

QUEBEC PUBLIC INTEREST RESEARCH GROUP (CONCORDIA)

ANNUAL FINANCIAL REPORT

AS AT AUGUST 31, 2017

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INDEPENDENT AUDITORS' REPORT

To the members of
QUEBEC PUBLIC INTEREST RESEARCH GROUP (CONCORDIA)

We have audited the balance sheet of QUEBEC PUBLIC INTEREST RESEARCH GROUP (CONCORDIA) which comprise the statement of financial position as at August 31, 2017 and the statements of operations, changes in net asset 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 the 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 concluded 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 evidence about the amounts and disclosures in the financial statements. These procedures selected depend on auditor's judgment, including the assessment of 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 circumstances, but not for the purpose of expressing an opinion on 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 audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of QUEBEC PUBLIC INTEREST RESEARCH GROUP (CONCORDIA) as at August 31, 2017 and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

APSV Chartered Professional Accountants inc.

APSV Chartered Professional Accountants inc. ¹

Montreal, April 4, 2018

¹ By Caroline Pombert, CPA auditor, CA

QUEBEC PUBLIC INTEREST RESEARCH GROUP (CONCORDIA)

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED AUGUST 31, 2017

	2017	2016
	<u>\$</u>	<u>\$</u>
REVENUES		
Students fees	269,169	233,143
Grants - Summer employment	21,983	41,312
Interests and other revenues	8,207	1,750
	<u>299,359</u>	<u>276,205</u>
EXPENSES		
Salaries and employee benefits	141,528	160,059
Working groups and projects costs (note 3)	51,456	46,941
Rent	42,334	40,563
Taxes and permits	37,559	18,465
Professional fees	10,123	7,290
Office expenses	6,677	1,991
Equipement rental	5,940	5,058
Retreats and meetings	3,917	3,271
Telecommunications	3,202	3,192
Insurance	1,374	1,077
Advertising and promotion	1,332	430
Depreciation of fixed assets	1,033	1,306
Interests and bank charges	541	2,604
Bad debts	437	2,339
	<u>307,453</u>	<u>294,586</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u><u>(8,094)</u></u>	<u><u>(18,381)</u></u>

QUEBEC PUBLIC INTEREST RESEARCH GROUP (CONCORDIA)

CHANGES IN NET ASSET

FOR THE YEAR ENDED AUGUST 31, 2017

	2017			2016
	Invested in fixed assets	Internally restricted (note 6)	Unrestricted	Total
	\$	\$	\$	\$
BALANCE, BEGINNING OF YEAR	2,733	20,376	25,471	48,580
Excess (deficiency) of revenues over expenses	(1,033) ¹	-	(7,061)	(8,094)
BALANCE, END OF YEAR	<u>1,700</u>	<u>20,376</u>	<u>18,410</u>	<u>40,486</u>

¹ Consist of depreciation of fixed assets

QUEBEC PUBLIC INTEREST RESEARCH GROUP (CONCORDIA)

FINANCIAL POSITION

AS AT AUGUST 31, 2017

	<u>2017</u>	<u>2016</u>
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash	41,710	57,840
Reserved cash - external projects	25,601	23,704
Grants receivables	7,490	15,940
Accounts receivable	6,502	2,135
Prepaid expenses	322	322
	<u>81,625</u>	<u>99,941</u>
RENT DEPOSIT	3,240	3,240
FIXED ASSETS (note 4)	1,700	2,733
	<u>4,940</u>	<u>5,973</u>
	<u>86,565</u>	<u>105,914</u>
 LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (note 5)	20,478	36,813
Accounts payable - external projects	25,601	20,521
	<u>46,079</u>	<u>57,334</u>
 NET ASSET		
INVESTED IN FIXED ASSETS	1,700	2,733
INTERNALLY RESTRICTED (note 6)	20,376	20,376
UNRESTRICTED	18,410	25,471
	<u>40,486</u>	<u>48,580</u>
	<u>86,565</u>	<u>105,914</u>

COMMITMENTS (note 7)

ON BEHALF OF THE BOARD OF DIRECTORS

QUEBEC PUBLIC INTEREST RESEARCH GROUP (CONCORDIA)

CASH FLOWS

FOR THE YEAR ENDED AUGUST 31, 2017

	<u>2017</u>	<u>2016</u>
	\$	\$
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	(8,094)	(18,381)
Item not affecting cash:		
Depreciation of fixed assets	<u>1,033</u>	<u>1,306</u>
	<u>(7,061)</u>	<u>(17,075)</u>
Net change in non-cash working capital items		
Grants receivable	8,450	(8,479)
Accounts receivable	(4,367)	3,307
Accounts payable and accrued liabilities	(16,335)	(2,210)
Accounts payable - external projects	5,080	1,104
Deferred revenues	-	(165,206)
	<u>(7,172)</u>	<u>(171,484)</u>
Cash flows used in operating activities	<u>(14,233)</u>	<u>(188,559)</u>
INVESTING ACTIVITIES		
Investment in capital assets and cash flows used in investing activities	<u>-</u>	<u>(718)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(14,233)	(189,277)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>81,544</u>	<u>270,821</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>67,311</u></u>	<u><u>81,544</u></u>
Cash and cash equivalents consist of cash on hand and reserved cash - external projects.		
Cash	41,710	57,840
Reserved cash - external projects	<u>25,601</u>	<u>23,704</u>
	<u><u>67,311</u></u>	<u><u>81,544</u></u>

QUEBEC PUBLIC INTEREST RESEARCH GROUP (CONCORDIA)

NOTES TO THE FINANCIAL STATEMENTS

AS AT AUGUST 31, 2017

1 - GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION

QUEBEC PUBLIC INTEREST RESEARCH GROUP (CONCORDIA) is a not-for-profit organization and was incorporated under Part III of the Quebec Companies Act on May 5, 1992.

