

DAWSON STUDENT UNION

FINANCIAL STATEMENTS

MAY 31, 2023

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MAY 31, 2023**

	Page
Independent Auditor's Report	1 - 3
Statement of Financial Position	4
Statement of Operations	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 10

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, 2023, 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, 2023, 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 revenues over expenses and cash flows for the years ended May 31, 2023 and 2022, assets as at May 31, 2023 and 2022 and net asset balances as at June 1 and May 30 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended May 31, 2022 was modified accordingly because of the possible effects of this limitation of scope.

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.

Other Matter

The financial statements of Dawson Student Union for the year ended May 31, 2022 were audited by the firm FL Fuller Landau LLP whose practice now operates under BDO Canada LLP and who expressed a qualified opinion due to the reasons described in the Basis of Qualified Opinion section on December 27, 2022.

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.

BDO Canada s.r.l./S.E.N.C.R.L./LLP¹

Montreal, March 14, 2024

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

DAWSON STUDENT UNION
STATEMENT OF FINANCIAL POSITION
AS AT MAY 31, 2023

	2023	2022
	\$	\$
ASSETS		
Current		
Cash	351,048	343,409
Accounts receivable	211,739	205,806
Prepaid expenses	3,876	4,262
	566,663	553,477
Capital assets (Note 3)	4,306	-
	570,969	553,477
LIABILITIES		
Current		
Accounts payable and accrued liabilities	13,853	20,542
Deferred revenue	12,161	-
	26,014	20,542
NET ASSETS		
Unrestricted	544,955	532,935
	570,969	553,477

Approved by,

_____, Director

_____, Director

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

**DAWSON STUDENT UNION
STATEMENT OF OPERATIONS
YEAR ENDED MAY 31, 2023**

	2023	2022
	\$	\$
Revenues		
Student fees	444,346	455,107
Mahsa Program	14,477	-
Donations	3,898	1,758
Interest income	1,111	723
	463,832	457,588
Expenses		
Advertising and promotion	34,944	18,267
Amortization of capital assets	2,003	-
Conferences and meetings	11,958	2,621
Executives' honorariums	46,020	45,500
Donations	2,824	3,674
Elections and general assemblies	11,651	5,145
Events and campaigns	127,992	25,656
Insurance	8,013	6,218
Interest and bank charges	1,091	1,312
Office expenses	4,860	4,977
Professional fees	36,624	35,815
Salaries and fringe benefits	107,856	126,045
Special project fund	6,014	5,754
Telephone and website	26,637	11,742
The plant newspaper	21,522	6,532
Travelling	1,803	6,380
	451,812	305,638
Excess of revenues over expenses	12,020	151,950

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

**DAWSON STUDENT UNION
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MAY 31, 2023**

	2023	2022
	\$	\$
Balance, beginning of year	532,935	380,985
Excess of revenues over expenses	12,020	151,950
Balance, end of year	544,955	532,935

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

**DAWSON STUDENT UNION
STATEMENT OF CASH FLOWS
YEAR ENDED MAY 31, 2023**

	2023 \$	2022 \$
Operating activities		
Excess of revenues over expenses	12,020	151,950
Non-cash item:		
Amortization of capital assets	2,003	-
	14,023	151,950
Net change in non-cash items related to operating activities:		
Accounts receivable	(5,933)	(28,402)
Prepaid expenses	386	1,117
Accounts payable and accrued liabilities	(6,689)	(11,019)
Deferred revenue	12,161	-
	13,948	113,646
Investing activity		
Acquisition of capital assets	(6,309)	-
Increase in cash	7,639	113,646
Cash, beginning of year	343,409	229,763
Cash, end of year	351,048	343,409

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

DAWSON STUDENT UNION
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2023

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. Significant accounting policies

The Union applies the Canadian accounting standards for not-for-profit organizations.

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.

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

Initial measurement

The Union 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 Union is in the capacity of management, are initially measured at cost.

Subsequent measurement

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

**DAWSON STUDENT UNION
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2023**

2. Significant accounting policies (continued)

Financial instruments (continued)

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in net earnings in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in net earnings over the life of the instrument using the straight-line method.

Impairment

For financial assets measured at cost or amortized cost, the Union determines whether there are indications of possible impairment. When there are, and the Union 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.

Capital assets

Capital assets are accounted for at cost. Amortization is calculated on their respective estimated useful life using the declining balance method at the following rates:

	Rates
Computer equipment	55%
Office equipment	20%

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 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 provision for doubtful accounts.

DAWSON STUDENT UNION
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2023

3. Capital assets

	2023			2022
	Cost \$	Accumulated amortization \$	Net book value \$	Net book value \$
Computer equipment	5,614	1,920	3,694	-
Office equipment	695	83	612	-
	6,309	2,003	4,306	-

4. Commitments

During the year, the Union entered into an agreement with Dawson College and the Dawson Feminist Union to provide free menstrual hygiene products to students. Under the agreement, the Union has agreed to make a one time contribution of \$3,000 and to cover costs totaling \$25,000. The total payments as of May 31, 2023 amount to \$12,000. The remaining instalments over the next three years are the following:

	\$
2024	7,333
2025	8,000
2026	667

5. 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.

6. Financial instruments

Credit risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Union by failing to discharge an obligation. The Union's credit risk is mainly related to accounts receivable, all of which are due from Dawson College.

There has been no change in the risk exposure compared to the prior year.

Liquidity risk

Liquidity risk is the risk that the Union will encounter difficulty in meeting obligations associated with financial liabilities. The Union is exposed to this risk mainly in respect accounts payable. There has been no change in the risk exposure compared to the prior year.