

Consolidated Financial Statements of

**MCMASTER STUDENTS
UNION INCORPORATED**

And Independent Auditor's Report thereon

Year ended April 30, 2023

MCMASTER STUDENTS UNION INCORPORATED

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KPMG LLP
Commerce Place
21 King Street West, Suite 700
Hamilton ON L8P 4W7
Canada
Tel 905-523-8200
Fax 905-523-2222

INDEPENDENT AUDITOR'S REPORT

To the Student Representative Assembly

Opinion

We have audited the consolidated financial statements of McMaster Students Union Incorporated (the "Entity"), which comprise:

- the consolidated statement of financial position as at April 30, 2023
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes net assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the "*Basis for Qualified Opinion*" section of our auditor's report, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at April 30, 2023, 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 Entity derives revenues from restaurant, bar sales, fundraising and other cash transactions, 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 Entity.

Therefore, we were not able to determine whether any adjustments might be necessary to:

- the current assets reported in the consolidated statement of financial position as at April 30, 2023
- the revenues and excess of revenues over expenses reported in the consolidated statement of operations and changes in net assets for the year ended April 30, 2023
- the net assets reported in the consolidated statement of operations and changes in net assets for the year ended April 30, 2023
- the excess of revenues over expenses reported in the consolidated statement of cash flows for the year ended April 30, 2023



Our opinion on the financial statements for the year ended April 30, 2023 was qualified 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 auditor’s report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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.

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 Entity’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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity’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 the 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 Entity'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 Entity'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 Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

October 10, 2023

MCMaster STUDENTS UNION INCORPORATED

Consolidated Statement of Financial Position

As at April 30, 2023, with comparative financial information for 2022

	Operating Fund	Capital Fund	University Student Centre Building Fund	CFMU Radio Inc.	Student Health Insurance Plan Fund	Student Dental Plan Fund	Clubs	2023	2022
Assets									
Current assets:									
Cash	\$ 5,461,108	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,461,108	\$ 8,180,283
Marketable securities (note 2)	4,121,567	-	-	543,782	1,121,457	-	-	5,786,806	3,674,035
Accounts receivable (note 3)	141,215	-	-	-	-	-	-	141,215	272,619
Restricted cash held for clubs	-	-	-	-	-	-	250,648	250,648	246,742
Inventories	16,493	-	-	-	-	-	-	16,493	14,389
Prepaid expenses	89,900	-	-	-	-	-	-	89,900	90,378
Due from McMaster University (note 9)	243,155	-	-	-	-	-	-	243,155	87,807
Due from McMaster University Centre Incorporated (note 9)	138,155	-	-	-	-	-	-	138,155	224,794
	10,211,593	-	-	543,782	1,121,457	-	250,648	12,127,480	12,791,047
Capital assets (note 4)	-	438,233	-	8,331	-	-	-	446,564	412,675
	\$10,211,593	\$ 438,233	\$ -	\$ 552,113	\$ 1,121,457	\$ -	\$ 250,648	\$12,574,044	\$13,203,722
Liabilities									
Current liabilities:									
Accounts payable and accrued liabilities (note 5)	\$ 655,759	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 655,759	\$ 2,584,358
Restricted cash held for clubs	-	-	-	-	-	-	250,648	250,648	302,118
Deferred revenue	11,000	78,751	-	-	999,251	1,212,098	-	2,301,100	2,300,882
	666,759	78,751	-	-	999,251	1,212,098	250,648	3,207,507	5,187,358
Due to (from) other funds	6,087,137	(273,559)	(1,515,796)	(888,239)	(1,422,690)	(1,986,853)	-	-	-
Net assets (note 6)	3,457,697	633,041	1,515,796	1,440,352	1,544,896	774,755	-	9,366,537	8,016,364
Commitments (note 7)									
	\$10,211,593	\$ 438,233	\$ -	\$ 552,113	\$ 1,121,457	\$ -	\$ 250,648	\$12,574,044	\$13,203,722

See accompanying notes to consolidated financial statements.

On behalf of the Board:

