

Financial statements of

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

April 30, 2016

# Carleton University Students' Association, Inc.

April 30, 2016

## 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, 2016 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, 2016, 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 31, 2016


# Carleton University Students' Association, Inc.

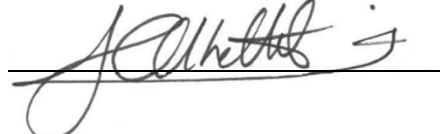
## Statement of financial position

as at April 30, 2016

	2016	2015
	\$	\$
<b>Assets</b>		
Current assets		
Cash (Note 3)	2,609,413	2,729,022
Short-term investments (Note 4)	623,194	323,096
Accounts receivable	71,470	141,250
Prepaid expenses	58,677	57,841
Inventories	381,001	402,544
Due from Carleton University	14,936	-
	<b>3,758,691</b>	<b>3,653,753</b>
Investments (Note 4)	338,626	410,535
Capital assets (Note 5)	1,289,785	1,417,155
	<b>5,387,102</b>	<b>5,481,443</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	1,224,031	1,815,756
Government remittances payable	67,879	63,205
Consignment books liability	144,409	204,968
Due to Radio Carleton Inc.	200,354	153,379
Due to Carleton University	-	139,824
Deferred contributions (Note 6)	365,148	358,021
Current portion of long-term debt (Note 7)	25,590	20,454
	<b>2,027,411</b>	<b>2,755,607</b>
Deferred capital contributions (Note 8)	163,065	177,076
Long-term debt (Note 7)	112,604	117,740
	<b>2,303,080</b>	<b>3,050,423</b>
<b>Net assets</b>		
Invested in capital assets	1,126,720	1,240,079
Unrestricted	1,957,302	1,190,941
	<b>3,084,022</b>	<b>2,431,020</b>
	<b>5,387,102</b>	<b>5,481,443</b>

Approved by the Board

 , Trustee

 , Trustee

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, 2016

	Invested in capital assets	Unrestricted	2016	2015
	\$	\$	\$	\$
<b>Balance, beginning of year</b>	<b>1,240,079</b>	<b>1,190,941</b>	<b>2,431,020</b>	2,284,863
Excess (deficiency) of revenue over expenses for the year	(128,651) <sup>(1)</sup>	781,653	653,002	146,157
Net acquisition of tangible capital assets	15,292 <sup>(2)</sup>	(15,292)	-	-
<b>Balance, end of year</b>	<b>1,126,720</b>	<b>1,957,302</b>	<b>3,084,022</b>	2,431,020

	2016	2015
	\$	\$
<sup>(1)</sup> Amortization expense	(148,503)	(128,870)
Less amortization of deferred capital contributions recognized as revenue (Note 8)	19,852	12,872
	<b>(128,651)</b>	<b>(115,998)</b>
<sup>(2)</sup> Deferred capital contributions (Note 8)	(5,841)	(189,543)
Acquisition of capital assets	21,133	411,346
<b>Net acquisition of capital assets</b>	<b>15,292</b>	<b>221,803</b>

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, 2016

	2016	2015
	\$	\$
<b>Revenue</b>		
Business operations - Schedule 1	4,577,383	4,398,834
Student fees	990,490	985,940
University Center Fees	1,156,590	1,142,346
Investment income	30,618	21,595
Other revenues - Schedule 2	1,232,176	752,384
	<b>7,987,257</b>	<b>7,301,099</b>
<b>Expenses</b>		
Business operations - Schedule 1		
Cost of sales	3,833,846	3,660,825
Operating expenses	700,223	610,822
Executives, services and program - Schedule 3	1,297,709	1,540,181
Support and administration - Schedule 4	1,502,477	1,343,114
	<b>7,334,255</b>	<b>7,154,942</b>
<b>Excess of revenue over expenses for the year</b>	<b>653,002</b>	<b>146,157</b>

