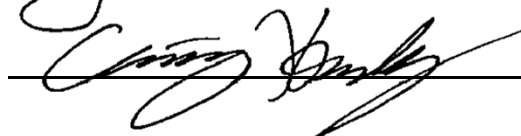
Statement of financial position

as at April 30, 2015

	2015	2014
	\$	\$
Assets		
Current assets		
Cash (Note 3)	2,729,022	2,591,355
Short-term investments (Note 4)	733,631	738,136
Accounts receivable (Note 5)	141,250	203,266
Prepaid expenses	57,841	60,221
Inventories	402,544	283,860
	4,064,288	3,876,838
Capital assets (Note 6)	1,417,155	1,134,679
	5,481,443	5,011,517
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,815,756	1,765,480
Government remittances payable	63,205	62,095
Consignment books liability	204,968	110,016
Due to Radio Carleton Inc.	153,379	80,476
Due to Carleton University	139,824	39,780
Deferred contributions (Note 7)	358,021	530,208
Current portion of long-term debt (Note 8)	20,454	15,336
	2,755,607	2,603,391
Deferred capital contributions (Note 9)	177,076	405
Long-term debt (Note 8)	117,740	122,858
	3,050,423	2,726,654
Net assets		
Internally restricted for invested in capital assets	1,240,079	1,134,274
Unrestricted	1,190,941	1,150,589
	2,431,020	2,284,863
	5,481,443	5,011,517

Approved by the Board


Fahd Alhattab, President


Craig Handy, VP Finance

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

Carleton University Students' Association, Inc.

Statement of changes in net assets year ended April 30, 2015

	Invested in capital assets	Unrestricted	2015	2014
	\$	\$	\$	\$
Balance, beginning of year	1,134,274	1,150,589	2,284,863	2,444,542
Excess (deficiency) of revenue over expenses for the year	(115,998) ⁽¹⁾	262,155	146,157	(159,679)
Net acquisition of tangible capital assets	221,803 ⁽²⁾	(221,803)	-	-
Balance, end of year	1,240,079	1,190,941	2,431,020	2,284,863

	2015	2014
	\$	\$
⁽¹⁾ Amortization expense	(128,870)	(127,074)
Less amortization of deferred capital contributions recognized as revenue (Note 9)	12,872	3,551
	(115,998)	(123,523)
⁽²⁾ Deferred capital contributions	(189,543)	-
Acquisition of capital assets	411,346	43,274
Net acquisition of capital assets	221,803	43,274

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

Carleton University Students' Association, Inc.

Statement of operations year ended April 30, 2015

	2015	2014
	\$	\$
Revenue		
Business operations - Schedule 1	4,398,834	4,951,852
Student fees	985,940	915,756
University Center Fees	1,142,346	1,101,280
Investment income	21,595	28,533
Other revenues - Schedule 2	752,384	875,034
	7,301,099	7,872,455
Expenses		
Business operations - Schedule 1		
Cost of sales	3,660,825	4,104,564
Operating expenses	610,822	659,543
Executives, services and program - Schedule 3	1,540,181	1,688,167
Support and administration - Schedule 4	1,343,114	1,579,860
	7,154,942	8,032,134
Excess (deficiency) of revenue over expenses for the year	146,157	(159,679)

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

Carleton University Students' Association, Inc.

Statement of cash flows year ended April 30, 2015

	2015	2014
	\$	\$
Net inflow (outflow) of cash related to the following activities:		
Operating activities		
Excess (deficiency) of revenue over expenses for the year	146,157	(159,679)
Adjustments for:		
Amortization of capital assets	128,870	127,074
Amortization of deferred contributions related to capital assets	(12,872)	(3,551)
	262,155	(36,156)
Changes in non-cash working capital items		
Accounts receivable	62,016	(15,293)
Inventories	(118,684)	(20,425)
Prepaid expenses	2,380	(9,655)
Accounts payable and accrued liabilities	50,276	641,744
Government remittances payable	1,110	4,605
Consignment books liability	94,952	(33,622)
Due to Carleton University	100,044	37,777
Deferred contributions	(172,187)	56,474
Due to Radio Carleton Inc.	72,903	35,960
	354,965	661,409
Financing activities		
Deferred capital contributions	189,543	-
Investing activities		
Purchase of capital assets	(411,346)	(43,274)
Net change in short-term investments	4,505	(10,325)
	(406,841)	(53,599)
Increase in cash during the year	137,667	607,810
Cash, beginning of year	2,591,355	1,983,545
Cash, end of year	2,729,022	2,591,355

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

Carleton University Students' Association, Inc.