Director

MCMaster Students Union Incorporated

Consolidated Statement of Operations

Year ended April 30, 2023, with comparative financial information for 2022

	Operating Fund	Capital Fund	University Student Centre Building Fund	CFMU Radio Inc.	Student Health Insurance Plan Fund	Student Dental Plan Fund	2023 Total	2022 Total
Revenues:								
Student fees (Schedules 1, 5, 13 and 14)	\$ 3,924,878	\$ —	\$ 545,550	\$ 400,508	\$ 2,426,718	\$ 2,932,667	\$ 10,230,321	\$ 9,992,538
Administration (Schedule 1)	280,795	—	—	—	—	—	280,795	182,749
Investment income (loss) (Schedules 1, 5, and 13)	228,413	—	—	17,249	58,559	—	304,221	(148,034)
Child Care (Schedule 6)	834,139	—	—	—	—	—	834,139	778,842
Campus Events (Schedule 10)	477,908	—	—	—	—	—	477,908	233,874
1280 (Schedule 2)	75,528	—	—	—	—	—	75,528	183,541
Services (Schedule 11)	110,453	—	—	—	—	—	110,453	74,900
Committees (Schedule 11)	13,840	—	—	—	—	—	13,840	5,370
Union Market (Schedule 9)	50,000	—	—	—	—	—	50,000	65,579
Underground Media and Design (Schedule 8)	161,123	—	—	—	—	—	161,123	57,960
The Silhouette (Schedule 3)	88,708	—	—	—	—	—	88,708	41,797
Student Wellness Centre (Schedule 12)	35,393	—	—	—	—	—	35,393	28,711
Chatime (Schedule 7)	19,885	—	—	—	—	—	19,885	17,220
CFMU Radio Inc. (Schedule 5)	—	—	—	23,197	—	—	23,197	16,339
Marmor (Schedule 4)	—	—	—	—	—	—	—	(18)
Total revenues	6,301,063	—	545,550	440,954	2,485,277	2,932,667	12,705,511	11,531,368
Expenditures:								
Student Dental Plan (Schedule 14)	—	—	—	—	—	2,759,734	2,759,734	2,690,023
Student Health Insurance Plan (Schedule 13)	—	—	—	—	2,540,578	—	2,540,578	2,405,406
Administration (Schedule 1)	1,131,080	—	—	—	—	—	1,131,080	1,010,954
Campus Events (Schedule 10)	929,784	—	—	—	—	—	929,784	385,234
Child Care (Schedule 6)	881,663	—	—	—	—	—	881,663	802,817
Services (Schedule 11)	687,156	—	—	—	—	—	687,156	609,565
Executive (Schedule 11)	448,502	—	—	—	—	—	448,502	309,947
Underground Media and Design (Schedule 8)	397,610	—	—	—	—	—	397,610	308,041
Committees (Schedule 11)	315,599	—	—	—	—	—	315,599	278,736
CFMU Radio Inc. (Schedule 5)	—	—	—	312,465	—	—	312,465	285,697
Information Comm. & Tech. (Schedule 1-B)	291,934	—	—	—	—	—	291,934	198,014
The Silhouette (Schedule 3)	274,729	—	—	—	—	—	274,729	215,619
Building fund occupancy costs	—	—	274,413	—	—	—	274,413	335,874
1280 (Schedule 2)	93,619	—	—	—	—	—	93,619	464,913
Union Market (Schedule 9)	16,472	—	—	—	—	—	16,472	70,927
Marmor (Schedule 4)	—	—	—	—	—	—	—	82,658
Total expenditures	5,468,148	—	274,413	312,465	2,540,578	2,759,734	11,355,338	10,454,425
Excess (deficiency) of revenues over expenditures	\$ 832,915	\$ —	\$ 271,137	\$ 128,489	\$ (55,301)	\$ 172,933	\$ 1,350,173	\$ 1,076,943

\$

See accompanying notes to consolidated financial statements.

MCMaster Students Union Incorporated

Consolidated Statement of Changes in Net Assets

Year ended April 30, 2023, with comparative financial information for 2022

April 30, 2023	Operating Fund	Capital Fund	University Student Centre Building Fund	CFMU Radio Inc.	Student Health Insurance Plan Fund	Student Dental Plan Fund	Total
Net assets, beginning of year	\$ 2,624,782	\$ 633,041	\$ 1,244,659	\$ 1,311,863	\$ 1,600,197	\$ 601,822	\$ 8,016,364
Excess (deficiency) of revenues over expenditures	832,915	-	271,137	128,489	(55,301)	172,933	1,350,173
Net assets, end of year	\$ 3,457,697	\$ 633,041	\$ 1,515,796	\$ 1,440,352	\$ 1,544,896	\$ 774,755	\$ 9,366,537

April 30, 2022	Operating Fund	Capital Fund	University Student Centre Building Fund	CFMU Radio Inc.	Student Health Insurance Plan Fund	Student Dental Plan Fund	Total
Net assets, beginning of year	\$ 2,080,496	\$ 633,041	\$ 1,064,256	\$ 1,212,504	\$ 1,650,680	\$ 298,444	\$ 6,939,421
Excess (deficiency) of revenues over expenditures	544,286	-	180,403	99,359	(50,483)	303,378	1,076,943
Net assets, end of year	\$ 2,624,782	\$ 633,041	\$ 1,244,659	\$ 1,311,863	\$ 1,600,197	\$ 601,822	\$ 8,016,364

See accompanying notes to consolidated financial statements.

