Independent auditor’s report

To the Members of Dalhousie Student Union Inc.

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Dalhousie Student Union Inc. (the Student Union) as at March 31, 2020 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.

What we have audited
The Student Union’s financial statements comprise:

- the statement of financial position as at March 31, 2020;
- the statement of revenues and expenses for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Student Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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 Student 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 Student Union or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Student 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 Student 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 Student 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 Student 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.

PricewaterhouseCoopers LLP
Chartered Professional Accountants

Halifax, Nova Scotia
September 30, 2020
Dalhousie Student Union Inc.
Statement of Financial Position
As at March 31, 2020

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>496,630</td>
<td>603,457</td>
</tr>
<tr>
<td>Amounts receivable</td>
<td>1,731,429</td>
<td>1,908,424</td>
</tr>
<tr>
<td>Dalhousie University</td>
<td>444,724</td>
<td>458,470</td>
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<tr>
<td>Other</td>
<td>37,874</td>
<td>43,714</td>
</tr>
<tr>
<td>Inventories</td>
<td>32,357</td>
<td>31,764</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments, at market value (note 3)</td>
<td>2,366,578</td>
<td>1,679,272</td>
</tr>
<tr>
<td>Capital assets (note 4)</td>
<td>3,080,044</td>
<td>3,194,688</td>
</tr>
<tr>
<td></td>
<td>7,850,242</td>
<td>7,941,717</td>
</tr>
<tr>
<td></td>
<td>16,039,878</td>
<td>15,861,506</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>633,436</td>
<td>1,481,066</td>
</tr>
<tr>
<td>Current portion of long-term debt (note 8)</td>
<td>208,000</td>
<td>202,000</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>880,343</td>
<td>609,098</td>
</tr>
<tr>
<td>Interest rate swap (note 8)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term debt (note 8)</td>
<td>1,287,940</td>
<td>629,718</td>
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<tr>
<td></td>
<td>6,156,000</td>
<td>6,364,000</td>
</tr>
<tr>
<td></td>
<td>9,165,719</td>
<td>9,285,882</td>
</tr>
<tr>
<td>Net assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted net assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internally restricted net assets (note 5)</td>
<td>879,214</td>
<td>1,695,469</td>
</tr>
<tr>
<td></td>
<td>5,994,945</td>
<td>4,880,155</td>
</tr>
<tr>
<td></td>
<td>6,874,159</td>
<td>6,575,624</td>
</tr>
<tr>
<td></td>
<td>16,039,878</td>
<td>15,861,506</td>
</tr>
<tr>
<td>Subsequent events (note 12)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Approved by the Executive

The accompanying notes are an integral part of these financial statements.
Dalhousie Student Union Inc.
Statement of Revenues and Expenses
For the year ended March 31, 2020