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, 2016

	2016	2015
	\$	\$
Net inflow (outflow) of cash related to the following activities:		
<b>Operating activities</b>		
Excess of revenue over expenses for the year	653,002	146,157
Adjustments for:		
Amortization of capital assets	148,503	128,870
Amortization of deferred contributions related to capital assets	(19,852)	(12,872)
	<b>781,653</b>	<b>262,155</b>
Changes in non-cash working capital items		
Accounts receivable	69,780	62,016
Prepaid expenses	(836)	2,380
Inventories	21,543	(118,684)
Accounts payable and accrued liabilities	(591,725)	50,276
Government remittances payable	4,674	1,110
Consignment books liability	(60,559)	94,952
Due to/from Radio Carleton Inc.	46,975	72,903
Due to Carleton University	(154,760)	100,044
Deferred contributions	7,127	(172,187)
	<b>123,872</b>	<b>354,965</b>
<b>Financing activities</b>		
Deferred capital contributions	5,841	189,543
<b>Investing activities</b>		
Purchase of capital assets	(21,133)	(411,346)
Net change in investments	(228,189)	4,505
	<b>(249,322)</b>	<b>(406,841)</b>
(Decrease) increase in cash during the year	<b>(119,609)</b>	137,667
Cash, beginning of year	<b>2,729,022</b>	2,591,355
<b>Cash, end of year</b>	<b>2,609,413</b>	<b>2,729,022</b>

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, 2016

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### 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, 2016

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### 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, 2016

### 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% (2015 - prime plus 0.50%) with a Seasonal Bulge to \$500,000 between July 1 and November 30. At as April 30, 2016 and 2015, none of the lines of credit were used.

### 4. Investments

Investments consist of cashable guaranteed investment certificates. The effective interest rate to maturity ranges from 1.65% to 2.15% (2015 - 1.40% to 2.15%). These guaranteed investment certificates mature between November 2016 and April 2019 (2015 - November 2015 and March 2017).

### 5. Capital assets

			2016	2015
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
General				
Office equipment	69,568	69,568	-	2,920
Leasehold improvements	92,396	91,879	517	715
Accessibility program assets	368,108	205,043	163,065	177,075
	<b>530,072</b>	<b>366,490</b>	<b>163,582</b>	180,710
Business operations				
Equipment				
Oliver's	135,852	121,137	14,715	19,706
Rooster's	92,708	76,849	15,859	13,206
Henry's	35,888	30,774	5,114	3,898
Leasehold improvements				
Oliver's	308,580	280,294	28,286	59,144
Rooster's	344,630	159,793	184,837	207,017
Henry's	231,090	231,090	-	-
Building	1,184,065	307,445	876,620	923,923
	<b>2,332,813</b>	<b>1,207,382</b>	<b>1,125,431</b>	1,226,894
Automation equipment	160,059	159,287	772	9,551
	<b>3,022,944</b>	<b>1,733,159</b>	<b>1,289,785</b>	1,417,155
University Centre				
Equipment - Main hall	13,313	13,313	-	-
	<b>3,036,257</b>	<b>1,746,472</b>	<b>1,289,785</b>	1,417,155

# Carleton University Students' Association, Inc.

## Notes to the financial statements

April 30, 2016

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

	2016	2015
	\$	\$
Balance, beginning of year	358,021	530,208
Contributions received	130,341	129,738
Amount remitted to Carleton University	(33,635)	(33,708)
Transfer to deferred capital contributions	(5,841)	(189,543)
Recognized as revenue	(83,738)	(78,674)
Balance, end of year	<b>365,148</b>	358,021

### 7. 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.

The Association postponed payment of the annual instalment of \$5,118. In 2016, the current liability of \$25,590 represented the five-year current liability.

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

	\$
2017	5,118
2018	5,118
2019	5,118
2020	5,118
2021	5,118
Thereafter	87,014
	<b>112,604</b>

### 8. 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:

	2016	2015
	\$	\$
Balance, beginning of year	177,076	405
Transfer from deferred contribution	5,841	189,543
Recognized as revenue	(19,852)	(12,872)
Balance, end of year	<b>163,065</b>	177,076

# Carleton University Students' Association, Inc.

## Notes to the financial statements

April 30, 2016

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### 9. 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 2016, the value of these benefits is \$394,114 (2015 - \$367,463) and is included in accounts payable and accrued liabilities.

