

QUEBEC PUBLIC INTEREST RESEARCH GROUP (CONCORDIA)

AS AT AUGUST 31, 2013

ANNUAL FINANCIAL REPORT

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of QUEBEC PUBLIC INTEREST RESEARCH GROUP (CONCORDIA) which comprise the statement of financial position as at August 31, 2013, and the statements of changes in net asset, operations 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 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 evidence about the amounts and disclosures in the financial statements. These procedures selected depend on the 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 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of QUEBEC PUBLIC INTEREST RESEARCH GROUP (CONCORDIA) as at August 31, 2013, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Comparative information

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes that QUEBEC PUBLIC INTEREST RESEARCH GROUP (CONCORDIA) adopted Canadian accounting standards for not-for-profit organizations on September 1, 2012 with a transition date of September 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at August 31, 2012 and September 1, 2011, and the statements of operations, net asset and cash flows for the year ended August 31, 2012 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

APSV Chartered Professional Accountants inc.

APSV Chartered Professional Accountants inc.¹

Montreal, January 14, 2014

¹ By Caroline Pombert, CPA auditor, CA

QUEBEC PUBLIC INTEREST RESEARCH GROUP (CONCORDIA)**OPERATIONS****FOR THE YEAR ENDED AUGUST 31, 2013**

	<u>2013</u>	<u>2012</u>
	\$	\$
REVENUES		
Students fees	229,655	227,762
Grants - Summer employment	20,935	26,750
Interest and other revenues	2,290	4,736
	<u>252,880</u>	<u>259,248</u>
EXPENSES		
Salaries and fringe benefits	117,187	122,726
Working groups and projects costs (note 4)	46,956	47,240
Rent	44,038	35,478
Taxes and permits	10,537	6,067
Professional fees	8,429	7,846
Equipment rental	5,058	5,043
Retreats and meetings	3,319	3,898
Office expenses	2,863	7,014
Telecommunications	2,787	2,526
Electricity	1,267	2,020
Depreciation of fixed assets	1,055	1,283
Advertising and promotion	1,041	1,593
Insurance	960	978
Interest and bank charges	630	3,200
Bad debts	185	-
	<u>246,312</u>	<u>246,912</u>
EXCESS OF REVENUES OVER EXPENSES	<u>6,568</u>	<u>12,336</u>

QUEBEC PUBLIC INTEREST RESEARCH GROUP (CONCORDIA)

CHANGES IN NET ASSET

FOR THE YEAR ENDED AUGUST 31, 2013

	2013			2012
	Invested in fixed assets	Internally restricted (note 7)	Unrestricted	Total
	\$	\$	\$	\$
BALANCE, BEGINNING OF YEAR	3,678	7,430	51,497	62,605
Excess (deficiency) of revenues over expenses	(1,055)	-	7,623	6,568
Net restriction of the year	-	2,911	(2,911)	-
Acquisition of fixed assets	221	-	(221)	-
BALANCE, END OF YEAR	2,844	10,341	55,988	69,173

QUEBEC PUBLIC INTEREST RESEARCH GROUP (CONCORDIA)
FINANCIAL POSITION
FOR THE YEAR ENDED AUGUST 31, 2013

	<u>2013</u>	<u>2012</u>	<u>September 1, 2011</u>
	\$	\$	\$
ASSETS			
CURRENT ASSETS			
Cash	73,153	58,206	57,899
Reserved cash - external projects	4,164	5,623	12,955
Grants receivable	1,447	16,745	10,493
Accounts receivable	3,255	5,357	8,834
Prepaid expenses	244	241	222
	<u>82,263</u>	<u>86,172</u>	<u>90,403</u>
RENT DEPOSITS	3,240	3,240	3,240
FIXED ASSETS (note 5)	<u>2,844</u>	<u>3,678</u>	<u>4,103</u>
	<u><u>88,347</u></u>	<u><u>93,090</u></u>	<u><u>97,746</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities (note 6)	15,010	24,862	26,990
Deferred revenues	-	-	7,532
Accounts payable - external projects	4,164	5,623	12,955
	<u>19,174</u>	<u>30,485</u>	<u>47,477</u>
NET ASSET			
INVESTED IN NET ASSETS	2,844	3,678	4,103
INTERNALLY RESTRICTED (note 7)	10,341	7,430	-
UNRESTRICTED	55,988	51,497	46,166
	<u>69,173</u>	<u>62,605</u>	<u>50,269</u>
	<u><u>88,347</u></u>	<u><u>93,090</u></u>	<u><u>97,746</u></u>

ON BEHALF OF THE BOARD OF DIRECTORS

QUEBEC PUBLIC INTEREST RESEARCH GROUP (CONCORDIA)

CASH FLOWS

FOR THE YEAR ENDED AUGUST 31, 2013

	<u>2012</u>	<u>2011</u>
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenses	6,568	12,336
Non-cash item		
Depreciation of fixed assets	<u>1,055</u>	<u>1,283</u>
	<u>7,623</u>	<u>13,619</u>
Net change in non-cash working capital items		
Grants receivable	15,298	(6,252)
Accounts receivable	2,102	3,477
Prepaid expenses	(3)	(19)
Accounts payable and accrued liabilities	(9,852)	(2,128)
Deferred revenues	-	(7,532)
Accounts payable -external projects	<u>(1,459)</u>	<u>(7,332)</u>
	<u>6,086</u>	<u>(19,786)</u>
Cash flows from (used in) operating activities	<u>13,709</u>	<u>(6,167)</u>
 INVESTING ACTIVITIES		
Investment in fixed assets and cash flows used in investing activities	<u>(221)</u>	<u>(858)</u>
 CASH AND CASH EQUIVALENTS INCREASE (DECREASE)	13,488	(7,025)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>63,829</u>	<u>70,854</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>77,317</u></u>	<u><u>63,829</u></u>
 Cash and cash equivalents consist of cash on hand and reserved cash - external projects.		
Cash	73,153	58,206
Reserved cash - external projects	<u>4,164</u>	<u>5,623</u>
	<u><u>77,317</u></u>	<u><u>63,829</u></u>