<table>
<thead>
<tr>
<th></th>
<th>Operating fund budget</th>
<th>Operating fund actual</th>
<th>Internally restricted fund actual</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bar services</td>
<td>670,234</td>
<td>410,017</td>
<td>-</td>
<td>410,017</td>
<td>627,014</td>
</tr>
<tr>
<td>Contracts</td>
<td>130,576</td>
<td>132,529</td>
<td>-</td>
<td>132,529</td>
<td>129,786</td>
</tr>
<tr>
<td>Food services</td>
<td>168,000</td>
<td>167,134</td>
<td>-</td>
<td>167,134</td>
<td>167,984</td>
</tr>
<tr>
<td>Health plan</td>
<td>-</td>
<td>-</td>
<td>5,182,528</td>
<td>5,182,528</td>
<td>3,261,379</td>
</tr>
<tr>
<td>IM Well fund</td>
<td>-</td>
<td>-</td>
<td>9,950</td>
<td>9,950</td>
<td>-</td>
</tr>
<tr>
<td>International health plan</td>
<td>-</td>
<td>-</td>
<td>3,046,602</td>
<td>3,046,602</td>
<td>2,558,363</td>
</tr>
<tr>
<td>Investment (loss) income (note 6)</td>
<td>17,885</td>
<td>(51,266)</td>
<td>(21,673)</td>
<td>(72,939)</td>
<td>141,607</td>
</tr>
<tr>
<td>Programming and initiatives</td>
<td>342,623</td>
<td>274,540</td>
<td>-</td>
<td>274,540</td>
<td>260,389</td>
</tr>
<tr>
<td>Retail services</td>
<td>120,650</td>
<td>99,666</td>
<td>-</td>
<td>99,666</td>
<td>110,224</td>
</tr>
<tr>
<td>S.U.B. operations</td>
<td>66,545</td>
<td>74,517</td>
<td>-</td>
<td>74,517</td>
<td>96,103</td>
</tr>
<tr>
<td>S.U.B. reservations</td>
<td>131,251</td>
<td>124,225</td>
<td>-</td>
<td>124,225</td>
<td>132,911</td>
</tr>
<tr>
<td>Student Union fees, net</td>
<td>1,257,318</td>
<td>1,246,764</td>
<td>581,175</td>
<td>1,827,939</td>
<td>1,806,942</td>
</tr>
<tr>
<td></td>
<td>2,905,082</td>
<td>2,478,126</td>
<td>8,798,582</td>
<td>11,276,708</td>
<td>9,292,702</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization</td>
<td>24,180</td>
<td>23,490</td>
<td>460,980</td>
<td>484,470</td>
<td>464,681</td>
</tr>
<tr>
<td>Bar services</td>
<td>725,464</td>
<td>647,533</td>
<td>-</td>
<td>647,533</td>
<td>735,777</td>
</tr>
<tr>
<td>Council administration</td>
<td>302,568</td>
<td>235,165</td>
<td>-</td>
<td>235,165</td>
<td>289,241</td>
</tr>
<tr>
<td>External affairs</td>
<td>36,049</td>
<td>35,920</td>
<td>-</td>
<td>35,920</td>
<td>41,097</td>
</tr>
<tr>
<td>Food services</td>
<td>23,075</td>
<td>34,287</td>
<td>-</td>
<td>34,287</td>
<td>21,477</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>24,200</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20,632</td>
</tr>
<tr>
<td>Grants</td>
<td>52,500</td>
<td>46,715</td>
<td>-</td>
<td>46,715</td>
<td>48,192</td>
</tr>
<tr>
<td>Health plan</td>
<td>-</td>
<td>-</td>
<td>4,111,299</td>
<td>4,111,299</td>
<td>3,857,799</td>
</tr>
<tr>
<td>IM Well fund</td>
<td>-</td>
<td>-</td>
<td>3,000</td>
<td>3,000</td>
<td>-</td>
</tr>
<tr>
<td>Interest expense and bank charges</td>
<td>-</td>
<td>-</td>
<td>227,784</td>
<td>227,784</td>
<td>237,776</td>
</tr>
<tr>
<td>International health plan</td>
<td>-</td>
<td>-</td>
<td>2,841,693</td>
<td>2,841,693</td>
<td>2,447,426</td>
</tr>
<tr>
<td>Programming and initiatives</td>
<td>438,069</td>
<td>378,162</td>
<td>-</td>
<td>378,162</td>
<td>472,188</td>
</tr>
<tr>
<td>Retail services</td>
<td>131,641</td>
<td>119,758</td>
<td>-</td>
<td>119,758</td>
<td>120,713</td>
</tr>
<tr>
<td>S.U.B. operations</td>
<td>1,068,666</td>
<td>1,037,198</td>
<td>-</td>
<td>1,037,198</td>
<td>933,397</td>
</tr>
<tr>
<td>S.U.B. reservations</td>
<td>59,561</td>
<td>67,745</td>
<td>-</td>
<td>67,745</td>
<td>60,795</td>
</tr>
<tr>
<td>Shuttle bus</td>
<td>17,305</td>
<td>10,186</td>
<td>-</td>
<td>10,186</td>
<td>14,348</td>
</tr>
<tr>
<td>Student Union fees, net</td>
<td>-</td>
<td>-</td>
<td>39,036</td>
<td>39,036</td>
<td>62,030</td>
</tr>
<tr>
<td></td>
<td>2,903,278</td>
<td>2,636,159</td>
<td>7,683,792</td>
<td>10,319,951</td>
<td>9,827,569</td>
</tr>
<tr>
<td><strong>Excess of revenues over expenses (expenses over revenues) for the year before the following</strong></td>
<td>1,804</td>
<td>(158,033)</td>
<td>1,114,790</td>
<td>956,757</td>
<td>(534,867)</td>
</tr>
<tr>
<td>Unrealized loss on fair value of an interest rate swap</td>
<td>-</td>
<td>(658,222)</td>
<td>-</td>
<td>(658,222)</td>
<td>(207,882)</td>
</tr>
<tr>
<td><strong>Excess of revenues over expenses (expenses over revenues) for the year</strong></td>
<td>1,804</td>
<td>(816,255)</td>
<td>1,114,790</td>
<td>298,535</td>
<td>(742,749)</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
Dalhousie Student Union Inc.
Statement of Changes in Net Assets
For the year ended March 31, 2020