MCMMASTER STUDENTS UNION INCORPORATED

Consolidated Statement of Cash Flows

Year ended April 30, 2023, with comparative financial information for 2022

	2023	2022
Operating:		
Excess (deficiency) of revenues over expenditures	\$ 1,350,173	\$ 1,076,943
Items not involving cash:		
Amortization	156,133	144,073
	1,506,306	1,221,016
Changes in non-cash operating working capital items:		
Accounts receivable	131,404	(54,139)
Due to/from McMaster University Centre Incorporated	86,639	(230,037)
Due to/from McMaster University	(155,348)	92,472
Inventories	(2,104)	52,289
Prepaid expenses	478	(1,501)
Accounts payable and accrued liabilities	(1,928,599)	1,428,011
Restricted cash held for Clubs	(51,470)	2,039
Deferred revenue	218	138,687
	(412,476)	2,648,837
Investing:		
Purchase of capital assets	(190,022)	(66,812)
Increase (decrease) in cash and cash equivalents	(602,498)	2,582,025
Cash and cash equivalents, beginning of year	12,101,060	9,519,035
Cash and cash equivalents, end of year	\$ 11,498,562	\$ 12,101,060
Represented by:		
Cash	\$ 5,461,108	\$ 8,180,283
Restricted cash held for clubs	250,648	246,742
Marketable securities	5,786,806	3,674,035
	\$ 11,498,562	\$ 12,101,060

See accompanying notes to consolidated financial statements.

MCMASTER STUDENTS UNION INCORPORATED

Notes to Consolidated Financial Statements

Year ended April 30, 2023

The McMaster Students Union Incorporated ("MSU") is incorporated under the laws of the Province of Ontario as a not-for-profit organization and is an exempt not-for-profit organization under the Income Tax Act. The purpose of MSU is to provide a wide variety of services to the students of McMaster University (the "University").

The CFMU Radio Incorporated ("CFMU Radio Inc.") is a separate not-for-profit organization setup to operate the student run radio station. The CFMU Radio Inc. is setup for the benefit, service and education to the students of McMaster University. The results of CFMU Radio Inc. are reported within these consolidated financial statements of MSU.

1. Significant accounting policies:

The consolidated financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook.

(a) Revenue recognition:

Fee revenue is recorded during the fiscal period. For sales of goods and services, MSU recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the price to the buyer is fixed or determinable and collection is reasonably assured.

(b) Fund accounting:

In order to ensure observance of limitations and restrictions placed on the use of the resources available to MSU, such resources are classified for accounting and reporting purposes into funds according to the activities or objectives specified.

The Operating Fund is used to account for day-to-day operations. Funds are provided from yearly membership fees from students, university grants, interest on funds invested and revenues from various facilities and programs. Fees received for future services are deferred until the service is provided.

The Capital Fund records the capital assets and the related accumulated amortization. Funds are provided from current revenues of the Operating Fund equal to the amortization provision for the year less any capital asset acquisitions funded during the year.

The University Student Centre Building Fund holds restricted capital to underwrite MSU's share of planning, construction, maintenance and associated costs of the McMaster University Student Centre. Funds are provided through the collection of a building fund fee from each MSU member to support future occupancy charges, payable to McMaster University Centre Incorporated ("MUCI").

The CFMU Radio Inc. is funded through the collection of fees from MSU members and from revenue generating activities of the radio station. The fund records operating results and holds restricted capital and capital assets relating to the radio station's operations.

MCMASTER STUDENTS UNION INCORPORATED

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023

1. Significant accounting policies (continued):

(b) Fund accounting (continued):

The Student Health Insurance Plan Fund is funded through the collection of fees from MSU members. The MSU services the plan through a third-party insurance underwriter. The plan provides reimbursements to MSU members for qualifying prescription drugs as well as remitting premiums for accidental insurance coverage.

The Student Dental Plan Fund is funded through the collection of fees from MSU members. The MSU services the plan through a third-party insurance underwriter. The plan covers routine dental procedures for all students who choose to pay the annual premium as well as minor surgical procedures and orthodontics.

Restricted cash held for clubs includes cash received on behalf of MSU Clubs. Club membership fees receipts and club payment processing were centralized through the MSU Accounting department. Club fees received are held in a separate bank account on behalf of the clubs.

(c) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than one year.

(d) Inventories:

Inventory consists of food, bar items including alcohol, printing materials and other items for resale. Inventories are stated at the lower of cost (at the average cost method) and net realizable value. The amount of inventory expensed in the year was \$116,702 (2022 - \$232,300).

(e) Capital assets:

Capital assets are capitalized at cost in the Capital Fund and amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Equipment	3 - 10
Leasehold improvements	3 - 10

MCMASTER STUDENTS UNION INCORPORATED

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023

1. Significant accounting policies (continued):

(f) Contributed goods and services:

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the consolidated financial statements.

