

DAWSON STUDENT UNION

FINANCIAL STATEMENTS

MAY 31, 2021

**DAWSON STUDENT UNION
FINANCIAL STATEMENTS
MAY 31, 2021**

	Page
Independent Auditor's Report	1 - 4
Statement of Financial Position	5
Statement of Operations	6
Statement of Changes in Net Assets	7
Statement of Cash Flows	8
Notes to Financial Statements	9 - 13

INDEPENDENT AUDITOR'S REPORT

To the Members of
Dawson Student Union

Qualified Opinion

We have audited the financial statements of Dawson Student Union (the Union), which comprise the statement of financial position as at May 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Union as at May 31, 2021, 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Union 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 Union. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, excess of (deficiency) revenues over expenses and cash flows for the years ended May 31, 2021 and 2020, assets as at May 31, 2021 and 2020 and net asset balances as at June 1 and May 30 for both the 2021 and 2020 years.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Comparative Information

We draw attention to Note 2 to the financial statements which describes that the Union adopted Canadian accounting standards for not-for-profit organizations on June 1, 2020 with a transition date of June 1, 2019. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at May 31, 2020 and June 1, 2019, and the statements of operations, changes in net assets and cash flows for the year ended May 31, 2020 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited. Our opinion is not modified in respect of this matter.

Other Matter

The statements of financial position as at May 31, 2020 and June 1, 2019, and the statements of operations, changes in net assets and cash flows for the year ended May 31, 2020, are unaudited and were compiled by another Chartered Professional Accountant.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Union or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Union's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Union to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*FL Fuller Landau LLP*¹

Montreal, November 26, 2021

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



DAWSON STUDENT UNION
STATEMENT OF FINANCIAL POSITION
AS AT MAY 31, 2021

	2021	2020	As at June 1,
		(Unaudited)	2019
	\$	\$	(Unaudited)
			\$
ASSETS			
Current			
Cash	229,763	147,938	136,921
Accounts receivable	177,404	26,788	-
Prepaid expenses	5,379	4,108	-
	412,546	178,834	136,921
LIABILITIES			
Current			
Accounts payable and accrued liabilities	31,561	34,638	47,402
NET ASSETS			
Unrestricted	380,985	144,196	89,519
	412,546	178,834	136,921

On behalf of the Board,

_____, Director

_____, Director

**DAWSON STUDENT UNION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MAY 31, 2021**

	2021	2020 (Unaudited)
	\$	\$
Revenues		
Student fees	561,918	434,288
Trip Project	-	27,990
Donations	2,047	-
Interest	368	244
	564,333	462,522
Expenses		
Advertising and promotion	65,314	144,178
Conferences and meetings	200	1,056
Covid relief expenses	50	26,350
Directors' fees	29,654	19,515
Donations	16,190	950
Elections and general assemblies	6,681	1,595
Events and campaigns	20,055	30,452
Insurance	4,296	1,622
Interest and bank charges	949	944
Office expenses	17,029	6,130
Professional fees	37,424	34,998
Salaries and fringe benefits	105,875	73,557
Special project fund	4,306	552
Telephone and website	15,174	5,976
The plant newspaper	4,007	7,531
Travelling	340	52,438
	327,544	407,844
Excess of revenues over expenses	236,789	54,678

**DAWSON STUDENT UNION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MAY 31, 2021**

	Unrestricted \$	2021 Total \$	2020 Total \$
Balance, beginning of year	144,196	144,196	89,518
Excess of revenues over expenses	236,789	236,789	54,678
Balance, end of year	380,985	380,985	144,196

**DAWSON STUDENT UNION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MAY 31, 2021**

	2021	2020 (Unaudited)
	\$	\$
Operating activities		
Excess of revenues over expenses	236,789	54,678
Net change in non-cash working capital items	(154,964)	(43,663)
Increase in cash and cash equivalents	81,825	11,015
Cash and cash equivalents, beginning of year	147,938	136,923
Cash and cash equivalents, end of year	229,763	147,938

Cash and cash equivalents consist of cash.