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted net assets $</th>
<th>Internally restricted net assets $</th>
<th>2020 $</th>
<th>2019 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets – Beginning of year</td>
<td>1,695,469</td>
<td>4,880,155</td>
<td>6,575,624</td>
<td>7,318,373</td>
</tr>
<tr>
<td>Excess of revenues over expenses (expenses over revenues) for the year</td>
<td>(816,255)</td>
<td>1,114,790</td>
<td>298,535</td>
<td>(742,749)</td>
</tr>
<tr>
<td>Net assets – End of year</td>
<td>879,214</td>
<td>5,994,945</td>
<td>6,874,159</td>
<td>6,575,624</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
Dalhousie Student Union Inc.
Statement of Cash Flows
For the year ended March 31, 2020

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash provided by (used in)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess of revenues over expenses (expenses over revenues) for the year</td>
<td>298,535</td>
<td>(742,749)</td>
</tr>
<tr>
<td>Charges (credits) to operations not involving cash</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of capital assets</td>
<td>484,470</td>
<td>464,681</td>
</tr>
<tr>
<td>Unrealized loss on investments</td>
<td>150,074</td>
<td>33,620</td>
</tr>
<tr>
<td>Unrealized loss on fair value of interest rate swap</td>
<td>658,222</td>
<td>207,882</td>
</tr>
<tr>
<td>Gain on disposal of investments</td>
<td>(5,413)</td>
<td>(113,777)</td>
</tr>
<tr>
<td><strong>Total operating activities</strong></td>
<td>1,585,888</td>
<td>(150,343)</td>
</tr>
<tr>
<td><strong>Change in non-cash working capital (note 7)</strong></td>
<td>(380,397)</td>
<td>119,762</td>
</tr>
<tr>
<td><strong>Total changes in cash</strong></td>
<td>1,205,491</td>
<td>(30,581)</td>
</tr>
<tr>
<td><strong>Financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in restricted cash</td>
<td>(687,306)</td>
<td>738,313</td>
</tr>
<tr>
<td>Repayment of long-term debt</td>
<td>(202,000)</td>
<td>(198,000)</td>
</tr>
<tr>
<td><strong>Total financing activities</strong></td>
<td>(889,306)</td>
<td>540,313</td>
</tr>
<tr>
<td><strong>Investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment proceeds and purchases, net</td>
<td>(30,017)</td>
<td>(35,077)</td>
</tr>
<tr>
<td>Purchase of capital assets</td>
<td>(392,995)</td>
<td>(34,595)</td>
</tr>
<tr>
<td><strong>Total investing activities</strong></td>
<td>(423,012)</td>
<td>(69,652)</td>
</tr>
<tr>
<td><strong>Net change in cash during the year</strong></td>
<td>(106,827)</td>
<td>440,070</td>
</tr>
<tr>
<td><strong>Cash – Beginning of year</strong></td>
<td>603,457</td>
<td>163,337</td>
</tr>
<tr>
<td><strong>Cash – End of year</strong></td>
<td>496,630</td>
<td>603,457</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
Dalhousie Student Union Inc.
Notes to Financial Statements
For the year ended March 31, 2020

