

**THE LINK PUBLICATION SOCIETY /  
L'ASSOCIATION DES PUBLICATIONS LINK  
FINANCIAL STATEMENTS  
MAY 31, 2021**

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**Summary**

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## **INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT**

To the Members of  
**The Link Publication Society / L'Association des Publications Link**

I have reviewed the accompanying financial statements of The Link Publication Society / L'Association des Publications Link Organization that comprise the statement of financial position as at May 31, 2021, and the statements of operations, changes in net assets 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.

### **Practitioner's Responsibility**

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.





**Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of The Link Publication Society / L'Association des Publications Link Organization as at May 31, 2021, 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.

 CPA DUC.

Montreal, Québec  
September 12, 2021

<sup>1</sup> By CPA auditor, CA, public accountancy permit No. A111691



**THE LINK PUBLICATION SOCIETY / L'ASSOCIATION DES PUBLICATIONS LINK**Statement of Operations  
Year Ended May 31, 2021  
(Unaudited)

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	<b>2021</b>	<b>2020</b>
<b>Revenues</b>		
Advertising	\$ 2,735	\$ 17,493
Student fees	144,152	143,616
Interest	6,584	9,464
	<u>153,471</u>	<u>170,573</u>
<b>Operating expenses</b>		
Bad debts	916	-
Honorarium fees	52,063	47,250
Printing and distribution	4,055	38,152
Salaries and social benefits	42,497	37,482
Professional fees	7,755	12,216
Travel and conference fees	1,260	5,358
Office supplies	1,687	3,601
Commissions	410	2,568
Amortization of capital assets	1,377	1,761
Website and computer fees	2,006	1,747
40th anniversary expenses	-	1,277
Insurance	1,293	1,252
Miscellaneous expenses	1,106	1,246
Scholarship	1,000	1,000
Interest and bank charges	64	193
	<u>117,489</u>	<u>155,103</u>
<b>Excess of revenues over expenses</b>	<b>\$ 35,982</b>	<b>\$ 15,470</b>

The accompanying notes are an integral part of these financial statements.

**THE LINK PUBLICATION SOCIETY / L'ASSOCIATION DES PUBLICATIONS LINK**Changes in Net Assets  
Year Ended May 31, 2021  
(Unaudited)

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	<b>Invested in capital assets</b>	<b>Unrestricted</b>	<b>2021 Total</b>
<b>Balance, beginning of year</b>	\$ 4,817	\$ 374,871	\$ 379,688
Excess of revenues over expenses	(1,377)	37,359	35,982
Investment in capital assets	681	(681)	-
<b>Balance, end of year</b>	\$ 4,121	\$ 411,549	\$ 415,670

	<b>Invested in capital assets</b>	<b>Unrestricted</b>	<b>2020 Total</b>
<b>Balance, beginning of year</b>	\$ 6,578	\$ 357,640	\$ 364,218
Excess of revenues over expenses	(1,761)	17,231	15,470
<b>Balance, end of year</b>	\$ 4,817	\$ 374,871	\$ 379,688

The accompanying notes are an integral part of these financial statements.

**THE LINK PUBLICATION SOCIETY / L'ASSOCIATION DES PUBLICATIONS LINK**

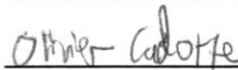

Statement of Financial Position

As at May 31, 2021

(Unaudited)

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	2021	2020
<b>Assets</b>		
Current assets		
Cash	\$ 44,647	\$ 26,230
Temporary investments (Note 3)	346,979	340,395
Accounts receivable (Note 4)	30,473	20,410
Prepaid expenses	3,974	931
	426,073	387,966
Capital assets (Note 5)	4,121	4,817
	\$ 430,194	\$ 392,783
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	\$ 13,920	\$ 12,491
Deferred revenues	604	604
	14,524	13,095
<b>Net assets</b>		
Invested in capital assets	4,121	4,817
Unrestricted	411,549	374,871
	415,670	379,688
	\$ 430,194	\$ 392,783

**On behalf of the Board,**  
\_\_\_\_\_, Director  
\_\_\_\_\_, Director

The accompanying notes are an integral part of these financial statements.

