THE LINK PUBLICATION SOCIETY /

L'ASSOCIATION DES PUBLICATIONS LINK

ANNUAL FINANCIAL REPORT

MAY 31, 2014

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REVIEW ENGAGEMENT REPORT

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

I have reviewed the statement of financial position of The Link Publication Society / L'Association des Publications Link as at May 31, 2014 and the statements of operations, changes in net assets and cash flow for the year then ended. My 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 me by the Organization.

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

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Sophie Houle CPA Inc. [1]

Montreal, Canada
September 14, 2014

[1] CPA auditor, CA, public accountancy permit No. A111691

THE LINK PUBLICATION SOCIETY /
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Statement of Operations
For the year ended May 31, 2014
(Unaudited)

	2014	2013
Revenues		
Advertising	$ 47,123	$ 75,065
Student fees	134,948	134,937
Interest	6,002	5,067
Government grants	790	2,671
Fundraising and other grants	-	1,000
	188,863	218,740
Operating expenses		
Amortization of capital assets	2,309	4,105
Bad debts (recovered)	(672)	2,889
Commissions	5,536	8,022
Credit card charges	448	450
Honorarium fees	36,855	35,840
Insurance	1,160	1,167
Interest and bank charges	163	340
Office supplies	6,628	6,377
Printing and distribution	61,977	66,987
Professional fees	6,211	5,770
Salaries and social benefits	50,805	59,686
Travel and conference fees	7,033	5,423
Website and computer fees	5,180	2,651
Scholarship	1,000	-
	184,633	199,707
Excess of revenues over expenses	$ 4,230	$ 19,033

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

THE LINK PUBLICATION SOCIETY /
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Changes in Net Assets
For the year ended May 31, 2014
(Unaudited)

	Invested in capital assets	Unrestricted	2014 Total	2013 Total
Balance, beginning of year	$ 10,826	$ 320,169	$ 330,995	$ 311,962
Excess of revenues over expenses	(2,309)	6,539	4,230	19,033
Investment in capital assets	1,438	(1,438)	-	-
Balance, end of year	$ 9,955	$ 325,270	$ 335,225	$ 330,995

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

THE LINK PUBLICATION SOCIETY /
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Statement of Financial Position
May 31, 2014
(Unaudited)

		2014		2013
Assets				
Current				
Cash	$	14,242	$	34,637
Temporary investments - (Note 3)		305,273		264,271
Accounts receivable - (Note 4)		25,094		36,766
Prepaid expenses		3,326		3,344
		347,935		339,018
Capital assets - (Note 5)		9,955		10,826
	$	357,890	$	349,844
Liability				
Current				
Accounts payable and accrued liabilities - (Note 6)	$	22,665	$	18,849
Net assets				
Invested in capital assets		9,955		10,826
Unrestricted		325,270		320,169
		335,225		330,995
	$	357,890	$	349,844

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 Flow
For the year ended May 31, 2014
(Unaudited)

		2014		2013
Operating activities				
Excess of revenues over expenses	$	4,230	$	19,033
Non-cash item:				
Amortization of capital assets		2,309		4,105
		6,539		23,138
Net change in non-cash working capital items - (Note 7)		15,506		(11,323)
		22,045		11,815
Investing activities				
Acquisition of capital assets		(1,438)		(2,498)
Variation of temporary investments		(41,002)		(5,603)
		(42,440)		(8,101)
Increase (decrease) in cash and cash equivalents		(20,395)		3,714
Cash and cash equivalents, beginning of year		34,637		30,923
Cash and cash equivalents, end of year	$	14,242	$	34,637

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 these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

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.

2. Significant accounting policies - (continued)

Capital assets

Capital assets are recorded at cost. Contributed capital assets are accounted for at fair value at the time of the contribution. Amortization is calculated on their respective estimated useful lives using the declining-balance method at a rate of 30 % per annum.

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

Measurement of financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Organization subsequently measures all its financial assets and financial 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 are recognized in net income.

Financial assets measured at amortized cost include cash, temporary investments and accounts receivable.

Financial liabilities measured at amortized cost include the accounts payable.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of possible impairment. The Organization determines whether a significant adverse change has occurred in the expected timing or amount of future cash flows from the financial asset. If this is the case, the carrying amount of the asset is reduced directly to the higher of the present value of the cash flows expected to be generated by holding the asset, and the amount that could be realized by selling the asset at the balance sheet date. The amount of the write-down is recognized in net earnings. The previously recognized impairment loss may be reversed to the extent of the improvement, provided it is no 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 earnings.

2. Significant accounting policies - (continued)

Financial instruments - (continued)

Transaction costs

The Organization recognizes its transaction costs in net earnings in the period incurred. However, transaction costs related to financial instruments subsequently measured at amortized cost reduce the carrying amount of the financial asset or liability and are accounted for in the statement of earnings using the effective interest method.

3. Temporary investments

	2014	2013
Obligations, 1.95 % to 2.20 % (1.85 % to 2.20 % in 2013)	$ 305,273	$ 264,271

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 obligations is equal to their carrying amount.

4. Accounts receivable

	2014	2013
Accounts receivable	$ 24,234	$ 34,805
Provision for bad debts	(1,500)	(2,943)
	22,734	31,862
Sales tax	2,360	3,904
Grant receivable	-	1,000
	$ 25,094	$ 36,766

As at May 31, 2014, the total value of impaired receivables is $1,725 ($7,498 in 2013).

5. Capital assets

	2014			2013
	Cost	Accumulated amortization	Net value	Net value
Computer equipment	$ 104,183	$ 95,077	$ 9,106	$ 9,765
Office production equipment	5,843	4,994	849	1,061
	$ 110,026	$ 100,071	$ 9,955	$ 10,826

6. Accounts payable and accrued liabilities

		2014		2013
Accounts payable and accrued liabilities	$	7,925	$	6,303
Salaries payable		9,887		9,934
Amount payable in respect of government remittances		4,853		2,612
	$	22,665	$	18,849

7. Cash flows

Net change in non-cash working capital items:

		2014		2013
Accounts receivable	$	11,672	$	(14,975)
Prepaid expenses		18		-
Accounts payable and accrued liabilities		3,816		3,652
	$	15,506	$	(11,323)

8. Financial instruments

Risk and concentrations

The Organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the Organization's risk exposure as at May 31, 2014.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Organization provides credit to its clients in the normal course of its operations. It carries out, on a continuing basis, credit checks on its clients and maintains provisions for contingent credit losses which, once they materialize, are consistent with management's forecasts. The Organization does not normally require a guarantee.

For the other receivables, the Organization determines, on a continuing basis, the probable losses and sets up a provision for losses based on the estimated realizable value.

8. Financial instruments - (continued)

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 market interest rates. The Organization is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-interest instruments subject the Organization to a fair value risk, since fair value fluctuates inversely to changes in market interest rates. Floating rate instruments subject the Organization to related cash flow risk.