

Carleton University Students' Association, Inc.
Financial Statements
For the year ended April 30, 2024

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Independent Auditor's Report

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

Opinion

We have audited the financial statements of Carleton University Students' Association, Inc. (the "Association"), which comprise the statement of financial position as at April 30, 2024, and the statements of changes in net assets, of operations and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and supplementary information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at April 30, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
November 4, 2024

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

April 30	2024	2023
Assets		
Current		
Cash	\$ 1,374,363	\$ 1,545,632
Short-term investments (Note 2)	333,056	1,303,358
Accounts receivable	249,373	104,519
Prepaid expenses	20,451	20,655
Inventory	83,804	266,126
Due from Carleton University	-	5,512
	2,061,047	3,245,802
Long-term investments (Note 2)	2,186,442	1,959,316
Tangible capital assets (Note 3)	1,349,695	1,363,548
	\$ 5,597,184	\$ 6,568,666
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities (Notes 7 and 13)	\$ 1,763,006	\$ 1,544,617
Consignment books liability	21,508	4,442
Due to Radio Carleton Inc.	30,455	18,362
Due to Carleton University	88,863	-
Deferred contributions (Note 5)	504,244	675,093
	2,408,076	2,242,514
Deferred contributions related to tangible capital assets (Note 6)	149,722	50,246
	2,557,798	2,292,760
Contractual obligations (Note 8)		
Contingencies (Note 9)		
Net Assets		
Invested in tangible capital assets	1,199,973	1,313,302
Internally restricted (Note 11)	1,111,329	1,275,528
Unrestricted	728,084	1,687,076
	3,039,386	4,275,906
	\$ 5,597,184	\$ 6,568,666

On behalf of the Board:

_____ Governor

_____ Governor

The notes are an integral part of these financial statements.

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

April 30	Invested in tangible capital assets	Internally restricted (Note 11)	Unrestricted	2024	2023
Balance, beginning of the year	\$ 1,313,302	\$ 1,275,528	\$ 1,687,076	\$ 4,275,906	\$ 5,482,841
Deficiency of revenues over expenses	(113,329)	(164,199)	(958,992)	(1,236,520)	(1,206,935)
Acquisition of tangible capital assets	138,478	-	(138,478)	-	-
Transfer from deferred contributions (Note 5)	(138,478)	-	138,478	-	-
Balance, end of the year	\$ 1,199,973	\$ 1,111,329	\$ 728,084	\$ 3,039,386	\$ 4,275,906

Carleton University Students' Association, Inc.
Statement of Operations

April 30	2024	2023
Revenues		
Business operations - Schedule 1	\$ 2,001,486	\$ 1,948,093
University centre fees	1,369,217	1,380,207
Student fees	1,133,258	1,070,410
Other revenues - Schedule 2	718,301	595,283
Investment income	183,576	128,376
	5,405,838	5,122,369
Expenses		
Business operations - Schedule 1		
Cost of sales	946,143	1,142,899
Operating expenses	1,940,874	1,754,571
Executives, services and program - Schedule 3	1,659,780	1,474,452
Support and administration - Schedule 4	2,095,561	1,957,382
	6,642,358	6,329,304
Deficiency of revenues over expenses	\$ (1,236,520)	\$ (1,206,935)

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

April 30	2024	2023
Cash flows from operating activities		
Deficiency of revenues over expenses	\$ (1,236,520)	\$ (1,206,935)
Items not affecting cash:		
Amortization of tangible capital assets	152,331	156,102
Amortization of deferred contributions related to tangible capital assets	(39,002)	(42,168)
	<u>(1,123,191)</u>	<u>(1,093,001)</u>
Changes in non-cash working capital:		
Accounts receivable	(144,854)	358,533
Prepaid expenses	204	1,800
Inventory	182,322	7,884
Due to Radio Carleton Inc.	12,093	66,771
Accounts payable and accrued liabilities	218,389	506,638
Consignment books liability	17,066	(1,297)
Due from Carleton University	94,375	(5,512)
Deferred contributions	(170,849)	43,422
Deferred contributions related to tangible capital assets	138,478	-
	<u>(775,967)</u>	<u>(114,762)</u>
Cash flows from investing activities		
Acquisition of tangible capital assets	(138,478)	(40,071)
Acquisition of investments	743,176	522,107
	<u>604,698</u>	<u>482,036</u>
Net (decrease) increase in cash	(171,269)	367,274
Cash, beginning of the year	<u>1,545,632</u>	<u>1,178,358</u>
Cash, end of the year	<u>\$ 1,374,363</u>	<u>\$ 1,545,632</u>

The notes are an integral part of these financial statements.