1 Nature of operations

The Dalhousie Student Union Inc. (the "Student Union" or “DSU”) is a not-for-profit student union providing employment, advocacy and general support for the students of Dalhousie University. The Student Union is funded through Dalhousie University student fees and from net income generated from various businesses operated by the Student Union.

2 Summary of significant accounting policies

Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”).

Revenue recognition

Contributions

Contributions are recognized using the deferral method. Internally restricted contributions or contributions with no restrictions are recognized as received. Externally restricted contributions relating to expenses of the current period are recognized as received. Externally restricted contributions for expenses relating to future periods are deferred and recognized in the same period as the expenses. Externally restricted contributions for the purchase of capital assets are deferred and recognized on the same basis as the amortization expense of the asset over its useful life.

Student Union fee revenues

Student Union fee revenues are recognized as received from Dalhousie University. Student fee revenue is allocated to specific programs of the Student Union based on full-time and part-time staff working in each department. Revenue allocated to the Student Union have been recorded on a net basis as the Student Union acts as an agent in the transaction on behalf of Dalhousie University. Gross revenue as a result of these transactions have been disclosed in schedule 9 to the financial statements.

Contracts

Contract revenue is recognized when earned based on the terms of the contract.

Investment income

Investment income is recognized as earned.

Health plan

Fees received from Dalhousie University for insurance premiums are shown gross of the related insurance premium expense.
2 Summary of significant accounting policies (continued)

Management estimates

The presentation of financial statements in conformity with ASNPO requires management to make estimates, assumptions and allocations that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those reported.

Inventories

Inventories are carried at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis.

The cost of inventories recognized as an expense during the year was $219,285 (2019 - $302,482).

Investments

Investments are carried at quoted market value. All investments are measured at fair value with changes in fair value recognized in the excess of revenues over expenses in the period they arise.

Realized income is income earned from dividends and interest that has been collected or accrued in the current fiscal period along with gains or losses from the disposal of investments.

Unrealized income is income that is recorded reflecting the change in market value over the book value of the investments currently being held by the Student Union at year-end. The unrealized change in market value is the result of both change in the value of the investment, as well as the change in foreign currency where applicable and is included in investment income for the current period.

Capital assets

All capital expenditures in excess of $5,000 are capitalized and amortized on a straight-line basis over their estimated useful lives as follows:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Life (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicle</td>
<td>5</td>
</tr>
<tr>
<td>Equipment</td>
<td>6-12</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>3</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>10-25</td>
</tr>
</tbody>
</table>

Cash

Cash includes cash on hand and balances with banks. Bank borrowings are considered to be financing activities. Restricted cash relates to cash that is internally restricted to cover specific expenses of future periods.
2 Summary of significant accounting policies (continued)

Financial instruments

Initial measurement

Financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Subsequent measurement

At each reporting date, the Student Union measures its financial assets and liabilities at cost or amortized cost, except for investments, which must be measured at fair value. The financial instruments measured at amortized cost are restricted cash, amounts receivable, accounts payable and accrued liabilities, other liabilities and long-term debt.

For financial assets measured at cost or amortized cost, the Student Union regularly assesses whether there are any indications of impairment. If there is an indication of impairment and the Student Union determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of revenues and expenses. Any reversals of previously recognized impairment losses are recognized in the statement of revenues and expenses in the year the reversal occurs.