Notes to the financial statements

April 30, 2015

1. Nature of organization

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:

- 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, 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.

2. Significant accounting policies

Basis for presentation

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following significant accounting policies:

Use of estimates

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 and disclosures of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. The Association's estimates relate to the estimated useful life of capital assets, the allowance for doubtful accounts, realizable value of inventories and the amount of accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

Financial instruments

Measurement of financial instruments

Financial instruments are financial assets or liabilities of the Association where, in general, the Association 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.

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.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost.

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

Impairment of long-lived assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the asset no longer has long-term service potential. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its residual value.

Carleton University Students' Association, Inc.

Notes to the financial statements

April 30, 2015

2. Significant accounting policies (continued)

Financial instruments (continued)

Transaction costs

The Association recognizes its transactions costs in the statement of operations 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.

Capital assets

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
Building	25 years
Equipment and furniture	5 years
Leasehold improvements	10 years
Accessibility program assets	5 years

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. The Association did not record any write-down during the year. The amount expensed in the year corresponds to the cost of sales.

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 expenses are incurred.

Student fees and University centre 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 in the statement of operations.

Carleton University Students' Association, Inc.

Notes to the financial statements

April 30, 2015

3. Cash and line of credits

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 in the amount of \$15,000. In addition, the Association has a line of credit by way of bank overdraft in the amount of \$250,000 at an interest rate of prime plus 0.50% (2014 - prime plus 0.50%) with a Seasonal Bulge to \$500,000 between July 1 and November 30. At as April 30, 2015 and 2014, none of the lines of credit were used.

4. Short-term investments

Short-term investments consist of cashable guaranteed investment certificates. The effective interest rate to maturity ranges from 1.40% to 2.15% (2014 - 1.35% to 1.60%). These guaranteed investment certificates mature between November 2015 and March 2017 (2014 - November 2014 and March 2015).

5. Accounts receivable

Accounts receivable includes amounts owing from the Carleton University Graduate Students' Association (GSA Carleton Inc.) of \$912 (2014 - \$153,446). The Association recorded an allowance for doubtful accounts of \$NIL for the year ended April 30, 2015 (2014 - \$48,891).

6. Capital assets

			2015	2014
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
General				
Office equipment	77,771	74,851	2,920	6,574
Leasehold improvements	170,267	169,552	715	913
Accessibility program assets	362,266	185,191	177,075	406
	610,304	429,594	180,710	7,893
Business operations				
Equipment				
Oliver's	135,852	116,146	19,706	22,765
Rooster's	83,207	70,001	13,206	13,287
Henry's	30,098	26,200	3,898	7,795
Leasehold improvements				
Oliver's	308,580	249,436	59,144	90,002
Rooster's	344,630	137,613	207,017	-
Henry's	231,090	231,090	-	2,721
Building	1,184,065	260,142	923,923	971,281
	2,317,522	1,090,628	1,226,894	1,107,851
Automation equipment	163,029	153,478	9,551	18,935
	3,090,855	1,673,700	1,417,155	1,134,679
University Centre				
Equipment - Main hall	24,820	24,820	-	-
	3,115,675	1,698,520	1,417,155	1,134,679

Carleton University Students' Association, Inc.

Notes to the financial statements

April 30, 2015

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 the Association are accessible to all students. Changes in the deferred balance are as follows:

	2015	2014
	\$	\$
Balance, beginning of year	530,208	473,734
Contributions received	129,738	125,038
Amount remitted to Carleton University	(33,708)	(33,664)
Transfer to deferred capital contributions	(189,543)	-
Recognized as revenue	(78,674)	(34,900)
Balance, end of year	358,021	530,208

8. Long-term debt

On April 30, 2009, the Association agreed to pay the Canadian Federation of Students ("CFS") 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.

However, the Association and the CFS 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 instalment of \$5,118. In 2015, the current liability of \$20,472 represented the four-year current liability.

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

	\$
2016	5,118
2017	5,118
2018	5,118
2019	5,118
2020	5,118
Thereafter	92,132
	117,722

9. Deferred capital contributions

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:

	2015	2014
	\$	\$
Balance, beginning of year	405	3,956
Transfer from deferred contribution	189,543	-
Recognized as revenue	(12,872)	(3,551)
Balance, end of year	177,076	405

Carleton University Students' Association, Inc.

Notes to the financial statements

April 30, 2015

10. Employee benefits

The Association provides termination benefits for all full-time employees. These benefits provide for the payment or 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 at the current rate of pay.

In 2015, the value of these benefits is \$367,463 (2014 - \$316,620) and is included in accounts payable and accrued liabilities.