(g) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. MSU has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the MSU determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the MSU expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(h) Allocation of expenses:

The MSU records a number of its expenses by program. The costs of each program include the costs of personnel, premises and other expenses that are directly related to providing the program. The MSU allocates certain administration and corporate governance expenses from administration program within the Statement of Operations to the individual programs.

(i) Use of estimates:

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets, deferred revenue and accrued liabilities. Actual results could differ from those estimates.

MCMASTER STUDENTS UNION INCORPORATED

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023

2. Marketable securities:

Investments reported on the consolidated statement of financial position have market values as follows:

	2023	2022
Operating Fund	\$ 4,121,567	\$ 2,215,627
CFMU Radio Inc.	543,782	382,760
Student Health Plan Fund	1,121,457	1,075,648
	\$ 5,786,806	\$ 3,674,035

Marketable securities held by MSU include Cash and short-term investments, Fixed income investments and Equity and mutual funds.

	2023	2022
Cash and short-term investments	\$ 378,854	\$ 27,219
Fixed income investments	2,072,830	633,246
Equity and mutual funds	3,335,122	3,013,570
	\$ 5,786,806	\$ 3,674,035

Marketable securities held by MSU can be categorized into Canadian and Foreign investments.

	2023	2022
Canadian	\$ 4,722,437	\$ 2,631,589
Foreign	1,064,369	1,042,446
	\$ 5,786,806	\$ 3,674,035

MCMASTER STUDENTS UNION INCORPORATED

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023

3. Accounts receivable:

	2023	2022
Trade receivables	\$ 197,285	\$ 328,689
Less allowance for doubtful accounts	(56,070)	(56,070)
Net accounts receivables	\$ 141,215	\$ 272,619

4. Capital assets:

	2023		
	Cost	Accumulated depreciation	Net book value
Equipment	\$ 4,817,305	\$ 4,516,039	\$ 301,266
Leasehold improvements	1,623,307	1,478,009	145,298
	\$ 6,440,612	\$ 5,994,048	\$ 446,564

	2022		
	Cost	Accumulated depreciation	Net book value
Equipment	\$ 4,632,174	\$ 4,407,348	\$ 224,826
Leasehold improvements	1,618,416	1,430,567	187,849
	\$ 6,250,590	\$ 5,837,915	\$ 412,675

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances receivable of \$3,784 (2022 – (\$15,134)), which includes amounts payable for HST and payroll related taxes.

6. Surplus restrictions:

Marmor:

Revenues derived from student fees (specified for the Marmor) and grants are designated solely for operations and capital purchases of the Marmor. Any shortfall in revenues over expenditures is recovered through future period surpluses.

As at April 30, 2023, the balance of the deficit attributed to the Marmor totaled \$198,534 (2022 - \$198,534) and is included in the Operating Fund net assets.

MCMASTER STUDENTS UNION INCORPORATED

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023

7. Commitments:

MSU is paying their share of building costs that MUCI incurs for heating, cooling and other costs based on the square footage of the MSU's commercial areas. These costs will not be known until the fiscal year ends; however, based on historical data, costs are expected to be approximately \$350,000 per year.

In 2015, MSU entered into two agreements with Xerox for photocopier equipment for its main offices and the Underground Media and Design. The agreements are for five years whereby MSU will pay fixed fees per photocopy to Xerox along with nominal base monthly lease amounts. Xerox retains ownership of the photocopiers during the full terms and is responsible for the repairs and maintenance of the equipment. The actual costs will not be known until the fiscal year ends; however, based on historical data, costs for the photocopiers are expected to be approximately \$82,500 per year.

8. Financial instruments:

(a) Currency risk:

MSU is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, the MSU holds investments in U.S. dollars. MSU does not currently enter into forward contracts to mitigate this risk. There has been no change to the risk exposure from 2022.

(b) Liquidity risk:

Liquidity risk is the risk that MSU will be unable to fulfill its obligations on a timely basis or at a reasonable cost. MSU manages its liquidity risk by monitoring its operating requirements. MSU prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2022.

(c) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. MSU is exposed to credit risk with respect to the accounts receivable. MSU assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. There has been no change to the risk exposures from 2022.

(d) Interest rate risk:

MSU is exposed to interest rate risk on its fixed interest rate financial instruments. Further details about the fixed rate investments are included in note 2. There has been no change to the risk exposures from 2022.

MCMASTER STUDENTS UNION INCORPORATED

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2023

9. Related party transactions:

MSU has the ability to influence the operations of McMaster Student Centre Incorporated (“MUCI”) through the appointment of the MUCI board members. Included in the consolidated financial statements is a net receivable from MUCI of \$138,155 (2022 - \$224,794). The MSU administers payment of all expenses incurred by MUCI. Total amount of expenses paid on behalf of MUCI by the MSU are \$1,273,098 (2022 - \$795,706).