The Student Union’s financial instruments consist of cash, restricted cash, amounts receivable, investments, accounts payable and accrued liabilities, other liabilities and long-term debt. It is management’s opinion that the Student Union is not exposed to significant interest, currency or credit risks arising from these financial instruments.

3 Investments

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>108,827</td>
<td>75,074</td>
</tr>
<tr>
<td>Marketable securities</td>
<td>2,971,217</td>
<td>3,119,614</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,080,044</td>
<td>3,194,688</td>
</tr>
</tbody>
</table>
Dalhousie Student Union Inc.
Notes to Financial Statements
For the year ended March 31, 2020

4 Capital assets

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost $</td>
<td>Accumulated amortization $</td>
<td>Net $</td>
</tr>
<tr>
<td>Vehicle</td>
<td>89,781</td>
<td>84,977</td>
<td>4,804</td>
</tr>
<tr>
<td>Equipment</td>
<td>915,612</td>
<td>617,342</td>
<td>298,270</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>13,153,645</td>
<td>5,614,233</td>
<td>7,539,412</td>
</tr>
<tr>
<td>Computers</td>
<td>20,345</td>
<td>12,589</td>
<td>7,756</td>
</tr>
<tr>
<td></td>
<td>14,179,383</td>
<td>6,329,141</td>
<td>7,850,242</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost $</td>
<td>Accumulated amortization $</td>
<td>Net $</td>
</tr>
<tr>
<td>Vehicle</td>
<td>89,781</td>
<td>74,139</td>
<td>15,642</td>
</tr>
<tr>
<td>Equipment</td>
<td>880,521</td>
<td>563,455</td>
<td>317,066</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>12,798,626</td>
<td>5,201,259</td>
<td>7,597,367</td>
</tr>
<tr>
<td>Computers</td>
<td>17,460</td>
<td>5,818</td>
<td>11,642</td>
</tr>
<tr>
<td></td>
<td>13,786,388</td>
<td>5,844,671</td>
<td>7,941,717</td>
</tr>
</tbody>
</table>

5 Internally restricted net assets

The Student Union has set up internally restricted net assets to support the following activities:

Capital campaign

Contributions to the Dalhousie University Capital Campaign of $25 per full-time student and $20 per part-time student were received annually during the five years ended March 31, 2001. Of the total monies received over the five years, $1 million went towards construction of the new Arts and Social Science Building. The balance remaining in the fund has been committed to the ongoing liability for the Blue Light Safety system.

Facility improvement fees

Students voted in 1995/96 to contribute $10 per full-time student and $5 per part-time student to develop a football team program. Dalhousie University subsequently decided not to proceed with this project and the students agreed in a follow up referendum in 1996/97 to use the funds collected in 1997/98 and beyond for the improvement of the Student Union facilities. Council voted in June 1998 to use the fees collected during 1996/97 to equally fund three different initiatives: programming, investing and Student Union improvements. In the 2003 fiscal year, it was agreed that a portion of this fee would be reallocated to the DSU renovation fund such that $4.25 per full-time student and $1.00 per part-time student is allocated for overall improvements to the Student Union managed properties, equipment, computers and furniture.
Dalhousie Student Union Inc.
Notes to Financial Statements
For the year ended March 31, 2020

5 Internally restricted net assets (continued)

DSU renovation fund

This fund has been set up to accumulate funds for the renovation of the Student Union building which began in the spring of 2002. The Student Union voted to continue the special capital campaign levy and to use these funds to renovate the Student Union building. In the past, these funds were used to pay back the loan received to finance the renovations from Dalhousie University.

Student accessibility fund

This portion of student fees is collected for the purpose of improving accessibility of the Student Union facilities for individuals with disabilities.

IM Well fund

This fund has been set up based on a recognition of the need to provide a consistent level of funding for the DSU, which is to be used for services directly related to the mental health of students. IM Well is funded entirely by the Health plan providers, and is managed and administered by the Student Union. The funding is provided semi-annually, to coincide with the payment of the term invoices.

