

Consolidated Financial Statements of

**MCMASTER STUDENTS
UNION INCORPORATED**

And Independent Auditor's Report thereon

Year ended April 30, 2024

DRAFT

MCMASTER STUDENTS UNION INCORPORATED

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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, 2024
- 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, 2024, 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, 2024
- 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, 2024
- the net assets reported in the consolidated statement of operations and changes in net assets for the year ended April 30, 2024
- the excess of revenues over expenses reported in the consolidated statement of cash flows for the year ended April 30, 2024

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.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

October 17, 2024

MCMASTER STUDENTS UNION INCORPORATED

Consolidated Statement of Financial Position

As at April 30, 2024, with comparative financial information for 2023

	Operating Fund	Capital Fund	University Student Centre Building Fund	CFMU Radio Inc.	Student Health Insurance Plan Fund	Student Dental Plan Fund	Clubs	2024	2023
Assets									
Current assets:									
Cash	\$ 5,522,632	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,522,632	\$ 5,461,108
Marketable securities (note 2)	4,470,911	-	-	591,480	1,168,076	-	-	6,230,467	5,786,806
Accounts receivable (note 3)	195,048	-	-	-	-	-	-	195,048	141,215
Restricted cash held for clubs	-	-	-	-	-	-	335,182	335,182	250,648
Inventories	55,432	-	-	-	-	-	-	55,432	16,493
Prepaid expenses	115,504	-	-	-	-	-	-	115,504	89,900
Due from McMaster University (note 9)	84,258	-	-	-	-	-	-	84,258	243,155
Due from McMaster University Centre Incorporated (note 9)	-	-	-	-	-	-	-	-	138,155
	10,443,785	-	-	591,480	1,168,076	-	335,182	12,538,523	12,127,480
Capital assets (note 4)	-	599,949	-	8,331	-	-	-	608,280	446,564
	\$10,443,785	\$ 599,949	\$ -	\$ 599,811	\$ 1,168,076	\$ -	\$ 335,182	\$13,146,803	\$12,574,044
Liabilities									
Current liabilities:									
Accounts payable and accrued liabilities (note 5)	\$ 833,140	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 833,140	\$ 655,759
Restricted cash held for clubs	-	-	-	-	-	-	331,289	331,289	250,648
Deferred revenue	32,150	62,004	-	-	1,005,036	1,215,634	-	2,314,824	2,301,100
Due to McMaster University Centre Incorporated (note 9)	147,862	-	-	-	-	-	-	147,862	-
	1,013,152	62,004	-	-	1,005,036	1,215,634	331,289	3,627,115	3,207,507
Due to (from) other funds	6,352,675	(95,096)	(1,715,117)	(993,390)	(1,331,973)	(2,220,992)	3,893	-	-
Net assets (note 6)	3,077,958	633,041	1,715,117	1,593,201	1,495,013	1,005,358	-	9,519,688	9,366,537
Commitments (note 7)									
	\$10,443,785	\$ 599,949	\$ -	\$ 599,811	\$ 1,168,076	\$ -	\$ 335,182	\$13,146,803	\$12,574,044

See accompanying notes to consolidated financial statements.

On behalf of the Board:

