

**McGill University Dental
Students' Society
Financial Statements
For the year ended April 30, 2021**

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For the year ended April 30, 2021

Contents

Independent Auditor's Report	3 - 5
Financial Statements	
Statement of Financial Position	6
Statement of Changes in Net Assets	7
Statement of Income	8
Statement of Cash Flows	9
Notes to Financial Statements	10 - 11



Tel: 514-931-0841
Fax: 514-931-9491

www.bdo.ca

BDO Canada s.r.l./S.E.N.C.R.L./LLP
1000 De La Gauchetière Street West
Suite 200
Montréal, Québec H3B 4W5

Independent Auditor's Report

To the members of McGill University Dental Students' Society

Qualified Opinion

We have audited the financial statements of McGill University Dental Students' Society (the "Society"), which comprise the statement of financial position as at April 30, 2021, the statements of income, 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 Society as at April 30, 2021, and its results of 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 Society derives revenue from fundraising activities in the form of cash donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended April 30, 2021 and 2020, current assets and net assets as at April 30, 2021 and 2020. Our audit opinion on the financial statements for the year ended April 30, 2020 was modified accordingly because of the possible effects of this limitation in 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 Society 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 opinion.

Independent Auditor's Report

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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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.

Independent Auditor's Report

- 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 Society'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 Society'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 Society 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

Montréal, Québec
June 22, 2022

McGill University Dental Students' Society Statement of Financial Position

April 30	2021	2020
Assets		
Cash	\$ 37,219	\$ 28,258
Accounts receivable	1,050	-
Prepaid expenses	20,892	19,794
	\$ 59,161	\$ 48,052
Liabilities and Net Assets		
Accounts payable and accrued liabilities	\$ 11,054	\$ 11,104
Deferred revenue	1,500	15,250
	12,554	26,354
Net assets	46,607	21,698
	\$ 59,161	\$ 48,052

On behalf of the Board:

_____ Director

_____ Director

McGill University Dental Students' Society Statement of Changes in Net Assets

<u>For the year ended April 30</u>	<u>2021</u>	<u>2020</u>
Net assets, beginning of the year	\$ 21,698	\$ 24,950
Excess (deficiency) of revenues over expenses for the year	<u>24,909</u>	<u>(3,252)</u>
Net assets, end of the year	<u>\$ 46,607</u>	<u>\$ 21,698</u>

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

McGill University Dental Students' Society Statement of Income

For the year ended April 30	2021	2020
Revenues	\$ 53,663	\$ 21,196
Expenditures		
Conferences and events	13,242	16,820
Printing, stationary and office supplies	6,574	-
Professional fees	6,094	6,094
Donations	1,216	-
Insurance	1,155	1,081
Bank charges and interest	245	172
General and administrative	102	227
Expenses	126	-
Memberships and licences	-	54
	28,754	24,448
Excess (deficiency) of revenues over expenses for the year	\$ 24,909	\$ (3,252)

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

McGill University Dental Students' Society Statement of Cash Flows

For the year ended April 30	2021	2020
Cash flows from operating activities		
Excess (deficiency) of revenues over expenses for the year	\$ 24,909	\$ (3,252)
Changes in non-cash working capital:		
Accounts receivable	(1,050)	2,363
Prepaid expenses	(1,098)	(18,943)
Accounts payable and accrued liabilities	(50)	3,534
Deferred revenue	(13,750)	15,250
	8,961	(1,048)
Net increase (decrease) in cash for the year	8,961	(1,048)
Cash, beginning of the year	28,258	29,306
Cash, end of the year	\$ 37,219	\$ 28,258

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

McGill University Dental Students' Society

Notes to Financial Statements

April 30, 2021

1. Significant Accounting Policies

Nature and Purpose of Organization	The Society is a non-profit organization incorporated without share capital under Part III of the <i>Québec Companies Act</i> . The Society serves to promote activities among undergraduate students of the McGill Faculty of Dentistry.
Basis of Accounting	The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.
Financial Instruments	<p>Financial instruments are recorded at fair value at initial recognition. In subsequent periods, the Society measures its financial instruments amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.</p> <p>Financial assets measured at amortized cost include cash and accounts receivable.</p> <p>Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.</p> <p>Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.</p>
Revenue Recognition	<p>The Society follows the deferral method of accounting for contributions.</p> <p>Restricted contributions are recognized as revenue of the appropriate fund 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.</p>
Deferred Revenue	The Society has entered into agreements where the services to be performed extends beyond year-end. For these agreements, the Society records a long term obligation and recognizes revenue over the period of the agreement as the services are rendered.

McGill University Dental Students' Society

Notes to Financial Statements

April 30, 2021

2. 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 Society is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Society's financial instruments that are exposed to concentrations of credit risk relate primarily to its cash and accounts receivable.

The Society mitigates this risk by dealing with creditworthy financial institutions and counterparties. There have not been any changes in the risk from the prior year.

Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Society will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Society is exposed to this risk mainly in respect of its accounts payable.

The Society's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. There have not been any changes in the risk from the prior year.