Health plan fund

This fund has been set up to accumulate funds to use to decrease premiums, enhance benefits or maintain the solvency of the health plan. The monies received are used to pay claims incurred by members of the Student Union as well as to facilitate an administrative office. The accumulated funds have been set aside as restricted cash and investments, on which the income is added to the internally restricted balance.

International health plan fund

The international health plan represents monies collected from international students who are required to have medical insurance coverage during their tenure in Canada. Funds collected are used to pay insurance premiums incurred by international students and to establish an emergency reserve.
Dalhousie Student Union Inc.

Notes to Financial Statements

For the year ended March 31, 2020

5 Internally restricted net assets (continued)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th></th>
<th></th>
<th></th>
<th>Ending balance $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Opening balance $</td>
<td>Contributions received $</td>
<td>Expenditures $</td>
<td>Amortization $</td>
<td>Investment loss $</td>
</tr>
<tr>
<td>Capital campaign</td>
<td>7,256</td>
<td>-</td>
<td>1,197</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Facility improvement</td>
<td>201,762</td>
<td>75,225</td>
<td>10,311</td>
<td>16,971</td>
<td>-</td>
</tr>
<tr>
<td>DSU renovations fund</td>
<td>1,292,848</td>
<td>473,540</td>
<td>227,784</td>
<td>444,009</td>
<td>-</td>
</tr>
<tr>
<td>Student accessibility</td>
<td>241,090</td>
<td>32,410</td>
<td>27,528</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>fund</td>
<td></td>
<td>9,950</td>
<td>3,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>IM Well fund</td>
<td>2,395,610</td>
<td>5,182,528</td>
<td>4,111,299</td>
<td>-</td>
<td>(21,673)</td>
</tr>
<tr>
<td>Health plan fund</td>
<td>741,589</td>
<td>3,046,602</td>
<td>2,841,693</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>International health</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(21,673)</td>
</tr>
<tr>
<td>plan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4,880,155</td>
<td>8,820,255</td>
<td>7,222,812</td>
<td>460,980</td>
<td>(21,673)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Opening balance $</th>
<th>Contributions received $</th>
<th>Expenditures $</th>
<th>Amortization $</th>
<th>Investment income $</th>
<th>Ending balance $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital campaign</td>
<td>8,453</td>
<td>-</td>
<td>1,197</td>
<td>-</td>
<td>-</td>
<td>7,256</td>
</tr>
<tr>
<td>Facility improvement</td>
<td>169,379</td>
<td>79,126</td>
<td>46,743</td>
<td>-</td>
<td>-</td>
<td>201,762</td>
</tr>
<tr>
<td>fees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>201,762</td>
<td>1,292,848</td>
</tr>
<tr>
<td>DSU renovations fund</td>
<td>1,503,077</td>
<td>467,918</td>
<td>237,776</td>
<td>440,371</td>
<td>-</td>
<td>1,292,848</td>
</tr>
<tr>
<td>Student accessibility</td>
<td>223,245</td>
<td>31,935</td>
<td>14,090</td>
<td>-</td>
<td>-</td>
<td>241,090</td>
</tr>
<tr>
<td>fund</td>
<td>2,874,022</td>
<td>3,261,379</td>
<td>3,857,799</td>
<td>-</td>
<td>118,008</td>
<td>2,395,610</td>
</tr>
<tr>
<td>Health plan fund</td>
<td>630,652</td>
<td>2,550,363</td>
<td>2,447,426</td>
<td>-</td>
<td>-</td>
<td>741,589</td>
</tr>
<tr>
<td>International health</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5,408,828</td>
<td>4,880,155</td>
</tr>
<tr>
<td>plan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6 Investment income