_____ Director

_____ Director

MCMaster Students Union Incorporated

Consolidated Statement of Operations

Year ended April 30, 2024, with comparative financial information for 2023

	Operating Fund	Capital Fund	University Student Centre Building Fund	CFMU Radio Inc.	Student Health Insurance Plan Fund	Student Dental Plan Fund	2024 Total	2023 Total
Revenues:								
Student fees (Schedules 1, 5, 13 and 14)	\$ 3,967,967	\$ —	\$ 567,931	\$ 418,574	\$ 2,421,876	\$ 2,913,161	\$ 10,289,509	\$ 10,230,321
Administration (Schedule 1)	138,996	—	—	—	—	—	138,996	19,115
Investment income (Schedules 1, 5, and 13)	502,259	—	—	40,297	33,869	—	576,425	304,221
Child Care (Schedule 6)	894,791	—	—	—	—	—	894,791	834,139
Campus Events (Schedule 10)	368,835	—	—	—	—	—	368,835	477,908
1280 (Schedule 2)	281,748	—	—	—	—	—	281,748	75,528
Services (Schedule 11)	81,072	—	—	—	—	—	81,072	110,453
Committees (Schedule 11)	10,601	—	—	—	—	—	10,601	13,840
Union Market (Schedule 9)	115,099	—	—	—	—	—	115,099	50,000
Underground Media and Design (Schedule 8)	202,080	—	—	—	—	—	202,080	161,123
The Silhouette (Schedule 3)	21,760	—	—	—	—	—	21,760	88,708
Student Wellness Centre (Schedule 12)	33,200	—	—	—	—	—	33,200	35,393
Chatime (Schedule 7)	25,603	—	—	—	—	—	25,603	19,885
CFMU Radio Inc. (Schedule 5)	—	—	—	21,955	—	—	21,955	23,197
The Hub (Schedule 4)	2,110	—	—	—	—	—	2,110	—
Total revenues	6,646,121	—	567,931	480,826	2,455,745	2,913,161	13,063,784	12,443,831
Expenditures:								
Student Dental Plan (Schedule 14)	—	—	—	—	—	2,712,558	2,712,558	2,729,734
Student Health Insurance Plan (Schedule 13)	—	—	—	—	2,555,628	—	2,555,628	2,490,578
Administration (Schedule 1)	1,270,560	—	—	—	—	—	1,270,560	968,900
Campus Events (Schedule 10)	1,066,961	—	—	—	—	—	1,066,961	929,784
Child Care (Schedule 6)	963,989	—	—	—	—	—	963,989	881,663
Services (Schedule 11)	831,296	—	—	—	—	—	831,296	682,156
Executive (Schedule 11)	419,474	—	—	—	—	—	419,474	448,502
Underground Media and Design (Schedule 8)	502,459	—	—	—	—	—	502,459	397,610
Committees (Schedule 11)	360,420	—	—	—	—	—	360,420	315,599
CFMU Radio Inc. (Schedule 5)	—	—	—	342,477	—	—	342,477	297,965
Information Comm. & Tech. (Schedule 1-B)	356,661	—	—	—	—	—	356,661	291,934
The Silhouette (Schedule 3)	262,182	—	—	—	—	—	262,182	274,729
Building fund occupancy costs	—	—	368,610	—	—	—	368,610	274,413
1280 (Schedule 2)	603,477	—	—	—	—	—	603,477	93,619
Union Market (Schedule 9)	124,871	—	—	—	—	—	124,871	16,472
The Hub (Schedule 4)	169,010	—	—	—	—	—	169,010	—
Total expenditures	6,931,360	—	368,610	342,477	2,555,628	2,712,558	12,910,633	11,093,658
Excess (deficiency) of revenues over expenditures	\$ (285,239)	\$ —	\$ 199,321	\$ 138,349	\$ (99,883)	\$ 200,603	\$ 153,151	\$ 1,350,173

See accompanying notes to consolidated financial statements.

MCMaster Students Union Incorporated

Consolidated Statement of Changes in Net Assets

Year ended April 30, 2024, with comparative financial information for 2023

	Operating Fund	Capital Fund	University Student Centre Building Fund	CFMU Radio Inc.	Student Health Insurance Plan Fund	Student Dental Plan Fund	Total
April 30, 2024							
Net assets, beginning of year	\$ 3,363,197	\$ 633,041	\$ 1,515,796	\$ 1,454,852	\$ 1,594,896	\$ 804,755	\$ 9,366,537
Excess (deficiency) of revenues over expenditures	(285,239)	–	199,321	138,349	(99,883)	200,603	153,151
Net assets, end of year	\$ 3,077,958	\$ 633,041	\$ 1,715,117	\$ 1,593,201	\$ 1,495,013	\$ 1,005,358	\$ 9,519,688
April 30, 2023							
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	738,415	–	271,137	142,989	(5,301)	202,933	1,350,173
Net assets, end of year	\$ 3,363,197	\$ 633,041	\$ 1,515,796	\$ 1,454,852	\$ 1,594,896	\$ 804,755	\$ 9,366,537

See accompanying notes to consolidated financial statements.

MCMMASTER STUDENTS UNION INCORPORATED

Consolidated Statement of Cash Flows

Year ended April 30, 2024, with comparative financial information for 2023

	2024	2023
Operating:		
Excess of revenues over expenditures	\$ 153,151	\$ 1,350,173
Items not involving cash:		
Amortization	181,141	156,133
	334,292	1,506,306
Changes in non-cash operating working capital items:		
Accounts receivable	(53,833)	131,404
Due to/from McMaster University Centre Incorporated	286,017	86,639
Due to/from McMaster University	158,897	(155,348)
Inventories	(38,939)	(2,104)
Prepaid expenses	(25,604)	478
Accounts payable and accrued liabilities	177,381	(1,928,599)
Restricted cash held for Clubs	80,641	(51,470)
Deferred revenue	13,724	218
	932,576	(412,476)
Investing:		
Purchase of capital assets	(342,857)	(190,022)
Increase (decrease) in cash and cash equivalents	589,719	(602,498)
Cash and cash equivalents, beginning of year	11,498,562	12,101,060
Cash and cash equivalents, end of year	\$ 12,088,281	\$ 11,498,562
Represented by:		
Cash	\$ 5,522,632	\$ 5,461,108
Restricted cash held for clubs	335,182	250,648
Marketable securities	6,230,467	5,786,806
	\$ 12,088,281	\$ 11,498,562

See accompanying notes to consolidated financial statements.