Furthermore, McMaster University is a related party of the MSU. Included in the financial statements is a net receivable balance of \$248,940 (2022 - \$87,807)

These transactions are in the normal course of business and are measured at the exchange amount agreed to by related parties.

10. Closure of Compass Information Centre Division:

The purpose of the Compass Information Centre was to provide the McMaster community with information about the MSU, McMaster University, and the surrounding community and to act as a point of sale for campus and concert events, various modes of transportation, and miscellaneous items.

Compass was launched in 2002 as a zero-cost centre; and sold tickets and received a commission to offset the cost of the operation. The primary revenue generator was GO Transit commissions. With the advent of PRESTO, on-line sales, and electronic ticket wicket at Go bus stops, commissions reduced dramatically resulting in accumulated losses. In March 2022, the SRA rescinded the Compass Operating Policy to confirm the closure of the service.

The revenue and expenses earned in the period are recorded in Schedule 11.

11. Subsequent event:

On June 13, 2023, Compass Group Canada Limited (“Compass”) terminated the Food Services Agreement with the MSU. Pursuant to the agreement, the MSU is obligated to pay to Compass the remaining undepreciated value of the Compass capital investment. The remaining undepreciated value of the Compass capital investment on the effective termination date amounted to \$359,889.79, plus applicable taxes.

MCMASTER STUDENTS UNION INCORPORATED

Schedule 1 - Schedule of Operations - Administration

Year ended April 30, 2023, with comparative financial information for 2022

	2023	2022
Revenues:		
Member fees	\$ 3,924,878	\$ 3,653,838
Fees – WUSC Refugee Fund and Incite	106,347	181,249
Interest and investment income (loss)	228,413	(42,652)
Other income	174,448	1,500
	4,434,086	3,793,935
Expenditures:		
Amortization	17,253	17,673
Computer supplies and maintenance	1,356	330
Donation to WUSC Refugee Fund	105,305	63,535
Faculty support disbursement (recovery)	164,101	98,239
Insurance	63,229	61,856
Memberships	–	2,003
Miscellaneous	14,111	11,461
Office expense	20,493	16,366
Professional development	14,359	13,494
Professional fees	47,774	60,018
Purchased services	24,843	9,611
Repairs and maintenance	90	1,946
Salaries	742,056	708,458
Service (bank) charges	9,382	11,022
Telephone	6,453	5,931
Travel	719	398
	1,231,524	1,082,341
Less expenditures allocated to facilities	99,500	69,500
	1,132,024	1,012,841
Excess of revenues over expenditures before inter-divisional revenues	3,302,062	2,781,094
Less inter-divisional expenditures:		
Underground	944	1,887
Excess of revenues over expenditures	\$ 3,303,006	\$ 2,782,981

MCMASTER STUDENTS UNION INCORPORATED

Schedule 1-B - Schedule of Operations – Information Communication & Technology

Year ended April 30, 2023, with comparative financial information for 2022

	2023	2022
Expenditures:		
Amortization	\$ 5,411	\$ 4,373
Computer supplies and maintenance	4,307	4,327
Office expense	149	–
Professional development	694	–
Purchased services	74,155	88,134
Repairs and maintenance	20	46
Salaries	205,758	99,990
Telephone	1,380	1,144
Travel	60	–
Total expenditures	\$ 291,934	\$ 198,014

MCMASTER STUDENTS UNION INCORPORATED

Schedule 2 - Schedule of Operations - 1280

Year ended April 30, 2023, with comparative financial information for 2022

	2023	2022
Sales:		
Food	\$ -	\$ 182,916
Beer and liquor	75,124	95
	75,124	183,011
Cost of goods sold:		
Food	-	98,639
Beer and liquor	-	(812)
	-	97,827
	75,124	85,184
Other income:		
Rental and other revenue	404	530
	75,528	85,714
Expenditures:		
Administrative	27,374	32,657
Advertising	-	2,167
Amortization	18,975	23,809
Repairs and maintenance	247	12,099
Salaries and wages	46,116	310,242
Supplies	-	3,483
Telephone	907	1,967
Canada Emergency Wage Subsidy	-	(17,171)
	93,619	369,253
Deficiency of revenues over expenditures before inter-divisional expenditures	(18,091)	(283,539)
Less inter-divisional expenditures:		
Underground	-	2,167
Deficiency of revenues over expenditures	\$ (18,091)	\$ (281,372)