QUEBEC PUBLIC INTEREST RESEARCH GROUP (CONCORDIA)
NOTES TO THE FINANCIAL STATEMENTS
AS AT AUGUST 31, 2013

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 the democratic functioning of the organization;
- to develop, encourage, and coordinate the Quebec PIRG (Public Interest Research Group) movement;
- 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- IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING

These financial statements are the first financial statements prepared using Canadian accounting standards for not-for-profit organizations. The first-time adoption of the new basis of accounting did not have any impact on the organization's statement of operations for the year ended August 31, 2012 nor on its net asset at the date of the transition, i.e. September 1, 2011.

3- 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.

QUEBEC PUBLIC INTEREST RESEARCH GROUP (CONCORDIA)
NOTES TO THE FINANCIAL STATEMENTS
AS AT AUGUST 31, 2013

3- ACCOUNTING POLICIES (continued)

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.

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 declining balance basis over their estimated useful lives at the following 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 liabilities measured at amortized cost consist of accounts payable.

QUEBEC PUBLIC INTEREST RESEARCH GROUP (CONCORDIA)
NOTES TO THE FINANCIAL STATEMENTS
AS AT AUGUST 31, 2013

4- WORKING GROUPS AND PROJECTS COSTS

	2013	2012
	\$	\$
Workstudy	10,963	13,241
Alternative Resource Publication	5,041	259
Study in Action	4,703	6,336
External Disc Fund	3,473	5,004
Central Programming	2,503	3,095
Prisoner Correspondence Project	1,899	1,820
Open Door Books	1,785	1,122
Montreal Sound Team	1,595	635
Resource Library	1,476	610
Ste Emilie Skill Share	1,414	555
Re-con	1,395	534
Solidarity Accross Borders	1,300	1,194
Anti-Colonial Solidarity Collective	1,100	593
People's Commission Network	988	997
Q-team	925	908
Autonomous Social center	900	129
Co-sponsorships	873	-
CLAC	572	235
Summer Stipend-Anti-Gentrification	559	-
Alternative Orientation	497	1,619
Justice for Victims of Police	472	148
C.U.R.E	325	1,028
Childcare Collective	324	-
Mad Pride Montreal	300	-
Association Liberté Expression	300	-
Calendar Commitee	278	753
M.U.R.	274	-
Dignidad Migrante	255	578
Summer Stipend-SAB Guide	200	-
Accessibility	180	1,084
Termite Collective	58	-
Rad school	42	-
Convergence	22	1,895
Right to the City	3	-
Summer Research Stipend	-	1,500
Collective Against Police Brutality	-	824
Tapthirst	-	147
Anarchist Tech Support	-	8
Montreal Childcare Network	-	5
Free Education Montreal	-	(242)
Pros and Cons	(38)	626
	<u>46,956</u>	<u>47,240</u>

QUEBEC PUBLIC INTEREST RESEARCH GROUP (CONCORDIA)
NOTES TO THE FINANCIAL STATEMENTS
AS AT AUGUST 31, 2013

5- FIXED ASSETS

	2013		2012	
	Cost	Accumu- lated depreciation	Net book value	Net book Value
Computer equipment	\$ 45,193	\$ 43,110	\$ 2,083	\$ 2,976
Furniture and fixtures	4,396	3,635	761	702
	<u>49,589</u>	<u>46,745</u>	<u>2,844</u>	<u>3,678</u>

6- ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2013	2012
Accounts payable and accrued charges	\$ 10,116	\$ 18,667
Salaries and vacation	134	-
Government remittances	4,760	6,195
	<u>15,010</u>	<u>24,862</u>

7- RESTRICTED NET ASSET

The board of directors decided to allocate a total amount of \$ 10,341 for working groups in 2013-2014. Those net assets cannot be used for another purpose unless duly authorized by the board of directors.

8- COMMITMENTS

The organization has entered in October 2009 into a long-term lease agreement which call for lease yearly payments of \$ 30,240 for the rental of office space expiring in September 2014. 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 monthly payments of \$ 399, expiring in December 2016.

Minimum lease payments for the next years are as follows :

	\$
2014	48,862
2015	7,800
2016	4,067
2017	1,694

QUEBEC PUBLIC INTEREST RESEARCH GROUP (CONCORDIA)
NOTES TO THE FINANCIAL STATEMENTS
AS AT AUGUST 31, 2013

9- FINANCIAL INSTRUMENTS

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 financial instruments that potentially expose the organization to credit risk are accounts and grants receivable. Grants receivable are analyzed on an ongoing basis to ensure their renewals. Credit risk on term deposits is not significant since they are held in wellknown financial institutions.

10- COMPARATIVE FIGURES

The presentation of certain accounts of previous year has been changed to conform with the presentation adopted for current year.