MCMASTER STUDENTS UNION INCORPORATED

Notes to Consolidated Financial Statements

Year ended April 30, 2024

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, 2024

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 \$485,662 (2023 - \$116,702).

(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, 2024

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 financial 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, 2024

2. Marketable securities:

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

	2024	2023
Operating Fund	\$ 4,470,911	\$ 4,121,567
CFMU Radio Inc.	591,480	543,782
Student Health Plan Fund	1,168,076	1,121,457
	\$ 6,230,467	\$ 5,786,806

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

	2024	2023
Cash and short-term investments	\$ 647,946	\$ 378,854
Fixed income investments	2,274,977	2,072,830
Equity and mutual funds	3,307,544	3,335,122
	\$ 6,230,467	\$ 5,786,806

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

	2024	2023
Canadian	\$ 5,055,520	\$ 4,722,437
Foreign	1,174,947	1,064,369
	\$ 6,230,467	\$ 5,786,806

MCMaster Students Union Incorporated

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2024

3. Accounts receivable:

	2024	2023
Trade receivables	\$ 251,118	\$ 197,285
Less allowance for doubtful accounts	(56,070)	(56,070)
Net accounts receivables	\$ 195,048	\$ 141,215

4. Capital assets:

	2024		
	Cost	Accumulated depreciation	Net book value
Equipment	\$ 5,141,554	\$ 4,656,697	\$ 484,857
Leasehold improvements	1,641,915	1,518,492	123,423
	\$ 6,783,469	\$ 6,175,189	\$ 608,280
	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

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$922 (2023 - receivable of \$3,784) 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, 2024, the balance of the deficit attributed to the Marmor totaled \$198,534 (2023 - \$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, 2024

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. There are two years remaining on the agreements whereby MSU continues to pay fixed fees per photocopier 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 2023.

(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 2023.

(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 2023.

(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 2023.

MCMASTER STUDENTS UNION INCORPORATED

Notes to Consolidated Financial Statements (continued)

Year ended April 30, 2024

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 payable to MUCI of \$147,862 (2023 - net receivable of \$138,155). The MSU administers payment of all expenses incurred by MUCI. Total amount of expenses paid on behalf of MUCI by the MSU are \$1,204,578 (2023 - \$1,122,177).

Furthermore, McMaster University is a related party of the MSU. Included in the financial statements is a net receivable balance of \$84,258 (2023 - \$243,155)

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. Contingency:

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. Certain amounts have been paid and accrued by management in accordance with the agreement, however both parties have yet to come to a final settlement.

12. Comparative information:

Certain comparative amounts have been reclassified from those previously presented to conform to the presentation of the 2024 financial statements.

MCMMASTER STUDENTS UNION INCORPORATED

Schedule 1 - Schedule of Operations - Administration

Year ended April 30, 2024, with comparative financial information for 2023

	2024	2023
Revenues:		
Member fees	\$ 3,967,967	\$ 3,924,878
Interest and investment income	502,259	228,413
Other income	138,996	19,115
	4,609,222	4,172,406
Expenditures:		
Amortization	13,089	17,253
Computer supplies and maintenance	1,356	1,356
Faculty support disbursement	-	7,726
Insurance	69,413	63,229
Memberships	1,890	-
Miscellaneous	223,128	14,111
Office expense	15,563	20,493
Professional development	15,325	14,359
Professional fees	68,740	47,774
Purchased services	22,455	24,843
Repairs and maintenance	539	90
Allocated costs	(114,400)	(99,500)
Salaries	818,899	742,056
Service (bank) charges	12,810	9,382
Telephone	8,252	6,453
Travel	495	719
	1,157,554	870,344
Plus expenditures allocated to facilities	114,400	99,500
	1,271,954	969,844
Excess of revenues over expenditures before inter-divisional revenues and expenditures	3,337,268	3,202,562
Less inter-divisional expenditures:		
Underground	911	944
1280	483	-
Excess of revenues over expenditures	\$ 3,338,662	\$ 3,203,506