DAWSON STUDENT UNION
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2021

I. Statutes of incorporation and nature of activities

Dawson Student Union 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 Union's objective is to enhance the overall educational experience and quality of campus life for students and other members of the Dawson community. This entails engaging the student population in campus activities, supporting student rights and empowering students to become proactive and open-minded members of our community while encouraging independent thinking, self-expression and to advocate the common good.

2. Impact of the change in the basis of accounting

These financial statements are the first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations, hereafter referred to as "ASNFPPO".

The financial statements for the year ended May 31, 2021 were prepared in accordance with the accounting principles described and the provisions set out in Section 1501, First-time Adoption by not-for-profit organizations, of CPA Canada Handbook - Accounting for first-time adopters of this basis of accounting.

The adoption of this new basis of accounting had no impact on the balance sheet as at the date of transition, June 1, 2019, but had the following impacts on the financial statements of the Union for the year ending May 31, 2020.

	Notes	Statement of operations for the year ended May 31, 2020 based on previous financial statements \$	Changes in net assets \$	Statement of operations for the year ended May 31, 2020 in accordance with ASNFPPO \$
Revenues	A	435,735	26,787	462,522
Expenses	B	403,734	4,110	407,844
Excess of revenues over expenses		32,001	30,897	54,678

**DAWSON STUDENT UNION
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2021**

2. Impact of the change in the basis of accounting (continued)

A. Accounts receivable

As at June 1, 2019, Dawson Student Union recognized the student fees revenues on a straight-line basis over the school year where in the previous years, they were recorded when received. This adjustment only had the following impacts to the financial statements for the year ending May 31, 2020.

	Statement of financial position as at May 31, 2020 based on previous financial statements \$	Changes in excess of revenues over expenses \$	Statement of financial position as at May 31, 2020 in accordance with ASNFPPO \$
Accounts receivable	-	26,787	26,787

B. Prepaid expenses

As at June 1, 2019, Dawson Student Union accounted for the insurance expenses on an accrual basis, where in the previous year, they were recorded when paid. This adjustment only had the following impacts to the financial statements for the year ending May 31, 2020.

	Statement of financial position as at May 31, 2020 based on previous financial statements \$	Changes in excess of revenues over expenses \$	Statement of financial position as at May 31, 2020 in accordance with ASNFPPO \$
Prepaid expenses	-	4,110	4,110

DAWSON STUDENT UNION
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2021

2. Impact of the change in the basis of accounting (continued)

C. Reconciliation of the excess of revenues over expenses in the financial statement as at May 31, 2020

	Notes	\$
Excess of revenues over expenses as at May 31, 2020 according to previous financial statements		23,781
Changes in results		
Adjustment to student fees revenues	A	26,787
Adjustment to insurance expenses	B	4,110
Total changes		30,897
Excess of revenues over expenses as at May 31, 2020 in accordance with the new basis of accounting		54,678

D. Reconciliation of net assets in the financial statements as at May 31, 2020

	Notes	\$
Total changes in net assets as at June 1, 2019		-
Total changes in net earnings as at May 31, 2020	C	30,897
Total changes in net assets as at May 31, 2020 in accordance with the new basis of accounting		30,897

3. 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:

DAWSON STUDENT UNION
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2021

3. Significant accounting policies (continued)

Revenue recognition

Student fees are collected from students by Dawson College and are recognized as revenues by the Union on a straight-line basis over the school year.

Trip projects income are recognized as income in the period that the trips occurred.

The Union follows the deferral method of accounting for contributions.

Unrestricted contributions, such as donations, are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income is recognized on a time basis in the period in which it is earned.

Financial instruments

Measurement of financial instruments

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

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

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

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

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of possible impairment. The Union 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 statement of financial position 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 Union's policy is to disclose bank balances under cash and cash equivalents.

**DAWSON STUDENT UNION
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2021**

3. Significant accounting policies (continued)

Contributed services

Volunteers contribute significant hours annually to assist the Union in carrying out its activities. Due to the difficulty in determining the fair value of this volunteer time, such contributions are not recognized in the financial statements.

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

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.

4. Economic dependence

The Union receives dues from student tuition payments that are collected by Dawson College on behalf of the Union to ensure the continuity of its operations.

5. Comparative figures

Certain figures for 2020 have been reclassified to make their presentation identical to that adopted in 2021.