

**SCIENCE UNDERGRADUATE SOCIETY
OF MCGILL UNIVERSITY**

FINANCIAL STATEMENTS

APRIL 30, 2016



**SCIENCE UNDERGRADUATE SOCIETY
OF MCGILL UNIVERSITY
FINANCIAL STATEMENTS
APRIL 30, 2016**

	Page
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 13



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

FL Fuller Landau SENCRL/LLP

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Science Undergraduate Society of McGill University

We have audited the accompanying financial statements of Science Undergraduate Society of McGill University, which comprise the statement of financial position as at April 30, 2016, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

www.flmontreal.com

membre de / member of
www.leadingedgealliance.com

Place du Canada
1010, rue De La Gauchetière Ouest, 2^e étage
Montréal QC Canada H3B 2S1
T 514.875.2865 • F 514.866.0247
1.888.355.6697

Basis for Qualified Opinion

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 audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, excess (deficiency) of revenues over expenses and cash flows for the years ended April 30, 2016 and 2015, assets as at April 30, 2016 and 2015 and net asset balances as at May 1 and April 30 for both the 2016 and 2015 years. Our audit opinion on the financial statements for the year ended April 30, 2015 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Science Undergraduate Society of McGill University as at April 30, 2016, 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.

*FL Fuller Landau LLP*¹

Montreal, November 29, 2016

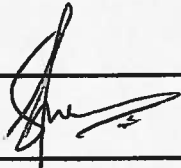
¹ CPA auditor, CA, public accountancy permit No. AI 18902

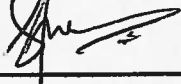


SCIENCE UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY
STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2016

	2016	2015
	\$	\$
ASSETS		
Current		
Cash	318,572	186,036
Term deposit (Note 3)	20,440	20,069
Accounts receivable	8,089	34,036
Prepaid expenses	17,288	3,533
	364,389	243,674
Restricted cash (Note 4)	73,065	-
Capital assets (Note 5)	3,620	1,650
	441,074	245,324
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 6)	95,072	64,977
NET ASSETS		
Invested in capital assets	3,620	1,650
Internally restricted	73,065	-
Unrestricted	269,317	178,697
	346,002	180,347
	441,074	245,324

On behalf of the Board,

 _____, Director

 _____, Director

SCIENCE UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED APRIL 30, 2016

	2016	2015
	\$	\$
Revenues		
Departmental societies (Note 7)	530,852	460,159
Programs (Note 8)	339,646	230,206
Student fees	199,628	114,268
Sponsorship	9,539	8,850
Miscellaneous	213	-
Interest income	371	-
	1,080,249	813,483
Expenses		
Departmental societies (Note 7)	482,362	463,299
Programs (Note 8)	331,997	256,345
Amortization	721	630
Equalization	23,925	44,360
Executive	8,849	8,432
Insurance	4,963	4,831
Office and general	14,317	7,520
Professional fees	19,618	14,677
Repairs and maintenance	-	763
Science 21st century ambassador fund (SCAF)	11,845	3,966
Special project fund (SPF)	8,562	9,916
Student space improvement fund (SSIF)	7,435	-
	914,594	814,739
Excess (deficiency) of revenues over expenses	165,655	(1,256)

SCIENCE UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED APRIL 30, 2016

	Internally restricted \$	Net assets invested in capital assets \$	Unrestricted \$	2016 Total \$	2015 Total \$
Balance, beginning of year	-	1,650	178,697	180,347	181,603
Excess (deficiency) of revenues over expenses	-	(721)	166,376	165,655	(1,256)
Reallocation of internally restricted funds (Note 4)	73,065	-	(73,065)	-	-
Acquisition of capital assets	-	2,691	(2,691)	-	-
Balance, end of year	73,065	3,620	269,317	346,002	180,347

SCIENCE UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2016

	2016 \$	2015 \$
Operating activities		
Excess (deficiency) of revenues over expenses	165,655	(1,256)
Item not requiring cash		
Amortization of capital assets	721	630
	166,376	(626)
Net change in non-cash items related to operating activities	41,916	47,304
	208,292	46,678
Investing activities		
Proceeds from maturity of term deposits	-	6,000
Acquisition of capital assets	(2,691)	-
	(2,691)	6,000
Increase in restricted cash	(73,065)	-
Increase in cash and cash equivalents	132,536	52,678
Cash and cash equivalents, beginning of year	186,036	133,358
Cash and cash equivalents, end of year	318,572	186,036

Cash and cash equivalents consist of cash.

**SCIENCE UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016**

1. Statutes of incorporation and nature of activities

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

The Association's objective is to promote and represent the welfare and interests of the undergraduate students of the faculty of science at McGill University by providing activities and services to enhance the educational, cultural, environmental and social conditions of its members.

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 members by McGill University and are recognized as revenue when funds are collected by the University.

Sponsorship revenue is recognized by the Association when received or when collection is reasonably assured.