It is exempted of income taxes.

The objectives of the organization are the following:

- to contribute to social progress in Quebec and to encourage students to act as responsible citizens;
- to promote amongst other things, social justice, a healthy environment, participatory democracy, and governmental and corporate responsibility;
- to carry out projects related to research, education and social action;
- to promote active participation of more people in democratic functioning of the organization;
- to receive donations, bequests, and other monetary contributions of similar nature, in securities or real estate, and to administer these donations and contributions; to organize membership campaigns with the goal of fundraising for the financial needs of the organization;
- to not undertake activities except for activities that are not-for-profit and without the intention of monetary gain for the organization's members;
- to use all profits or other organizational surpluses to facilitate the accomplishment of these objects;
- to do all that is pertinent and necessary for the promotion and achievement of these objectives.

2 - SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

Accounting estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to the financial statements. These estimates are based on management's best knowledge of current events and actions that the organization may undertake in the future. Actual results may differ from these estimates.

Revenue recognition

Contributions

The organization follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses are deferred and 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.

Students fees

Membership are recognized as revenue proportionately over the period they are effective, when the amount can be reasonably estimated and collection is reasonably assured.

QUEBEC PUBLIC INTEREST RESEARCH GROUP (CONCORDIA)

NOTES TO THE FINANCIAL STATEMENTS

AS AT AUGUST 31, 2017

2 - SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Contributed supplies and services

The organization recognizes contributed supplies and services when the fair value of these contributions can be reasonably estimated and if it would have had to otherwise acquire these supplies and services for its normal operations. In such cases, the contributed supplies and services are valued at fair value.

Fixed assets

Fixed assets are recorded at cost and are depreciated on a diminishing balance basis over their estimated useful lives at the following annual rates:

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

Financial instruments

The organization initially measures its financial assets and liabilities at fair value. They are subsequently measured at amortized cost.

Financial assets measured at amortized cost consist of cash, reserved cash and accounts receivable.

Financial assets measured at amortized cost consist of accounts payable.

The organization has a \$ 2,500 credit limit on a credit card bearing interest at 11.45 %.

QUEBEC PUBLIC INTEREST RESEARCH GROUP (CONCORDIA)

NOTES TO THE FINANCIAL STATEMENTS

AS AT AUGUST 31, 2017

3- WORKING GROUPS AND PROJECTS COSTS

	2017	2016
	\$	\$
Workstudy	9,530	12,932
External Disc Fund	5,575	4,729
Alternative Resource Publication	5,131	5,315
Alternative Orientation	4,496	404
Accessibility	3,179	1,430
Convergence	3,033	3,166
Summer Stipend-SAB Guide	3,000	-
Central Programming	2,787	2,900
BIHRA	2,500	-
Queer between the covers	2,174	-
Qouleur Qollective	1,500	943
CLAC	1,484	1,216
Open Door Books	1,132	1,500
Cordillera People Support Group	1,100	550
Projections insurgees	1,082	135
Sidetracks	1,006	1,000
Montreal Sound Team	995	608
Collective Against Police Brutality	908	750
Re-con	636	1,247
Solidarity Accross Borders	537	837
Childcare Collective	421	331
RE:BODIES	375	219
Resource Library	267	473
Accessibilize Montreal	172	1,000
Tout le hood en parle	150	-
Contempt of Court	46	-
Outrage au tribunal	9	-
Study in Action	2	147
Q-team	-	(1,698)
Community-University Talks	-	937
Women of Diverse Origins	-	230
Justice for Victims of Police	-	167
IWTSHRC	-	100
Anti-Colonial Solidarity Collective	-	1
Calendar Commitee	-	(25)
Techno Libre	(49)	274
Mad Pride Montreal	(53)	572
C.U.R.E	(75)	911
Co-sponsorships	(75)	26
Prisoner Correspondence Project	(1,519)	3,614
	<u>51,456</u>	<u>46,941</u>

QUEBEC PUBLIC INTEREST RESEARCH GROUP (CONCORDIA)

NOTES TO THE FINANCIAL STATEMENTS

AS AT AUGUST 31, 2017

4 - FIXED ASSETS

	2017		2016	
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Computer equipment	48,238	46,851	1,387	2,342
Furniture and fixtures	4,396	4,083	313	391
	<u>52,634</u>	<u>50,934</u>	<u>1,700</u>	<u>2,733</u>

5- ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2017	2016
	\$	\$
Accounts payable and accrued liabilities	13,025	28,091
Gouvernement remittances	6,781	8,550
Salaries and vacation	672	172
	<u>20,478</u>	<u>36,813</u>

6- RESTRICTED NET ASSET

The Board of directors decided to allocate a total of \$ 20,376 for working groups in 2015-2016. This net asset cannot be used for another purpose unless duly authorized by the Board of directors.

7 - COMMITMENTS

The organization has entered into a long-term lease agreement for the rental of office space expiring in September 2019. The total rent is adjusted annually based on price consumer index as per Statistic Canada.

The organization also entered into a lease for equipment rental which call for quarterly payments of \$ 1,200 expiring in June 2022.

Minimum leases payments totalling \$116,676 for the next years are as follows :

	\$
2018	48,013
2019	49,784
2020	9,221
2021	5,519
2022	4,139

QUEBEC PUBLIC INTEREST RESEARCH GROUP (CONCORDIA)

NOTES TO THE FINANCIAL STATEMENTS

AS AT AUGUST 31, 2017

8- FINANCIAL INSTRUMENTS

Credit risk

The financial instruments that potentially expose the organization to credit risk are accounts and grants receivable. They are analyzed on an ongoing basis to ensure their recoverability.