

EDUCATION UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY

FINANCIAL STATEMENTS

APRIL 30, 2023

(UNAUDITED)

**EDUCATION UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY
FINANCIAL STATEMENTS
APRIL 30, 2023**

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Executive Committee of
Education Undergraduate Society of McGill University

We have reviewed the accompanying financial statements of Education Undergraduate Society of McGill University, that comprise the balance sheet as at April 30, 2023, 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 the basis of accounting described in Note 2, 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

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us 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, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

In common with many not-for-profit organizations, Education Undergraduate Society of McGill University derive revenue from social events and internal activities in the form of cash receipts, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Education Undergraduate Society of McGill University. Therefore, we were not able to determine whether any adjustments might be necessary to social events and internal activities, excess (deficiency) of revenues over expenses, and cash flows from operations for the years ended April 30, 2023 and 2022, current assets as at April 30, 2023 and 2022, and net assets as at May 1 and April 30 for both the 2023 and 2022 years.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Education Undergraduate Society of McGill University as at April 30, 2023, and the results of its operations and its cash flows for the year then ended in accordance with the basis of accounting described in Note 2.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 2 of the financial statements, which describe the basis of accounting. The financial statements are prepared to assist the Education Undergraduate Society of McGill University to meet its reporting requirements. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Comparative Information

We draw attention to Note 3 to the financial statements which describes that Education Undergraduate Society of McGill University adopted the basis of accounting as described in Note 2 on May 1, 2022 with a transition date of May 1, 2021. These standards were applied retrospectively by management to the comparative information in these financial statements, including the balance sheets as at April 30, 2022 and May 1, 2021, and the statements of operations, changes in net assets and cash flows for the year ended April 30, 2022, and related disclosures. Our conclusion is not modified in respect of this matter.

We were not engaged to report on the comparative information, and as such, it is neither audited nor reviewed.

BDO Canada s.r.l./S.E.N.C.R.L./LLP¹

Montreal, March 25, 2024

¹ By CPA auditor, public accountancy permit No. A133595

EDUCATION UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY
BALANCE SHEET
AS AT APRIL 30, 2023
(UNAUDITED)

	April 30, 2023	April 30, 2022	May 1, 2021
	\$	(Not reviewed) \$	(Not reviewed) \$
ASSETS			
Current			
Cash	277,702	352,605	345,825
Term deposit (Note 4)	10,000	-	-
Student fees receivable	2,101	1,887	2,085
Prepaid expenses	1,065	-	-
	290,868	354,492	347,910
Property and equipment (Note 5)	6,442	807	1,016
	297,310	355,299	348,926
LIABILITY			
Current			
Accounts payable and accrued liabilities	19,037	17,000	7,500
NET ASSETS			
Invested in capital assets	6,442	807	1,016
Unrestricted	271,831	337,492	340,410
	278,273	338,299	341,426
	297,310	355,299	348,926

Approved by,

_____, Director

_____, Director

The accompanying notes are an integral part of these financial statements.

EDUCATION UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY
STATEMENT OF OPERATIONS
YEAR ENDED APRIL 30, 2023
(UNAUDITED)

	April 30, 2023	April 30, 2022 (Not reviewed)
	\$	\$
Revenues		
Student fees	71,087	71,748
Social events and internal activities (Appendix A)	73,553	32,141
Interest income	3,036	484
Grant income	16,119	10,000
	163,795	114,373
General and administrative expenses		
Social events and internal activities (Appendix A)	178,726	82,719
Amortization of property and equipment	810	209
Insurance	761	1,737
Interest and bank charges	1,491	707
Office supplies, stationary, taxes and licenses	19,703	5,183
Professional fees	22,330	26,945
	223,821	117,500
(Deficiency) excess of revenues over expenses	(60,026)	(3,127)

The accompanying notes are an integral part of these financial statements.

EDUCATION UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED APRIL 30, 2023
(UNAUDITED)

	Net assets invested in capital assets \$	Unrestricted \$	April 30, 2023 Total \$	2022 April 30, Total (Not reviewed) \$
Balance, beginning of year	807	337,492	338,299	341,426
(Deficiency) excess of revenues over expenses	5,635	(65,661)	(60,026)	(3,127)
Balance, end of year	6,442	271,831	278,273	338,299

The accompanying notes are an integral part of these financial statements.

EDUCATION UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY
STATEMENT OF CASH FLOWS
YEAR ENDED APRIL 30, 2023
(UNAUDITED)

	April 30, 2023	April 30, 2022 (Not reviewed)
	\$	\$
Operating activities		
(Deficiency) excess of revenues over expenses	(60,026)	(3,127)
Non-cash item:		
Amortization of property and equipment	810	209
	(59,216)	(2,918)
Net change in non-cash items related to operating activities:		
Student fees receivable	(214)	198
Prepaid expenses	(1,065)	-
Accounts payable and accrued liabilities	2,037	9,500
	(58,458)	6,780
Investing activities		
Purchase of term deposit	(10,000)	-
Acquisition of property and equipment	(6,445)	-
	(16,445)	-
(Decrease) increase in cash and cash equivalents	(74,903)	6,780
Cash and cash equivalents, beginning of year	352,605	345,825
Cash and cash equivalents, end of year	277,702	352,605

Cash and cash equivalents consist of cash.