<table>
<thead>
<tr>
<th></th>
<th>Operating fund $</th>
<th>Internally restricted fund $</th>
<th>2020 $</th>
<th>2019 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and dividends</td>
<td>36,539</td>
<td>78,419</td>
<td>114,958</td>
<td>103,272</td>
</tr>
<tr>
<td>Gain on disposal of investments</td>
<td>5,566</td>
<td>(153)</td>
<td>5,413</td>
<td>113,777</td>
</tr>
<tr>
<td>Unrealized loss on investments</td>
<td>(81,617)</td>
<td>(68,457)</td>
<td>(150,074)</td>
<td>(33,620)</td>
</tr>
<tr>
<td>Management fees</td>
<td>(11,754)</td>
<td>(31,482)</td>
<td>(43,236)</td>
<td>(41,822)</td>
</tr>
<tr>
<td></td>
<td>(51,266)</td>
<td>(21,673)</td>
<td>(72,939)</td>
<td>141,607</td>
</tr>
</tbody>
</table>
Dalhousie Student Union Inc.
Notes to Financial Statements
For the year ended March 31, 2020

7 Change in non-cash working capital

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease in amounts receivable</td>
<td>$190,741</td>
<td>$24,259</td>
</tr>
<tr>
<td>Decrease (increase) in inventories</td>
<td>$5,840</td>
<td>$2,210</td>
</tr>
<tr>
<td>Decrease (increase) in prepaids</td>
<td>$(593)</td>
<td>$4,332</td>
</tr>
<tr>
<td>Decrease in accounts payable and accrued liabilities</td>
<td>$(847,630)</td>
<td>$(31,494)</td>
</tr>
<tr>
<td>Increase in other liabilities</td>
<td>$271,245</td>
<td>$124,875</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$(380,397)</td>
<td>$119,762</td>
</tr>
</tbody>
</table>

8 Long-term debt

The Student Union has entered into a non-revolving term facility with the Royal Bank of Canada (the "facility"). The facility carries a 10-year term, due in December 2026, and is repayable over a 25-year amortization period. The facility is secured by a first ranking interest on all general property of the Student Union and by a letter of guarantee from Dalhousie University. The Student Union has entered into an interest-rate swap ("swap") agreement with the notional value matching the principal balance and term of the debt. The swap fixes the interest rate over the term of the loan at 3.57%. At March 31, 2020, the fair value of the swap is a liability of $1,287,940 (2019 - $629,718).

The Student Union is required to make the following principal repayments on the financing agreement with the facility:

<table>
<thead>
<tr>
<th>Year ending March 31, 2021</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>208,000</td>
</tr>
<tr>
<td>2022</td>
<td>214,000</td>
</tr>
<tr>
<td>2023</td>
<td>221,000</td>
</tr>
<tr>
<td>2024</td>
<td>228,000</td>
</tr>
<tr>
<td>2025</td>
<td>235,000</td>
</tr>
</tbody>
</table>

9 Related party transactions

During the year, Dalhousie University collected and remitted certain revenue and processed certain expenses on behalf of the Student Union which are summarized below:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Union fees</td>
<td>$1,827,939</td>
<td>$1,806,942</td>
</tr>
<tr>
<td>Salaries and benefits expense</td>
<td>$1,569,751</td>
<td>$1,406,552</td>
</tr>
</tbody>
</table>

10 Income taxes

The Student Union is a not-for-profit organization and as such is exempt from income tax.

11 Health plan

In October 1998, students voted to implement a health plan beginning in September 1999. The premium was approved by a student referendum in conjunction with the student elections in April 2002. The referendum also permits increases in premiums to cover future increases in the inflation rate or claims experience. Students may increase the coverage to include their families by paying an additional premium.
12 Subsequent events

On March 11, 2020, the World Health Organization declared a pandemic following the emergence and rapid spread of a novel strain of coronavirus ("COVID-19"). The continued spread of the COVID-19 and the actions being taken by governments, businesses and individuals to limit this pandemic may adversely impact the Student Union’s operations. This has resulted in significant economic uncertainty, of which the potential impact on the Student Union’s future financial results is difficult to reliably measure at this time.