Carleton University Students' Association, Inc.

Notes to Financial Statements

April 30, 2024

1. Accounting Policies

Status and Purpose of Association Carleton University Students' Association, Inc. (the "Association") is a not-for-profit organization incorporated without share capital under the laws of the Ontario Corporations Act, and been continued under the Ontario Not-for-Profit Corporations Act, 2010, on May 2, 2022. The Association has four purposes and objectives:

- a) to serve the needs of the 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 from 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.

The Association is a non-profit organization under the *Income Tax Act* and, as such, is exempt from income taxes.

Basis of Accounting The Association applies the Canadian accounting standards for not-for-profit organizations.

Use of Estimates The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the year covered. The main estimates relate to the estimated useful lives of tangible capital assets, realizable value of inventory, and valuation of accounts receivable.

Revenue Recognition The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Student fees, University centre fees, and campus clubs levies are recognized as revenue when received or receivable if amounts can be reasonably estimated and collection is reasonably assured.

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

April 30, 2024

1. Accounting Policies (continued)

Revenue Recognition (continued) Deferred revenue arises when the Association collects upfront fees and levies for semesters that have not yet been started.

Business operations, and building operations are recognized when goods or services are provided if amounts can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as revenue when earned and includes interest and realized gains and losses on investments.

Financial Instruments Initial and subsequent measurement
The Association initially measures its financial assets and liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments that are measured at fair value. Changes in the fair value of these financial instruments are recognized in the statement of operations in the year incurred.

Impairment
Financial assets measured at amortized cost are tested for impairment when there are indications of possible impairment.

Transaction costs
Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in the statement of operations in the year incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in the statement of operations over the life of the instrument using the straight-line method.

Inventory Inventory consisting of books, food and beverages are measured at the lower of cost and net realizable value. Inventory recognized as an expense during the year is noted in cost of sales on Schedule 1. The cost is determined using the first-in, first-out method.

Tangible Capital Assets Tangible capital assets are accounted for at cost and amortized on the basis of their useful life of the asset on a straight line basis as follows:

Equipment and furniture	3 - 5 years
Leasehold improvements	10 years
Accessibility program assets	5 years
Automation equipment	3 years
Building	25 years

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

April 30, 2024

1. Accounting policies (continued)

Impairment of Long-Lived Assets	When a tangible capital asset no longer has any long-term service potential to the Association, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.
Contributed Materials and Services	Volunteers contribute many hours per year to assist the Association in carrying out its activities. Due to the difficulty of determining their fair value, contributed materials and services are not recognized in the financial statements.
Deferred Contributions Related to Tangible Capital Assets	Contributions relating to tangible capital assets are accounted for as deferred contributions and amortized on the same basis as the related tangible capital assets.
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.

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, Sock 'n' Buskin Theatre Company, Garden Spot, Debating Society, Millennium Promise Alliance, World Food Program, Carleton University Debate and Speech, the Charlatan, and Fund Qi are re-distributed to the respective Associations and not recognized as revenue.

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

April 30, 2024

2. Investments

The short-term investments are comprised of the following:

	2024	2023
Guaranteed Investment Certificates interest rate of 5.2% (2023 - between 0.9% - 5.05%), maturing November 2024 (2023 - June 2023 and March 2024).	\$ 333,056	\$ 1,303,358
	<u>\$ 333,056</u>	<u>\$ 1,303,358</u>

The long-term investments are comprised of the following:

	2024	2023
Equity Securities	\$ 1,150,847	\$ 1,194,115
Guaranteed Investment Certificates, interest rate between 4.75% - 4.95% (2023 - 5.2%), maturing between December 2025 and December 2026 (2023 - November 2024).	664,884	333,010
Fixed Income Funds	370,711	432,191
	<u>\$ 2,186,442</u>	<u>\$ 1,959,316</u>