MCMASTER STUDENTS UNION INCORPORATED

Schedule 3 - Schedule of Operations – The Silhouette

Year ended April 30, 2023, with comparative financial information for 2022

	2023	2022
Revenue	\$ 91,298	\$ 41,797
Expenditures:		
Advertising	1,243	1,032
Amortization	5,057	2,701
Conference	35,508	–
Supplies	7,774	–
General staff costs	6,521	8,581
Graphic ad layout	451	2,323
Office supplies	7,289	348
Printing costs	21,358	34,634
Repairs and maintenance	240	240
Salaries and benefits	194,936	165,625
Subscriptions	265	–
Telephone	1,619	1,751
	282,261	217,235
Deficiency of revenues over expenditures before inter-divisional revenues and expenditures	(190,963)	(175,438)
Less inter-divisional (revenues) expenditures:		
Underground	6,385	1,616
Underground, Committees & Executive	(2,590)	–
AvTEK	1,147	–
Deficiency of revenues over expenditures	\$ (186,021)	\$ (173,822)

MCMASTER STUDENTS UNION INCORPORATED

Schedule 4 - Schedule of Operations - Marmor

Year ended April 30, 2023, with comparative financial information for 2022

	2023	2022
Revenues:		
Student fees	\$ -	\$ (18)
Expenditures:		
Photographic	-	-
Postage	-	77,690
Printing costs	-	4,968
	-	82,658
Deficiency of revenues over expenditures	\$ -	\$ (82,676)

MCMaster Students Union Incorporated

Schedule 5 - Schedule of Operations – CFMU Radio Inc.

Year ended April 30, 2023, with comparative financial information for 2022

	2023	2022
Revenues:		
Student fees	\$ 400,508	\$ 379,473
Advertising sales	2,478	–
Investment income (loss)	17,249	(10,756)
Sponsorships	20,719	16,339
	440,954	385,056
Expenditures:		
Administration	15,682	26,655
Amortization	8,327	10,827
Advertising	4,842	–
Contractual maintenance services	6,640	5,202
HST/GST	13	–
Insurance	5,478	4,834
Memberships and licenses	4,627	14,465
Office supplies	–	452
Repairs and maintenance	22,776	2,393
Salaries and benefits	236,481	213,604
Telephone	8,044	7,330
	312,910	285,762
Excess of revenues over expenditures before inter-divisional revenues	128,044	99,294
Less inter-divisional expenditures:		
Underground	220	65
AvTEK	225	–
Excess of revenues over expenditures	\$ 128,489	\$ 99,359

MCMASTER STUDENTS UNION INCORPORATED

Schedule 6 - Schedule of Operations – Child Care

Year ended April 30, 2023, with comparative financial information for 2022

	2023	2022
Revenues:		
Parents	\$ 538,467	\$ 503,411
Subsidy	113,172	99,459
Provincial grant	145,695	132,859
Registration	649	525
Miscellaneous	36,156	42,588
	834,139	778,842
Expenditures:		
Administration costs	11,504	16,004
Amortization	17,100	13,098
Custodial services	21,861	25,017
Food	25,036	19,675
Learning materials	10,940	14,942
Rent	22,670	21,732
Repairs and maintenance	4,277	1,122
Salaries and benefits	747,868	803,153
Supplies	5,836	6,004
Telephone	1,539	1,719
Transportation	–	480
Insurance	7,303	–
Canada Emergency Wage Subsidy	6,113	(120,129)
	882,047	802,817
Deficiency of revenues over expenditures before inter-divisional expenditures	(47,908)	(23,977)
Less inter-divisional expenditures:		
Underground	384	–
Deficiency of revenues over expenditures	\$ (47,524)	\$ (23,977)

MCMASTER STUDENTS UNION INCORPORATED

Schedule 7 - Schedule of Operations - Chatime

Year ended April 30, 2023, with comparative financial information for 2022

	2023	2022
Revenues:		
Rental income	\$ 19,885	\$ 17,220
Excess of revenues over expenditures	\$ 19,885	\$ 17,220

MCMASTER STUDENTS UNION INCORPORATED

Schedule 8 - Schedule of Operations - Underground Media and Design

Year ended April 30, 2023, with comparative financial information for 2022

	2023	2022
Revenues	\$ 261,696	\$ 117,864
Cost of goods sold:		
Material purchases	117,083	78,359
Gross profit	144,613	39,505
Expenditures:		
Amortization	16,116	12,367
Bad debts	-	30,000
Administration	9,152	7,183
HST and other applicable taxes	4,698	2,949
Office supplies	3,679	4,033
Repairs and maintenance	1,775	7,345
Salaries and wages	243,272	191,933
Telephone	1,835	2,288
Canada Emergency Wage Subsidy	-	(28,416)
	280,527	229,682
Deficiency of revenues over expenditures before inter-divisional expenditures	(135,914)	(190,177)
Less: inter-divisional revenues:		
Administration	944	1,887
Committees, services and campus events	76,179	53,329
The Silhouette	6,385	1,616
Union market	-	(120)
1280	-	2,167
Student health plan	2,077	720
Student dental plan	570	-
CFMU Radio Inc.	220	65
Executive	13,814	-
Child Care	384	-
	100,573	59,904
Deficiency of revenues over expenditures	\$ (236,487)	\$ (250,081)