11. Fees for designated organizations

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

The Association collects reauthorized contributions on behalf of the Engineers Without Borders, CKCU, OPIRG, Legal Aid, CFS, CFS Ontario, WUSC, Interval House, CUSERT, Sockn'Buskin, Carleton Debating Society, Millennium Village and Garden Spot and remits the funds to their organizations. These amounts are not recorded as revenue or expenses of the Association.

12. Commitments

The Association entered into an agreement commencing May 1, 2014 with Carleton University for the use of space. The five-year agreement ends in April 2019 and is renewed automatically for successive five-year periods unless either party indicates in writing three (3) months before the end of the term that they wish to make changes to the Agreement.

The rent paid to Carleton University is based on the square footage occupied by the Association from year to year. During the current year, \$572,448 was paid for rent (2014 - \$589,936).

Because the space requirements can change as well as the operating costs, management is unable to determine the rent that will be paid for the next five years.

13. Risks and concentrations

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposure and concentrations as at April 30, 2015.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause loss for the other party by failing to discharge an obligation. The Association is exposed to this credit risk mainly in respect of its cash, investments and accounts receivable.

Liquidity risk

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

14. Comparative figures

Certain prior year comparative figures in Schedule 2, 3, and 4 have been reclassified to conform to the current year's presentation.

Carleton University Students' Association, Inc.

Revenue and expenses - Business operations - Schedule 1
year ended April 30, 2015

	Haven Books	Rooster's	Oliver's	Henry's	2015 Total
	\$	\$	\$	\$	\$
Sales	1,933,677	699,444	1,090,986	674,727	4,398,834
Cost of sales	1,446,247	626,838	953,655	634,085	3,660,825
Gross profit	487,430	72,606	137,331	40,642	738,009
Operating expenses	213,553	107,904	222,301	67,064	610,822
Net revenue (loss) for the year	273,877	(35,298)	(84,970)	(26,422)	127,187

	Haven Books	Rooster's	Oliver's	Henry's	2014 Total
	\$	\$	\$	\$	\$
Sales	2,168,910	860,943	1,096,247	825,752	4,951,852
Cost of sales	1,679,137	733,790	955,415	736,222	4,104,564
Gross profit	489,773	127,153	140,832	89,530	847,288
Operating expenses	231,342	99,403	254,581	74,217	659,543
Net revenue (loss) for the year	258,431	27,750	(113,749)	15,313	187,745

Carleton University Students' Association, Inc.

Other revenues - Schedule 2

year ended April 30, 2015

	2015	2014
	\$	\$
Other revenues		
Building operations	142,401	142,861
Amortization of deferred capital contributions (Note 9)	12,872	-
Miscellaneous	432,311	509,489
International Student Centre	21,316	7,550
Publications	17,014	19,500
Foot patrol	38,940	39,219
Campus clubs	78,138	72,618
Front desk	9,392	83,797
Total other revenues	752,384	875,034

Carleton University Students' Association, Inc.

Executives, services and program expenses - Schedule 3
year ended April 30, 2015

	2015	2014
	\$	\$
Executives, services and programs		
President	18,330	20,882
VP Finance		
Executive Honoraria	199,767	194,805
Hatch	43,153	-
Other	70,406	79,275
VP Student Services		
Aboriginal Centre	22,800	24,077
Bill Ellis Centre for Mature Students	48,363	48,514
Disability Awareness Centre	43,152	49,197
Food Centre	43,899	41,917
Foot Patrol	40,642	39,481
Gender Sexuality Resource Centre	58,181	52,644
Health & Wellness Centre	6,822	7,657
International Students' Centre	71,810	67,273
Racial, Ethnicity & Cultural Hall	39,164	46,945
Women's Centre	48,182	51,275
Administrative	26,937	31,644
VP Internal Affairs		
Council	33,136	41,365
Elections	45,787	51,595
Clubs & Societies	236,965	243,157
Administrative	73,683	73,778
VP Student Issues	58,013	53,928
VP Student Life	310,989	468,758
	1,540,181	1,688,167

Carleton University Students' Association, Inc.

Support and administration - Schedule 4

year ended April 30, 2015

	2015	2014
	\$	\$
Support and administration		
Administration	647,060	710,104
Scholarships	-	199,740
Building operations	406,121	376,881
Front desk	162,391	138,380
Graphic design	104,631	91,821
Entertainment productions	11,484	28,067
Automation	8,425	18,893
CUSA Live	-	12,422
Business Operations Manager	2,639	5,076
Orientation	363	(1,524)
Total support and administration	1,343,114	1,579,860