

THE LINK PUBLICATION SOCIETY /
L'ASSOCIATION DES PUBLICATIONS LINK
FINANCIAL STATEMENTS
MAY 31, 2019

**THE LINK PUBLICATION SOCIETY /
L'ASSOCIATION DES PUBLICATIONS LINK
FINANCIAL STATEMENTS
MAY 31, 2019**

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, 2019, 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, 2019, 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.

*Sophie Houle CPA Inc.*¹

Montreal,
September 22, 2019

¹ 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, 2019
(Unaudited)

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| | 2019 | 2018 |
|---|-----------|-----------|
| Revenues | | |
| Advertising | \$ 20,994 | \$ 24,404 |
| Student fees | 143,001 | 143,116 |
| Interest | 6,973 | 4,351 |
| | 170,968 | 171,871 |
| Operating expenses | | |
| Salaries and social benefits | 40,279 | 54,768 |
| Printing and distribution | 47,144 | 45,156 |
| Honorarium fees | 47,030 | 37,230 |
| Professional fees | 6,115 | 5,970 |
| Travel and conference fees | 5,590 | 4,400 |
| Office supplies | 4,354 | 5,488 |
| Commissions | 3,081 | 3,259 |
| Amortization of capital assets | 2,333 | 2,449 |
| Insurance | 1,221 | 1,225 |
| Miscellaneous expenses | 1,038 | 4,896 |
| Scholarship | 1,000 | 1,000 |
| Website and computer fees | 605 | 3,999 |
| Membership and dues | 290 | 190 |
| Interest and bank charges | 165 | 327 |
| Credit card charges | 18 | 64 |
| | 160,263 | 170,421 |
| Excess of revenues over expenses | \$ 10,705 | \$ 1,450 |

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, 2019
(Unaudited)

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| | Invested in capital assets | Unrestricted | 2019 Total | 2018 Total |
|-----------------------------------|---|---------------------|-----------------------|-----------------------|
| Balance, beginning of year | \$ 8,060 | \$ 345,453 | \$ 353,513 | \$ 352,063 |
| Excess of revenues over expenses | (2,333) | 13,038 | 10,705 | 1,450 |
| Investment in capital assets | 851 | (851) | - | - |
| Balance, end of year | \$ 6,578 | \$ 357,640 | \$ 364,218 | \$ 353,513 |

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, 2019

(Unaudited)

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| | 2019 | 2018 |
|---|------------|------------|
| Assets | | |
| Current assets | | |
| Cash | \$ 11,852 | \$ 21,089 |
| Temporary investments (Note 3) | 330,932 | 323,959 |
| Accounts receivable (Note 4) | 22,950 | 21,482 |
| Prepaid expenses | 3,636 | 3,579 |
| | 369,370 | 370,109 |
| Capital assets (Note 5) | 6,578 | 8,060 |
| | \$ 375,948 | \$ 378,169 |
| Liability | | |
| Current liability | | |
| Accounts payable and accrued liabilities (Note 6) | \$ 11,730 | \$ 24,656 |
| Net assets | | |
| Invested in capital assets | 6,578 | 8,060 |
| Unrestricted | 357,640 | 345,453 |
| | 364,218 | 353,513 |
| | \$ 375,948 | \$ 378,169 |

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, 2019
(Unaudited)

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| | 2019 | 2018 |
|--|-------------|-------------|
| Operating activities | | |
| Excess of revenues over expenses | \$ 10,705 | \$ 1,450 |
| Non-cash item: Amortization of capital assets | 2,333 | 2,449 |
| | 13,038 | 3,899 |
| Net change in non-cash items related to operating activities (Note 7) | (14,451) | 6,629 |
| | (1,413) | 10,528 |
| Investing activities | | |
| Acquisition of capital assets | (851) | (3,279) |
| Variation of temporary investments | (6,973) | (4,352) |
| | (7,824) | (7,631) |
| (Decrease) increase in cash and cash equivalents | (9,237) | 2,897 |
| Cash and cash equivalents, beginning of year | 21,089 | 18,192 |
| Cash and cash equivalents, end of year | \$ 11,852 | \$ 21,089 |

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:

| | Rates |
|-----------------------------|--------------|
| 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

| | 2019 | 2018 |
|--|-------------------|-------------------|
| Cash and money market funds | \$ 8,561 | \$ 26,854 |
| Guaranteed Investment Certificate, 2.85% to 3.11% (2.10% to 2.25% in 2017), maturing from January 2020 to January 2021 (From July 2018 to January 2019) | 322,371 | 297,105 |
| | \$ 330,932 | \$ 323,959 |

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

| | 2019 | 2018 |
|---------------------|------------------|------------------|
| Accounts receivable | \$ 19,778 | \$ 19,656 |
| Sales tax | 3,172 | 1,826 |
| | \$ 22,950 | \$ 21,482 |

5. Capital assets

| | 2019 | | | 2018 | |
|--------------------------------|-------------------|-------------------------------------|---------------------------|---------------------------|--|
| | Cost | Accumulated amortization | Net book value | Net book value | |
| Computer equipment | \$ 110,450 | \$ 105,996 | \$ 4,454 | \$ 6,363 | |
| Office production equipment | 9,036 | 6,912 | 2,124 | 1,697 | |
| | \$ 119,486 | \$ 112,908 | \$ 6,578 | \$ 8,060 | |

6. Accounts payable and accrued liabilities

| | 2019 | 2018 |
|--|------------------|------------------|
| Accounts payable and accrued liabilities | \$ 6,901 | \$ 6,493 |
| Salaries payable | 982 | 15,582 |
| Amount payable in respect of government remittances | 3,847 | 2,581 |
| | \$ 11,730 | \$ 24,656 |

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

| | 2019 | 2018 |
|--|-------------|----------|
| Accounts receivable | \$ (1,468) | \$ 3,383 |
| Prepaid expenses | (57) | (2,700) |
| Accounts payable and accrued liabilities | (12,926) | 5,946 |
| | \$ (14,451) | \$ 6,629 |

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.

Credit risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Organization by failing to discharge an obligation. The Organization's credit risk is mainly related to accounts receivable.

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.

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.