**THE LINK PUBLICATION SOCIETY / L'ASSOCIATION DES PUBLICATIONS LINK**Statement of Cash Flows  
Year Ended May 31, 2021  
(Unaudited)

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	<b>2021</b>	<b>2020</b>
<b>Operating activities</b>		
Excess of revenues over expenses	\$ 35,982	\$ 15,470
Non-cash items:		
Amortization of capital assets	1,377	1,761
Interest capitalized on temporary investments	(6,584)	(9,463)
	30,775	7,768
Net change in non-cash items related to operating activities (Note 7)	(11,677)	6,610
	19,098	14,378
<b>Investing activity</b>		
Acquisition of capital assets	(681)	-
<b>Increase in cash and cash equivalents</b>	18,417	14,378
<b>Cash and cash equivalents, beginning of year</b>	26,230	11,852
<b>Cash and cash equivalents, end of year</b>	\$ 44,647	\$ 26,230

Cash and cash equivalents consist of cash.

The accompanying notes are an integral part of these financial statements.



**1. Statutes of incorporation and nature of activities**

The Link Publication Society / L'Association des Publications Link, publishes a newspaper free of charge intended for Concordia University's clientele and meant to act as a link between all members of the institution. The Organization, incorporated August 21, 1986 under Part III of the Quebec Corporation Act, is classified as a non-profit organization and, as a result, is not taxable.

**2. Significant accounting policies**

The Organization applies the Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook – Accounting.

**Use of estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the reported amounts of revenues and expenses for the periods covered. The main estimates relate to the useful life of capital assets subject to amortization.

**Revenue recognition**

The Link Publication Society / L'Association des Publications Link, 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 received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Unrestricted investment income is recognized as revenue when earned.

Student fees are recognized when the students are registered in the academic session and the date of abandonment has expired.

Advertising revenue is recognized when advertisements are published in The Concordia Link newspaper.

**Contributed services**

Volunteers contribute about 6 000 hours per year to assist The Link Publication Society / L'Association des publications Link, in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

**Capital assets**

Capital assets are accounted for at cost. Amortization is calculated on their respective estimated useful lives using the declining balance method at the following rates:

	<b>Rates</b>
Computer equipment	30%
Office production equipment	20%

**2. Significant accounting policies (continued)**

**Cash and cash equivalents**

The entity's policy is to disclose cash balances under cash and cash equivalents, including temporary investments with a maturity period of three months or less from the date of acquisition.

**Financial instruments**

*Initial and subsequent measurement*

The Organization initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of these financial instruments are recognized in net income in the period incurred.

Financial assets measured at amortized cost on a straight-line basis include cash, temporary investments and other accounts receivable.

Financial liabilities measured at amortized cost on a straight-line basis include the accounts payable.

*Impairment*

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there is an indication of impairment, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

*Transaction costs*

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period 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 net income over the life of the instrument using effective interest method.

**3. Temporary investments**

	<b>2021</b>	<b>2020</b>
Cash and money market funds	\$ -	\$ 10,838
Guaranteed Investment Certificates, 0.70% to 0.96% (2.20% to 3.15% in 2020), maturing from December 2021 to February 2022 (From December 2020 to February 2021)	346,979	329,557
	<b>\$ 346,979</b>	<b>\$ 340,395</b>

The Organization manages its temporary investments portfolio according to its cash needs and in such a way as to optimize interest income. The fair value of the Guaranteed Investment Certificates is equal to their carrying amount.

**4. Accounts receivable**

	<b>2021</b>	<b>2020</b>
Accounts receivable	\$ 29,699	\$ 19,554
Sales tax	774	856
	<b>\$ 30,473</b>	<b>\$ 20,410</b>

**5. Capital assets**

	<b>2021</b>			<b>2020</b>	
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value</b>	<b>Net book value</b>	
Computer equipment	\$ 111,131	\$ 108,369	\$ 2,762	\$ 3,118	
Office production equipment	9,036	7,677	1,359	1,699	
	<b>\$ 120,167</b>	<b>\$ 116,046</b>	<b>\$ 4,121</b>	<b>\$ 4,817</b>	

**6. Accounts payable and accrued liabilities**

	<b>2021</b>	<b>2020</b>
Accounts payable and accrued liabilities	\$ 8,219	\$ 8,269
Salaries payable	3,640	4,222
Amount payable in respect of government remittances	2,061	-
	<b>\$ 13,920</b>	<b>\$ 12,491</b>

**7. Net change in non-cash items related to operating activities**

	<b>2021</b>	<b>2020</b>
Accounts receivable	\$ (10,063)	\$ 2,540
Prepaid expenses	(3,043)	2,705
Accounts payable and accrued liabilities	1,429	761
Deferred revenues	-	604
	<b>\$ (11,677)</b>	<b>\$ 6,610</b>

**8. Financial instruments**

**Financial risks**

The Organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The main risks are broken down below.

**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.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Organization is exposed to interest rate risk on its fixed-interest rate financial instruments. Fixed interest rate instruments subject the Organization to a fair value risk, since fair value fluctuates inversely to changes in market interest rates.