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

April 30, 2024

3. Tangible Capital Assets

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
General				
Leasehold improvements	\$ 41,197	\$ 41,197	\$ 41,197	\$ 41,197
Accessibility program assets	454,437	304,711	315,958	265,712
	<u>495,634</u>	<u>345,908</u>	<u>357,155</u>	<u>306,909</u>
Business operations				
Equipment and furniture				
Ollie's Pub & Patio	82,663	63,948	88,487	60,450
Rooster's Coffeehouse	60,813	56,603	64,516	56,436
Haven Books & Café	81,815	6,545	81,815	3,273
Leasehold improvements				
Ollie's Pub & Patio	308,580	308,580	308,580	308,580
Rooster's Coffeehouse	344,630	337,235	344,630	315,054
Building	1,829,638	736,136	1,829,638	662,948
	<u>2,708,139</u>	<u>1,509,047</u>	<u>2,717,666</u>	<u>1,406,741</u>
	<u>3,203,773</u>	<u>1,854,955</u>	<u>3,074,821</u>	<u>1,713,650</u>
University Centre				
Equipment and furniture - Main hall	7,503	6,626	7,503	5,126
	<u>\$ 3,211,276</u>	<u>\$ 1,861,581</u>	<u>\$ 3,082,324</u>	<u>\$ 1,718,776</u>
Net carrying amount		<u>\$ 1,349,695</u>		<u>\$ 1,363,548</u>

4. Line of Credit

The Association has a line of credit by way of bank overdraft of \$250,000 that is due on demand and bears interest at the bank's prime rate plus 0.50% per annum, with a seasonal bulge to \$500,000 between July 1 and November 30. As at April 30, 2024 and 2023, the credit facility remained unused. The line of credit is secured by all present and future personal property with appropriate insurance coverage as well as all present and future student fees and levies due to the Association and disbursed by Carleton University.

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

April 30, 2024

5. Deferred Contributions

Deferred contributions represent externally restricted amounts received in the prior and current years for expenses in future years. The contributions are used to ensure that events held and services provided by the Association are accessible to all students. The balance of deferred contributions includes the following:

	<u>2024</u>	<u>2023</u>
Accessibility funding	\$ 504,244	\$ 675,093

The variations in the balance of deferred contributions is as follows:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 675,093	\$ 631,671
Plus: amount received during the year	161,651	162,115
Less: amount transferred to deferred contributions related to tangible capital assets	(138,478)	-
Less: amount recognized as revenue in the year	(194,022)	(118,693)
Balance, end of year	<u>\$ 504,244</u>	<u>\$ 675,093</u>

6. Deferred Contributions Related to Tangible Capital Assets

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

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 50,246	\$ 92,414
Plus: amount transferred from deferred contributions	138,478	-
Less: amount recognized as revenue in the year	(39,002)	(42,168)
Balance, end of year	<u>\$ 149,722</u>	<u>\$ 50,246</u>

7. Accounts Payable and Accrued liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$43,239 (2023 - \$83,796).

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

April 30, 2024

8. Contractual Obligations

The Association leases its premises under a lease expiring in November 2027 and subject to early termination upon notice. Future minimum lease payments total \$2,636,942 for the next four years:

2025	\$	735,132
2026	\$	735,132
2027	\$	735,132
2028	\$	431,546

9. Contingencies

A former tenant on a joint and several basis, launched a lawsuit against the Carleton University and the organization for general damages in the amount of \$1,000,000, as well as punitive, aggravated and moral damages of \$150,000.

The Association has contested this claim and, in management's opinion, the lawsuit is groundless. Neither the possible outcome nor the amount of possible settlement can be foreseen. Therefore, no provision has been recognized in the financial statements.

10. Subsequent Events

During the COVID-19 pandemic, physical textbooks became undesirable and largely obsolete. Following the COVID-19 pandemic, textbook sales did not return to their pre-pandemic levels. In Fall 2023, the CUSA Board made the decision to cease operations of the books sales at Haven Cafe. Staff were retained to transition Haven out of the book operations and liquidate stock until mid-May 2024. This change means that Haven is no longer a bookstore and may allow Haven to focus on more profitable business operations. The CUSA Board will continue to monitor CUSA business operations.

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

April 30, 2024

11. Internally Restricted Net Assets

The Association has created internally restricted assets to cover the costs of their health and wellness program. Changes in the internally restricted funds are as follows:

	2024	2023
Balance, beginning of year	\$ 1,275,528	\$ 1,417,059
Less: expenses incurred in the health and wellness program	(164,199)	(141,531)
Balance: end of the year	<u>\$ 1,111,329</u>	<u>\$ 1,275,528</u>

12. Financial Instruments

Credit risk

The Association is exposed to credit risk with respect to accounts receivable. The Association assesses, on a continuous basis, its accounts receivable on the basis of amounts it is virtually certain to receive and will set up an appropriate allowance for doubtful accounts when needed. The Association is also exposed to credit risk arising from all of its bank accounts being held at one financial institution. There have not been any changes in the Association's credit risk exposure from the prior year.