The accompanying notes are an integral part of these financial statements.

EDUCATION UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2023
(UNAUDITED)

I. Statutes of incorporation and nature of activities

Education 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 education at McGill University by providing activities and services to enhance the educational, cultural, environmental and social conditions of its members.

2. Significant accounting policies

Basis of accounting

The financial statements were prepared in accordance with the Canadian accounting standards for not-for-profit organizations - except for the treatment of merchandise held for sale in the ordinary course of business that was expensed during the year, as opposed to classifying it as inventory.

The total value of purchased merchandise that was expensed during the year was \$28,648.

Revenue recognition

Student fees are collected from students by McGill University and are recognized as revenues by the Association on a straight-line basis over the school year.

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

Interest income is recorded in the period in which it is earned.

Grant income from McGill is recorded when there is reasonable assurance that it will be realized and collection is reasonably assured.

Financial instruments

Initial measurement

The Association initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Association is in the capacity of management, are initially measured at cost.

Subsequent measurement

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

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

Financial instruments (continued)

Financial assets and liabilities measured at amortized cost using the straight-line method include cash, term deposits, student fees receivables, and accounts payable and accrued liabilities.

Impairment

For financial assets measured at cost or amortized cost, the Association determines whether there are indications of possible impairment. When there are, and the Association 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 earnings. If the indicators of impairment have decreased or no longer exist, the 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 earnings.

Cash and cash equivalents

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

Property and equipment

Property and equipment are accounted for at cost. Amortization is calculated on their respective estimated useful lives using the declining balance method at the following rates:

	Rates
Furniture and fixtures	20%
Computer equipment	30%

Long lived assets impairment

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.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the amounts recognized as revenues and expenses for the periods covered. Actual results may differ from these estimates. The critical estimates relate to the the useful lives of capital assets subject to amortization.

EDUCATION UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2023
(UNAUDITED)

2. Significant accounting policies (continued)

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.

3. First-time adoption

Effective May 1, 2022, the Association adopted the requirements of the accounting framework, as described in the basis of accounting in Note 2. These are the Corporation's first financial statements prepared in accordance with this framework and the transitional provisions of Section 1501, First-time adoption have been applied. Section 1501 requires retrospective application of the accounting standards with certain elective exemptions and retrospective exceptions. The accounting policies set out in Note 2 - Significant accounting policies have been applied in preparing the financial statements for the year ended April 30, 2023, the comparative information presented in these financial statements for the year ended April 30, 2022 and in the preparation of an opening balance sheet at the date of transition of May 1, 2022.

The Association issued compiled financial information for the year ended April 30, 2022.

The following exemptions and elections were used at the date of transition to the basis of accounting as described in Note 2.

Estimates

The Association records estimates that reflect conditions that existed at the date of the opening balance sheet.

Impact of Transition

The adoption of the basis of accounting described in Note 2 did not result in any adjustments to the previously reported assets, liabilities, equity, net income and cash of the Association. No other adjustments to retained earnings were made at the date of transition of May 1, 2022.

4. Term deposit

The Association entered in to a one year term deposit (GIC) bearing interest at 1.25% and maturing in May 2023.

EDUCATION UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2023
(UNAUDITED)

5. Property and equipment

	April 30, 2023		April 30, 2022		May 1, 2021
	Cost	Accumulated amortization	Net		Net
	\$	\$	book value	Net book value	Net book value
			\$	\$	\$
Computer equipment	2,417	2,388	29	41	59
Furniture and fixtures	11,149	4,736	6,413	766	957
	13,566	7,124	6,442	807	1,016

6. Financial instruments

Financial risks

The significant risks arising from financial instruments to which the Association is exposed as at April 30, 2023 are detailed below. There have been no substantive changes in the Association's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

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.

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

Liquidity risk

Liquidity risk is the risk that the Association 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.

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7. 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.

8. Comparative figures

Certain figures for 2022 have been reclassified to conform to the presentation adopted in 2023.

EDUCATION UNDERGRADUATE SOCIETY OF MCGILL UNIVERSITY
APPENDIX
YEAR ENDED APRIL 30, 2023
(UNAUDITED)

Appendix A - Social events and internal activities

	April 30,		April 30,	
	Revenues	Expenses	2023 Net	2022 Net
	\$	\$	\$	\$
Frosh	43,446	58,985	(15,539)	(19,588)
Apartment Crawl	1,013	-	1,013	(1,198)
Faculty Event	85	5,000	(4,915)	(1,348)
Other	1,967	9,689	(7,722)	(3,618)
SAPEK Events & Merchandise	13,037	7,939	5,098	(22,140)
SAPEK Fees	-	4,635	(4,635)	(6,600)
Merchandise	6,838	28,648	(21,810)	(1,465)
Grad Ball	7,167	56,962	(49,795)	7,206
Cohort and Committee Events	-	1,610	(1,610)	(286)
Wellness Care Packages	-	5,258	(5,258)	(1,541)
	73,553	178,726	(105,173)	(50,578)