

Financial Statements of

**CARLETON STUDENT
ENGINEERING SOCIETY**

April 30, 2014



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Review Engagement Report

To the Members of
Carleton Student Engineering Society

We have reviewed the statement of financial position of Carleton Student Engineering Society (the "Society") as at April 30, 2014, and the statement of operations and changes in net assets and of cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Society.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

As a result of a lack of accounting records, as at April 30, 2013 and May 1, 2012, we were unable to complete our review of accounts receivable, inventory, capital assets and accounts payable and accrued liabilities. Had we been able to complete our review, we might have determined adjustments to be necessary to accounts receivable, inventory, capital assets, accounts payable and accrued liabilities, revenue from lounge activities, other revenue and expenses.

Except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to complete our review of the accounts receivable, inventory, capital assets, and accounts payable and accrued liabilities, as described in the preceding paragraph, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with accounting standards for not-for-profit organizations.

The financial statements as at April 30, 2013 and for the year then ended were compiled by management without audit or review.

A handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants

February 2, 2015

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Financial Statements
April 30, 2014

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CARLETON STUDENT ENGINEERING SOCIETY

Statement of Financial Position

as at April 30, 2014

(Unaudited)

	<u>2014</u>	<u>2013</u> (not reviewed) (note 2)
CURRENT ASSETS		
Cash and cash equivalents	\$ 118,713	\$ 102,977
Accounts receivable	35,763	-
Inventory	2,618	-
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	157,094	102,977
CAPITAL ASSETS (Note 3)	1,907	-
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	\$ 159,001	\$ 102,977
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CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 5,441	\$ -
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NET ASSETS		
Unrestricted	153,560	102,977
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	\$ 159,001	\$ 102,977
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(see accompanying notes to the financial statements)

APPROVED BY THE EXECUTIVE COMMITTEE

_____ Member

_____ Member

CARLETON STUDENT ENGINEERING SOCIETY
Statement of Operations and Changes in Net Assets
year ended April 30, 2014
(Unaudited)

	<u>2014</u>	<u>2013</u> (not reviewed) (note 2)
Revenue from lounge activities		
Sales	\$ 158,343	\$ 153,642
Cost of sales	102,045	124,846
Gross margin	56,298	28,796
Other revenue		
Membership fees	129,350	120,844
Funding and sponsorship	35,528	9,238
Other income	3,444	2,263
	224,620	161,141
Expenses		
Bank charges	740	575
Amortization of equipment	212	-
Donations	2,183	-
Equipment repair and maintenance	833	10,498
Funding event	23,400	26,886
Insurance	13,797	13,770
Office expenses	13,544	27,255
Professional fees	10,579	-
Social events	85,098	90,596
Sponsorship events	22,560	12,500
Telecommunications	1,091	1,107
	174,037	183,187
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	50,583	(22,046)
NET ASSETS, BEGINNING OF YEAR	102,977	125,023
NET ASSETS, END OF YEAR	\$ 153,560	\$ 102,977

(see accompanying notes to the financial statements)

CARLETON STUDENT ENGINEERING SOCIETY

Statement of Cash Flows

year ended April 30, 2014

(Unaudited)

	<u>2014</u>
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:	
OPERATING	
Excess of revenue over expenses	\$ 50,583
Item not affecting cash	
Amortization of equipment	212
	<u>50,795</u>
Changes in non-cash working capital items:	
Increase in accounts receivable	(35,763)
Increase in inventories	(2,618)
Increase in accounts payable and accrued liabilities	5,441
	<u>17,855</u>
INVESTING	
Acquisition of capital assets	(2,119)
NET CASH INFLOW	15,736
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	102,977
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 118,713</u>

(see accompanying notes to the financial statements)

CARLETON STUDENT ENGINEERING SOCIETY

Notes to the Financial Statements

year ended April 30, 2014

(Unaudited)

1. DESCRIPTION OF BUSINESS

The Carleton Student Engineering Society (the "Society"), is a not-for-profit group dedicated to serving the students of Carleton University in the Engineering Program.

The Society, which is incorporated without share capital under the Ontario Business Corporations Act, is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Revenue recognition

The Society recognizes revenue when it is realized and earned. Revenue sources come mainly from memberships and lounge sales.

The Society follows the deferral method of accounting to account for its revenue.

Financial instruments

The Society's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities.

Financial assets and financial liabilities are initially recognized at fair value when the Society becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost, except for cash and cash equivalents which are recorded at fair value.

Cash and cash equivalents

Cash and cash equivalents represent funds held in an investment account that is cash.

Inventory

Inventory includes current materials and supplies necessary to conduct the Society's operations. Inventory is valued at the lower of cost and replacement value using the moving average method.

CARLETON STUDENT ENGINEERING SOCIETY

Notes to the Financial Statements

year ended April 30, 2014
(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets

Capital assets are recorded at cost. Amortization is provided on a declining-balance basis at the following rate:

Equipment	20%
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Change in accounting standards

For the year ended April 30, 2014, the Society adopted the new Chartered Professional Accountants Canada ("CPA") accounting standards for not-for-profit organizations (the "new standards") as set out in Part III of the CPA Canada Handbook. The Society also applies the standards for private enterprises in Part II of the CPA Canada Handbook to the extent that the Part II standards address topics not addressed in Part III. In accordance with Section 1501 of the CPA Canada Handbook, Part III, *First Time adoption by not-for-profit organizations*, ("Section 1501"), the date of transition to the new standards is May 1, 2012 and these financial statements present an opening consolidated statement of financial position at the date of transition. This opening consolidated statement of financial position is the starting point for the Society's accounting under the new standards. In its opening consolidated statement of financial position, under the recommendations of Section 1501, the Society:

- a) recognized all assets and liabilities whose recognition is required by the new standards;
- b) did not recognize items as assets or liabilities if the new standards do not permit such recognition;
- c) reclassified items that it recognized previously as one type of asset, liability or component of net assets, but are recognized as a different type of asset, liability or component of net assets under the new standards; and
- d) applied the new standards in measuring all recognized assets and liabilities.

In accordance with the requirements of Section 1501, the accounting policies which follow have been consistently applied to all years presented and adjustments resulting from the adoption of the new standards have been applied on a retrospective basis. No exemptions were taken by the Society as at May 1, 2012.

CARLETON STUDENT ENGINEERING SOCIETY

Notes to the Financial Statements

year ended April 30, 2014

(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. The more significant area requiring the use of estimates includes the useful life of capital assets and the amount of accounts payable and accrued liabilities.

3. CAPITAL ASSETS

	<u>2014</u>			<u>2013</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Equipments	\$ 2,119	\$ 212	\$ 1,907	\$ -

(not reviewed)
(note 2)

4. FINANCIAL INSTRUMENTS

Fair values

The carrying values of accounts receivable and accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of the instruments.

Credit risk

Credit risk arises from the potential that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Society's accounts receivable represent credit provided for the Society's programs. The Society extends credit to its authorized providers and funding agencies.

The maximum credit exposure of the Society is represented by the fair value of the investments and amounts receivable as presented in the Statement of financial position.

5. COMPARATIVE FIGURES

The comparative statement of cash flows has not been presented as the information is not readily available.