### 10. 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, Sock 'n' 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.

### 11. 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, \$612,144 was paid for rent (2015 - \$572,448).

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.

### 12. 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, 2016.

#### *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.

### 13. Comparative figures

Certain comparative figures 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, 2016

					2016
	Haven Books	Rooster's	Oliver's	Henry's	Total
	\$	\$	\$	\$	\$
<b>Sales</b>	2,155,170	931,781	986,366	504,066	4,577,383
Cost of sales	1,660,323	791,720	878,534	503,269	3,833,846
Gross profit	494,847	140,061	107,832	797	743,537
Operating expenses	267,761	130,065	236,831	65,566	700,223
<b>Net revenue (loss) for the year</b>	<b>227,086</b>	<b>9,996</b>	<b>(128,999)</b>	<b>(64,769)</b>	<b>43,314</b>

					2015
	Haven Books	Rooster's	Oliver's	Henry's	Total
	\$	\$	\$	\$	\$
<b>Sales</b>	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
<b>Net revenue (loss) for the year</b>	<b>273,877</b>	<b>(35,298)</b>	<b>(84,970)</b>	<b>(26,422)</b>	<b>127,187</b>

# Carleton University Students' Association, Inc.

Other revenues - Schedule 2

year ended April 30, 2016

	2016	2015
	\$	\$
<b>Other revenues</b>		
Building operations	137,141	142,401
Amortization of deferred capital contributions (Note 8)	19,852	12,872
GSA funding	73,803	-
Miscellaneous	827,183	432,311
International Student Centre	15,926	21,316
Publications	31,409	17,014
Foot Patrol	39,063	38,940
Campus clubs	78,816	78,138
Front desk	8,983	9,392
<b>Total other revenues</b>	<b>1,232,176</b>	<b>752,384</b>

# Carleton University Students' Association, Inc.

Executives, services and program expenses - Schedule 3  
year ended April 30, 2016

	2016	2015
	\$	\$
<b>Executives, services and programs</b>		
President	8,454	18,330
VP Finance		
Executive Honoraria	199,316	199,767
Hatch	37,519	43,153
Other	69,999	70,406
VP Student Services		
Aboriginal Centre	29,057	22,800
Bill Ellis Centre for Mature Students	49,724	48,363
Disability Awareness Centre	32,656	43,152
Food Centre	41,087	43,899
Foot Patrol	40,231	40,642
Gender Sexuality Resource Centre	55,398	58,181
Health & Wellness Centre	16,919	6,822
International Students' Centre	64,952	71,810
Racial, Ethnicity & Cultural Hall	35,630	39,164
Women's Centre	52,785	48,182
Administrative	19,447	26,937
VP Internal Affairs		
Council	36,084	33,136
Elections	39,522	45,787
Clubs & Societies	172,836	236,965
Administrative	75,911	73,683
VP Student Issues	60,079	58,013
VP Student Life	160,103	310,989
	<b>1,297,709</b>	<b>1,540,181</b>



# Carleton University Students' Association, Inc.

Support and administration - Schedule 4

year ended April 30, 2016

	<b>2016</b>	2015
	\$	\$
<b>Support and administration</b>		
Administration	<b>742,724</b>	647,060
Building operations	<b>374,971</b>	406,121
Front desk	<b>139,605</b>	162,391
Graphic design	<b>217,291</b>	104,631
Entertainment productions	<b>11,880</b>	11,484
Automation	<b>7,389</b>	8,425
Business operations manager	<b>5,397</b>	2,639
Orientation	<b>1,333</b>	363
The Spot	<b>1,887</b>	-
<b>Total support and administration</b>	<b>1,502,477</b>	1,343,114