MCMaster Students Union Incorporated

Schedule 9 - Schedule of Operations - Union Market

Year ended April 30, 2023, with comparative financial information for 2022

	2023	2022
Revenues:		
Sales	\$ -	\$ 61,079
Other	50,000	4,500
	50,000	65,579
Cost of goods sold:		
Material purchases	24	31,809
Gross profit	49,976	33,770
Expenditures:		
Administrative	734	3,451
Advertising	-	120
Amortization	10,308	10,308
Office supplies	-	3,157
Repairs and maintenance	1,429	708
Salaries and wages	200	32,455
Supplies	3,424	-
Telephone	353	424
Canada Emergency Wage Subsidy	-	(11,385)
	16,448	39,238
Excess (deficiency) of revenues over expenditures before inter-divisional revenues	33,528	(5,468)
Less inter-divisional expenditures: Underground	-	120
Excess (deficiency) of revenues over expenditures	\$ 33,528	\$ (5,348)

MCMMASTER STUDENTS UNION INCORPORATED

Schedule 10 - Schedule of Operations - Campus Events

Year ended April 30, 2023, with comparative financial information for 2022

	2023			2022		
	Revenues	Expenditures	Total	Revenues	Expenditures	Total
AvTEK	\$ 17,841	\$ -	\$ 17,841	\$ 14,215	\$ -	\$ 14,215
Charity ball	3,470	37,636	(34,166)	-	-	-
Golf tournament	11,200	6,868	4,332	-	-	-
Recognition & staff events	-	4,370	(4,370)	-	-	-
External events	113,745	59,156	54,589	31,538	-	31,538
Orientation/welcome week	235,111	180,746	54,365	167,515	111,411	56,104
Other concerts and programs	109,418	67,576	41,842	33,219	20,042	13,177
Speakers and Sidewalk Sale	1,581	1,670	(89)	-	-	-
Travel and administration	-	580,187	(580,187)	-	278,747	(278,747)
Canada Emergency Wage Subsidy	-	-	-	-	(17,677)	17,677
	492,366	938,209	(445,843)	246,487	392,523	(146,036)
Less inter-divisional revenues and (expenditures):						
Underground	-	8,425	(8,425)	-	7,289	(7,289)
Revenue – Committee, executive, services	13,086	-	13,086	12,613	-	12,613
Revenue – The Silhouette	1,147	-	1,147	-	-	-
Revenue – CFMU Radio	225	-	225	-	-	-
	14,458	8,425	6,033	12,613	7,289	5,324
	\$ 477,908	\$ 929,784	\$ (451,876)	\$ 233,874	\$ 385,234	\$ (151,360)

MCMASTER STUDENTS UNION INCORPORATED

Schedule 11 - Schedule of Committees and Commissions, MSU Executive and Services Expenses

Year ended April 30, 2023, with comparative financial information for 2022

	2023			2022		
	Revenues	Expenditures	Total	Revenues	Expenditures	Total
Committees and Commissions:						
Diversity	\$ 6,580	\$ 28,434	\$ (21,854)	\$ 580	\$ 23,801	\$ (23,221)
Election Committee	5,580	31,091	(25,511)	3,740	18,428	(14,688)
First Year Council	–	14,865	(14,865)	–	11,134	(11,134)
MSU Spark	1,680	31,021	(29,341)	1,050	25,932	(24,882)
Public relations/student life	–	243,749	(243,749)	–	217,880	(217,880)
Teaching awards	–	13,511	(13,511)	–	11,166	(11,166)
	13,840	362,671	(348,831)	5,370	308,341	(302,971)
Less inter-divisional expenditures:						
Underground	–	40,321	(40,321)	–	23,485	(23,485)
The Silhouette	–	2,590	(2,590)	–	–	–
AvTEK	–	4,161	(4,161)	–	6,120	(6,120)
	–	47,072	(47,072)	–	29,605	29,605
	\$ 13,840	\$ 315,599	\$ (301,759)	\$ 5,370	278,736	\$ (273,366)

MCMASTER STUDENTS UNION INCORPORATED

Schedule 11 - Schedule of Committees and Commissions, MSU Executive and Services Expenses (continued)