Interest rate risk

The Association is exposed to interest rate risk on its fixed rate financial instruments. Fixed interest instruments subject the Association to a fair value risk, since fair value fluctuates inversely to changes in market interest rates. There has not been any change in the Association's interest rate risk exposure from the prior year.

Other price risk

The Association is exposed to other price risk through its investments for which the value fluctuates with the quoted market price. The risk has not changed since last year.

13. Employee Benefits

The Association provides termination benefits for all full-time unionized 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 2024, the value of these benefits is \$362,822 (2023 - \$391,538) and is included in accounts payable and accrued liabilities.

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

For the year ended April 30

	Haven Books & Café	Rooster's Coffeehouse	Ollie's Pub & Patio	The Wing	2024 Total
Revenues	\$ 406,298	\$ 958,615	\$ 636,573	\$ -	\$ 2,001,486
Cost of sales	170,695	489,421	286,027	-	946,143
Gross profit	235,603	469,194	350,546	-	1,055,343
Operating expenses	463,853	712,101	761,604	3,316	1,940,874
Deficiency of revenues over expenses	\$ (228,250)	\$ (242,907)	\$ (411,058)	\$ (3,316)	\$ (885,531)

	Haven Books & Café	Rooster's Coffeehouse	Ollie's Pub & Patio	The Wing	2023 Total
Revenues	\$ 385,509	\$ 835,586	\$ 726,998	\$ -	\$ 1,948,093
Cost of sales	379,636	443,432	319,831	-	1,142,899
Gross profit (loss)	5,873	392,154	407,167	-	805,194
Operating expenses	536,329	567,344	650,898	-	1,754,571
Deficiency of revenues over expenses	\$ (530,456)	\$ (175,190)	\$ (243,731)	\$ -	\$ (949,377)

Carleton University Students' Association, Inc.
Schedule 2 - Other Revenues

For the year ended April 30

	<u>2024</u>	<u>2023</u>
Other revenues (expenses)		
Accessibility funds	\$ 155,025	\$ -
Amortization of deferred contributions related to tangible capital assets	39,002	42,168
Building operations	132,454	125,532
Campus clubs	187,772	194,450
International Student Centre	-	2,901
Miscellaneous	52,016	25,312
Loss on rental property	-	(50,318)
Studentcare administrative fees	-	14,624
Unified Support Centre	152,032	240,614
	<u>\$ 718,301</u>	<u>\$ 595,283</u>

Carleton University Students' Association, Inc.
Schedule 3 - Executives, Services and Program Expenses

For the year ended April 30

	2024	2023
Executives, services and programs		
President	\$ 20,656	\$ 25,782
VP Finance		
Executive honoraria	357,536	306,926
VP Internal Affairs		
Administrative	46,233	39,319
Clubs & Societies	355,675	233,392
Council	5,779	5,317
Elections	31,143	29,356
VP Student Issues	38,539	76,092
VP Student Life	183,724	141,447
VP Student Services		
Administrative	31,612	23,338
Disability Awareness Centre	56,231	37,303
Gender Sexuality Resource Centre	74,971	49,898
Hatch	96	43,043
Health & Wellness Centre	46,566	47,234
International Students' Centre	57,626	61,629
Mawandoseg Centre	27,242	22,931
Unified Support Centre	273,158	260,313
Womxn's Centre	52,993	71,132
	\$ 1,659,780	\$ 1,474,452

Carleton University Students' Association, Inc.
Schedule 4 - Support and Administration

For the year ended April 30

	<u>2024</u>	<u>2023</u>
Support and administration		
Administration	\$ 964,939	\$ 999,037
Automation	41,697	31,606
Building operations	483,600	389,154
Entertainment productions	8,639	21,551
Front desk	114,254	109,216
Graphic design	292,229	263,133
Health and wellness program costs	164,199	141,531
Sponsorship	26,004	2,154
	<u>\$ 2,095,561</u>	<u>\$ 1,957,382</u>