Program revenues of the Association and its constituent associations, which also include departmental revenues, are recognized as revenue in the period that the programs occurred.

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, accounts receivable, term deposit and restricted cash.

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

**SCIENCE UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016**

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 the Statement of Operations. 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 the Statement of Operations.

Cash and cash equivalents

The Association's policy is to disclose bank balances under cash and cash equivalents.

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>
Office furniture	20%
Computer equipment	30%

Impairment of long-lived assets

Capital assets subject to amortization are tested for recoverability whenever events or changes in circumstances indicate that their 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.

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.

SCIENCE UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

2. Significant accounting policies (continued)

Contributed services

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

The Association receives free rental office space from McGill University. Due to the difficulty in estimating the value of this rental office space it is not recognized in the financial statements.

3. Term deposit

The term deposit bears interest at 1.85% and matures in July 2016.

Subsequent to year end, the term deposit was renewed bearing interest at 0.3979% and maturing in October 2021.

4. Restricted cash

Restricted cash consists of cash internally restricted for the Student Space Improvement Fund and for the Student 21st Century Ambassador Fund.

During the year, the Association reallocated \$73,065 from the unrestricted fund to the internally restricted fund.

5. Capital assets

	Cost \$	Accumulated amortization \$	2016 Net book value \$	2015 Net book value \$
Office furniture	3,890	1,122	2,768	433
Computer equipment	6,851	5,999	852	1,217
	10,741	7,121	3,620	1,650

SCIENCE UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

6. Accounts payable and accrued liabilities

	2016	2015
	\$	\$
Accounts payable	83,572	31,780
Accrued liabilities	11,500	33,197
	95,072	64,977

SCIENCE UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

7. Departmental societies

	Revenues \$	Expenses \$	2016 Net \$	2015 Net \$
Bachelor of Arts and Science Integrative Council (BASIC)	39,354	38,744	610	(1,485)
Biochemistry Undergraduate Students (BUGS)	24,752	21,811	2,941	2,899
Chemistry Undergraduate Student Society (CUSS)	33,824	32,458	1,366	1,488
Computer Science Undergraduate Society (CSUS)	32,643	26,196	6,447	(1,227)
Freshman Undergraduate Science Society (FUSS)	1,560	1,874	(314)	2,117
Hack	80,601	74,031	6,570	-
McGill Anatomy & Cell Biology Students' Society (MACSS)	46,018	37,863	8,155	(5,142)
McGill Biology Student Union (MBSU)	26,055	20,504	5,551	(17,068)
McGill Environment Students' Association (MESS)	6,494	5,627	867	649
McGill Psychology Students' Association (MPSA)	24,046	17,992	6,054	(3,106)
McGill Society of Physics Students (MSPS)	14,745	14,338	407	(167)
McGill Undergraduate Geography Students (MUGS)	4,234	5,919	(1,685)	1,647
McGill Undergraduate Meteorology Students' Association (MUMSA)	5,845	7,927	(2,082)	2,619
Med-preparatory/Dent- preparatory Student Association (MDSA)	65,850	60,521	5,329	(436)
Microbiology and Immunology Students' Association (MISA)	32,687	30,491	2,196	510
Monteregian Society	11,757	11,536	221	1,294
Neuroscience Undergraduates of McGill (NUM)	11,660	12,775	(1,115)	4,372
Pharmacology Integrative League of Students (PILS)	32,881	29,789	3,091	4,166
Physiology Undergraduate League of Students (PULS)	22,225	24,099	(1,874)	3,498
Society of Undergraduate Mathematics Students (SUMS)	13,621	7,867	5,754	232
	530,852	482,362	48,489	(3,140)

SCIENCE UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016

8. Programs

	Revenues \$	Expenses \$	2016 Net \$	2015 Net \$
Academia Week	-	8,515	(8,515)	(4,136)
Frosh	179,800	168,565	11,235	3,426
Grad Fair	32,268	3,243	29,025	5,881
Medical Direction (MD)	-	1,898	(1,898)	(1,675)
McGill Science Games (MSG)	61,437	53,730	7,707	(8,844)
McGill Science Undergraduate Research Journal (MSURJ)	1,100	2,067	(967)	(1,382)
Science Graduation Ball	55,613	66,560	(10,947)	(11,222)
Science Undergraduate Society Appreciation Night (SUSAN)	-	7,367	(7,367)	(5,191)
Science Undergraduate Research Awards (SURA)	-	5,600	(5,600)	(8,400)
SUSustainability Week	2,587	7,793	(5,206)	5,761
Other programs	6,841	6,659	182	(357)
	339,646	331,997	7,649	(26,139)

9. 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, 2016.

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 its accounts payable and accrued liabilities.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Association is mainly exposed to interest rate risk.

**SCIENCE UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016**

9. 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 Association is exposed to interest rate risk on its fixed rate financial instruments. The term deposit subjects the Association to a fair value risk.

10. Economic dependence

The Association receives student fees from member payments that are collected by McGill University on behalf of the Association to ensure the continuity of its operations.