Year ended April 30, 2023, with comparative financial information for 2022

	2023			2022		
	Revenues	Expenditures	Total	Revenues	Expenditures	Total
MSU Executive:						
Administrative	\$ -	\$ 12,134	\$ (12,134)	\$ -	\$ 9,837	\$ (9,837)
Travel & conferences	-	13,644	(13,644)	-	-	-
Donations	-	10,961	(10,961)	-	4,165	(4,165)
Executive expense	-	4,553	(4,553)	-	1,261	(1,261)
Honoraria and awards	-	21,450	(21,450)	-	-	-
Board training	-	475	(475)	-	5,066	(5,066)
Meetings	-	12,483	(12,483)	-	5,165	(5,165)
Memberships	-	-	-	-	45,734	(45,734)
Miscellaneous	-	43,422	(43,422)	-	8,931	(8,931)
Special projects	-	19,935	(19,935)	-	6,675	(6,675)
Salaries and benefits	-	332,032	(332,032)	-	236,685	(236,685)
	-	471,089	(471,089)	-	323,519	(323,519)
Less inter-divisional expenditures:						
Underground	-	13,814	(13,814)	-	7,663	(7,663)
AvTEK	-	8,773	(8,773)	-	5,909	(5,909)
	-	22,587	(22,587)	-	13,572	(13,572)
	\$ -	\$ 448,502	\$ (448,502)	\$ -	\$ 309,947	\$ (309,947)

MCMASTER STUDENTS UNION INCORPORATED

Schedule 11 - Schedule of Committees and Commissions, MSU Executive and Services Expenses (continued)

Year ended April 30, 2023, with comparative financial information for 2022

	2023			2022		
	Revenues	Expenditures	Total	Revenues	Expenditures	Total
Services expenses:						
Emergency First Response Team	\$ 57,285	\$ 152,024	\$ (94,739)	\$ 4,250	\$ 79,811	\$ (75,561)
MacCycle	577	65	512	143	246	(103)
Compass Information Service	38,299	20,705	17,594	67,785	155,867	(88,082)
Ombuds office	-	84,983	(84,983)	-	90,001	(90,001)
Student Health Education Centre	-	30,149	(30,149)	-	27,085	(27,085)
SWHAT	-	12,219	(12,219)	-	7,427	(7,427)
MACCESS	-	29,073	(29,073)	-	26,064	(26,064)
Pride Community Centre	6,200	25,019	(18,819)	-	22,671	(22,671)
Maroons	-	19,169	(19,169)	76	16,647	(16,571)
CLAY Conference	-	(3,106)	3,106	-	-	-
Horizons	-	(42)	42	-	-	-
FIT/Shinerama	-	(19)	19	-	-	-
Advocacy	-	152,911	(152,911)	-	51,835	(51,835)
Clubs administrator	6,380	144,007	(137,627)	-	92,455	(92,455)
Women & Gender Equity	-	21,660	(21,660)	-	27,021	(27,021)
MacFarmstand	-	-	-	-	546	(546)
Food Collective Centre	1,712	25,924	(24,212)	2,646	27,365	(24,719)
	110,453	714,741	(604,288)	74,900	625,041	(550,141)
Less inter-divisional expenditures:						
Underground	-	27,433	(27,433)	-	14,892	(14,892)
AvTEK	-	152	(152)	-	584	(584)
	-	27,585	(27,585)	-	15,476	(15,476)
	\$ 110,453	\$ 687,156	\$ (576,703)	\$ 74,900	\$ 609,565	\$ (534,665)

MCMASTER STUDENTS UNION INCORPORATED

Schedule 12 - Schedule of Operations - Student Wellness Centre

Year ended April 30, 2023, with comparative financial information for 2022

	2023	2022
Revenues:		
Student Wellness - Rental income	\$ 31,321	\$ 28,711
Other income	4,072	-
Total revenues	\$ 35,393	\$ 28,711

MCMASTER STUDENTS UNION INCORPORATED

Schedule 13 - Schedule of Operations – Student Health Insurance Plan Fund

Year ended April 30, 2023, with comparative financial information for 2022

	2023	2022
Revenues:		
Student fees (net of opt-out)	\$ 2,426,718	\$ 2,449,549
Investment income (loss)	58,559	(94,626)
	2,485,277	2,354,923
Expenditures:		
Administration charges	50,000	35,000
Insurance premiums	2,490,503	2,370,281
Advertising	2,077	845
Office expense	75	–
	2,542,655	2,406,126
Deficiency of revenues over expenditures before inter-divisional revenues	(57,378)	(51,203)
Less inter-divisional expenditures: Underground	2,077	720
Deficiency of revenues over expenditures	\$ (55,301)	\$ (50,483)

MCMASTER STUDENTS UNION INCORPORATED

Schedule 14 - Schedule of Operations – Student Dental Plan Fund

Year ended April 30, 2023, with comparative financial information for 2022

	2023	2022
Revenues:		
Student fees (net of opt-out)	\$ 2,932,667	\$ 2,993,401
Expenditures:		
Administration charges	30,000	15,000
Advertising & Promotion	570	–
Insurance premiums	2,729,734	2,675,023
	2,760,304	2,690,023
Excess of revenues over expenditures before inter-divisional expenditures	172,363	303,378
Less inter-divisional expenditures:		
Underground	570	-
Excess of revenues over expenditures	\$ 172,933	\$ 303,378