

THE LINK PUBLICATION SOCIETY /
L'ASSOCIATION DES PUBLICATIONS LINK
ANNUAL FINANCIAL REPORT
MAY 31, 2011

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SUMMARY

Review Engagement Report	1
Statement of Operations	2
Changes in Net Assets	3
Balance Sheet	4
Statement of Cash Flow	5
Notes to Financial Statements	6 - 9

REVIEW ENGAGEMENT REPORT

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

We have reviewed the balance sheet of The Link Publication Society / L'Association des Publications Link as at May 31, 2011 and the statements of operations, changes in net assets and 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 Organization.

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

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

Bourgeois Marsolais, CA, LLP

1

Montreal, Canada
September 11, 2011

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

Statement of Operations

For the Year Ended May 31, 2011

(Unaudited)

Page 2

	2011	2010
Revenues		
Advertising	\$ 70,621	\$ 72,678
Student fees	132,811	127,291
Interest	6,793	5,464
Government grants	853	-
30th anniversary revenues	-	2,429
Travelling allocation	422	-
	211,500	207,862
Operating expenses		
Bad debts	1,394	626
Commissions	6,159	7,274
Amortization of capital assets	5,112	4,841
Credit card charges	413	464
Honorarium fees	31,715	32,795
Insurance	1,156	1,188
Interest and bank charges	238	362
Membership and dues	4,553	4,553
Office supplies	8,988	6,491
Printing and distribution	86,526	93,786
Professional fees	8,225	8,785
Salaries and social benefits	54,228	48,756
Travel and conference fees	5,156	6,447
30th anniversary expenses	-	4,726
Website and computer fees	4,455	4,515
	218,318	225,609
Deficiency of revenue over expenses	\$ (6,818)	\$ (17,747)

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

Changes in Net Assets

For the Year Ended May 31, 2011

(Unaudited)

Page 3

	Invested in capital assets		Unrestricted	2011 Total		2010 Total	
Balance, beginning of year	\$	15,064	\$	306,359	\$	321,423	\$ 339,170
Deficiency of revenue over expenses		(5,112)		(1,706)		(6,818)	(17,747)
Investment in capital assets		3,954		(3,954)		-	-
Balance, end of year	\$	13,906	\$	300,699	\$	314,605	\$ 321,423

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

Balance Sheet

May 31, 2011

(Unaudited)

Page 4

	2011	2010
Assets		
Current		
Cash	\$ 23,021	\$ 42,105
Temporary investments - (Note 4)	260,052	253,741
Accounts receivable - (Note 5)	35,209	25,090
Prepaid expenses	1,564	6,694
	319,846	327,630
Capital assets - (Note 6)	13,906	15,064
	\$ 333,752	\$ 342,694
Liability		
Current		
Accounts payable and accrued liabilities	\$ 19,147	\$ 21,271
Net assets		
Invested in capital assets	13,906	15,064
Unrestricted	300,699	306,359
	314,605	321,423
	\$ 333,752	\$ 342,694

ON BEHALF OF THE BOARD:

_____, Director

_____, Director

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

Statement of Cash Flow

For the Year Ended May 31, 2011

(Unaudited)

Page 5

	2011	2010
Operating activities		
Deficiency of revenue over expenses	\$ (6,818)	\$ (17,747)
Non-cash item:		
Amortization of capital assets	5,112	4,841
	(1,706)	(12,906)
Net change in non-cash working capital items - (Note 7)	(7,113)	13,072
	(8,819)	166
Investing activities		
Acquisition of capital assets	(3,954)	(7,536)
Variation of temporary investments	(6,311)	40,388
	(10,265)	32,852
(Decrease) Increase in cash	(19,084)	33,018
Cash, beginning of year	42,105	9,087
Cash, end of year	\$ 23,021	\$ 42,105

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

Use of estimates

The preparation of the Organization's financial statements in conformity with Canadian generally accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. These estimates are revised periodically, and as required, adjustments are made to the statements of operations on the year they are reported.

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.

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

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.

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.

2. Significant accounting policies - (continued)

Financial instruments

The following policies and assumptions were used to determine the fair value of each class of financial assets and financial liabilities:

Cash, temporary investments, accounts receivable, accounts payable and accrued liabilities:

These financial assets and liabilities held for trading are measured at their carrying amount since it is comparable to their fair value due to the approaching maturity of these financial instruments.

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.

New standard adopted during the year

The Organization adopted the CICA Handbook Section 1506 - Accounting Changes to exclude from its scope changes in accounting policies upon the complete replacement of the financial reporting standards of an organization. This modification did not have any impact on the organization's financial statements.

3. Future change in financial reporting standards for Not-For-Profit organizations

The Accounting Standards Board (AcSB) has recently approved the incorporation of the accounting standards set out in the Part III of the CICA Handbook as the accounting standards applicable to Not-For-Profit organizations. First-time adoption of this Part of the Handbook is mandatory for the annual financial statements of the organization beginning on June 1st, 2012. Management is currently evaluating the implications of applying these new standards.

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

Notes to Financial Statements

May 31, 2011

(Unaudited)

Page 8

4. Temporary investments

		2011		2010
Term deposits	\$	105,053	\$	101,500
Obligations, 1.85 % to 2.12 % (1.60% to 2.10 % in 2010)		154,999		152,241
	\$	260,052	\$	253,741

The Organization manages its temporary investments portfolio according to its cash needs and in such a way as to optimize interest income. The interest rate on term deposits at year end is 5% (3.5% in 2010) and its due dates is February 2012 (February 2011). The fair value of the term deposits and the obligations is equal to their carrying amount.

5. Accounts receivable

		2011		2010
Accounts receivable	\$	31,076	\$	17,480
Sales tax		2,651		6,439
Accrued interests		1,482		1,171
	\$	35,209	\$	25,090

Credit risk

The Organization is exposed to a credit risk related to its accounts receivable in case of non-payment of these accounts. The Organization does not run any significant risk with respect to a single client or third party.

6. Capital assets

			2011			2010
	Cost		Accumulated amortization	Net value		Net value
Computer equipment	\$	98,518	\$	85,021	\$	13,497
Office production equipment		4,396		3,987		409
	\$	102,914	\$	89,008	\$	13,906
					\$	15,064

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

Notes to Financial Statements

May 31, 2011

(Unaudited)

Page 9

7. Net change in non-cash working capital items

	2011	2010
Accounts receivable	\$ (10,119)	\$ 13,121
Prepaid expenses	5,130	(4,634)
Accounts payable and accrued liabilities	(2,124)	4,585
	\$ (7,113)	\$ 13,072

8. Capital disclosure

For its own purposes the Organization defines capital as its unrestricted net assets. The Organization's objectives when managing capital is to ensure the continuity of operations in order to accomplish its goals. The Organization maintains stability of the financial structure of its capital by establishing and reviewing annual budgets.