

**EDUCATION UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY**

**FINANCIAL STATEMENTS**

**APRIL 30, 2015**

**(UNAUDITED)**



**EDUCATION UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY**  
**FINANCIAL STATEMENTS**  
**APRIL 30, 2015**

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CPA et conseillers en gestion d'entreprises  
CPAs & Business Advisors

FL Fuller Landau SENCRL/LLP

## REVIEW ENGAGEMENT REPORT

To the Directors of  
Education Undergraduate Society of McGill University

We have reviewed the statement of financial position of Education Undergraduate Society of McGill University as at April 30, 2015 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 Association.

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

In common with many not-for-profit organizations, the Association derives part of its receipts from the general public in the form of cash receipts, the completeness of which is not susceptible to satisfactory review procedures. Accordingly, our review of receipts from this source was limited to the amounts recorded in the records of the Association and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses, assets and net assets.

Except for the failure, as described in the preceding paragraph, 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 accounting standards for not-for-profit organizations.

*Fuller Landau LLP*

Montreal, February 19, 2016

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<sup>1</sup> CPA auditor, CA, public accountancy permit No. AI 18902

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**EDUCATION UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT APRIL 30, 2015**  
**(UNAUDITED)**

	2015 \$	2014 \$
<b>ASSETS</b>		
Current		
Cash	20,868	7,672
Accounts receivable	152,791	94,430
	<b>173,659</b>	<b>102,102</b>
Capital assets (Note 3)	3,709	4,727
	<b>177,368</b>	<b>106,829</b>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	15,729	11,980
<b>NET ASSETS</b>		
Invested in capital assets	3,709	4,727
Unrestricted	157,930	90,122
	<b>161,639</b>	<b>94,849</b>
	<b>177,368</b>	<b>106,829</b>

On behalf of the Board,

\_\_\_\_\_, Director

\_\_\_\_\_, Director

**EDUCATION UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED APRIL 30, 2015**  
(UNAUDITED)

	2015	2014
	\$	\$
<b>Revenues</b>		
Student fees	62,581	63,837
Social events and internal activities (Note 4)	52,894	12,406
	<b>115,475</b>	<b>76,243</b>
<b>Expenses</b>		
Amortization	1,018	755
Insurance	1,515	1,515
Interest and bank charges	103	331
Meals and meetings	467	1,209
Office supplies and stationary	892	2,998
Professional fees	3,893	6,899
Promotion	575	13,021
SAPEK student fees	417	1,113
Social events and internal activities (Note 4)	39,752	59,413
Taxes and licenses	53	665
	<b>48,685</b>	<b>87,919</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>66,790</b>	<b>(11,676)</b>

**EDUCATION UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED APRIL 30, 2015**  
(UNAUDITED)

	Invested in capital assets \$	Unrestricted \$	<b>2015 Total \$</b>	2014 Total \$
Balance, beginning of year	4,727	90,122	<b>94,849</b>	106,525
Excess (deficiency) of revenues over expenses	(1,018)	67,808	<b>66,790</b>	(11,676)
Balance, end of year	3,709	157,930	<b>161,639</b>	94,849

**EDUCATION UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED APRIL 30, 2015**  
(UNAUDITED)

	2015 \$	2014 \$
Operating activities		
Excess (deficiency) of revenues over expenses	66,790	(11,676)
Item not requiring cash		
Amortization of capital assets	1,018	755
	67,808	(10,921)
Net change in non-cash working capital items	(54,612)	(29,405)
	13,196	(40,326)
Investing activity		
Acquisition of capital assets	-	(4,449)
Increase (decrease) in cash and cash equivalents	13,196	(44,775)
Cash and cash equivalents, beginning of year	7,672	52,447
Cash and cash equivalents, end of year	20,868	7,672

Cash and cash equivalents consist of cash.

**EDUCATION UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2015**  
**(UNAUDITED)**

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

The Education Undergraduate Society of McGill University Inc. (EdUS) is a student-run not-for-profit organization, incorporated under Part III of the Quebec Companies' Act and is exempt from the payment of income taxes under the Income Tax Act.

The Association aims to promote activities among undergraduate students of the faculty of education at McGill University.

**2. Significant accounting policies**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook – Accounting and include the following accounting policies:

**Revenue recognition**

Student fees are collected from students by McGill University and are recognized as revenues by the Association when the funds are collected by the university.

Revenues from social events and internal activities are recognized in the period that the activities occurred.

**Cash and cash equivalents**

The Association's policy is to disclose bank balances under cash and cash equivalents, which could include bank overdrafts with balances that fluctuate frequently from being positive to overdrawn.

**Financial instruments**

**Measurement of financial instruments**

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

The Association subsequently measures all its financial assets and financial liabilities at amortized cost.

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

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.



**EDUCATION UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**2. Significant accounting policies (continued)**

**Financial instruments (continued)**

**Impairment**

Financial assets measured at cost are tested for impairment when there are indicators of possible impairment. The Association 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.

**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:

	<u>Rates</u>
Computer equipment	30%
Furniture and fixtures	20%

**Impairment of long-lived assets**

A long-lived asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

**Contributed services**

The Association receives free rental office space from McGill University, however, the value of this rent is difficult to estimate, and is therefore not included in the financial statements.

In addition, volunteers contribute many hours per year to the Association to ensure service delivery. Due to the difficulty in determining the fair value of contributed services, they are not recognized in the financial statements.

**EDUCATION UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**2. Significant accounting policies (continued)**

**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.

**3. Capital assets**

	Cost \$	Accumulated amortization \$	2015 Net book value \$	2014 Net book value \$
Computer equipment	2,417	1,911	506	723
Furniture and fixtures	4,449	1,246	3,203	4,004
	6,866	3,157	3,709	4,727

**4. Social events and internal activities**

	Revenues \$	Expenses \$	2015 Net \$	2014 Net \$
4 à 7	940	2,958	(2,018)	(1,572)
Career Fair	-	1,798	(1,798)	(1,470)
Charity Week	1,375	1,336	39	(782)
Dusted	-	-	-	(717)
Flapper Dapper	-	-	-	(525)
Frosh	17,475	12,967	4,508	(6,550)
Graduation Ball	10,347	15,292	(4,945)	(31,948)
MEdUSA	-	295	(295)	(336)
SPEAQ	4,000	3,515	485	-
Welcome Back Barbeque	-	564	(564)	(1,411)
Other	18,757	1,027	17,730	(1,696)
	52,894	39,752	13,142	(47,007)

**EDUCATION UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY**  
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**5. Financial instruments**

**Risks and concentration**

The Association is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the Association's risk exposure at the balance sheet date of April 30, 2015.

**Liquidity risk**

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

**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 Association's main credit risks relate to its accounts receivable. The Association provides credit to its clients in the normal course of its operations.

**6. Economic dependence**

The Association receives student fees from tuition paid to McGill University to ensure the continuity of its operations.