MCMMASTER STUDENTS UNION INCORPORATED

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

Year ended April 30, 2024, with comparative financial information for 2023

	2024	2023
Expenditures:		
Amortization	\$ 8,005	\$ 5,411
Computer supplies and maintenance	9,157	4,307
Office expense	218	149
Professional development	1,434	694
Purchased services	31,589	74,155
Repairs and maintenance	-	20
Salaries	303,953	205,758
Telephone	2,004	1,380
Travel	8	60
Miscellaneous	318	-
	356,686	291,934
Deficiency of revenues over expenditures before inter-divisional revenues and expenditures	(356,686)	(291,934)
Less inter-divisional expenditures:		
Underground	25	-
Deficiency of revenues over expenditures	\$ (356,661)	\$ (291,934)

MCMMASTER STUDENTS UNION INCORPORATED

Schedule 2 - Schedule of Operations - 1280

Year ended April 30, 2024, with comparative financial information for 2023

	2024	2023
Sales:		
Food	\$ 251,791	\$ —
Beer and liquor	25,411	—
	<u>277,202</u>	<u>—</u>
Cost of goods sold:		
Food	205,877	—
Beer and liquor	12,851	—
	<u>218,728</u>	<u>—</u>
	<u>58,474</u>	<u>—</u>
Other income:		
Rental and other revenue	23,481	75,528
	<u>81,955</u>	<u>75,528</u>
Expenditures:		
Administrative	35,823	27,374
Advertising	611	—
Amortization	26,613	18,975
Office supplies	4,229	—
Repairs and maintenance	—	247
Salaries and wages	313,438	46,116
Travel	722	—
Supplies	1,909	—
Telephone	2,161	907
	<u>385,506</u>	<u>93,619</u>
Deficiency of revenues over expenditures before inter-divisional revenues and expenditures	<u>(303,551)</u>	<u>(18,091)</u>
Less inter-divisional (revenues) expenditures:		
Underground	757	—
Administration	(483)	—
Campus events	(6,900)	—
Committee	(1,400)	—
Executives	(6,416)	—
Services	(2,105)	—
The Hub	(1,631)	—
Deficiency of revenues over expenditures	<u>\$ (321,729)</u>	<u>\$ (18,091)</u>

MCMMASTER STUDENTS UNION INCORPORATED

Schedule 3 - Schedule of Operations - The Silhouette

Year ended April 30, 2024, with comparative financial information for 2023

	2024	2023
Revenue	\$ 26,035	\$ 91,298
Expenditures (recoveries):		
Advertising	2,589	1,243
Amortization	5,455	5,057
Conference	(663)	35,508
Supplies	7,385	7,774
General staff costs	7,130	6,521
Graphic ad layout	733	451
Office supplies	(708)	7,289
Printing costs	25,946	21,358
Repairs and maintenance	276	240
Salaries and benefits	219,489	194,936
Subscriptions	442	265
Telephone	2,151	1,619
	270,225	282,261
Deficiency of revenues over expenditures before inter-divisional revenues and expenditures	(244,190)	(190,963)
Less inter-divisional (revenues) expenditures:		
Underground	8,043	6,385
Underground, Committees & Executive	(4,275)	(2,590)
AvTEK	-	1,147
Deficiency of revenues over expenditures	\$ (240,422)	\$ (186,021)

MCMMASTER STUDENTS UNION INCORPORATED

Schedule 4 - Schedule of Operations - The Hub

Year ended April 30, 2024, with comparative financial information for 2023

	2024	2023
Revenues:		
HUB - PlayerOne Revenue	\$ 632	\$ —
Revenue - rental	1,640	—
	2,272	—
Expenditures:		
Advertising	937	—
Amortization	1,015	—
Purchased services	1,527	—
HUB special projects	19,326	—
Office supplies	1,311	—
Events expenses	27,187	—
Repairs and maintenance	12,919	—
Salaries and benefits	109,617	—
Telephone	1,026	—
	174,865	—
Deficiency of revenues over expenditures before inter-divisional revenues and expenditures	(172,593)	—
Less inter-divisional (revenues) expenditures:		
Underground	2,464	—
Union Market	1,760	—
1280	1,631	—
Executives	(54)	—
Services	(108)	—
Deficiency of revenues over expenditures	\$ (166,900)	\$ —

MCMaster Students Union Incorporated

Schedule 5 - Schedule of Operations - CFMU Radio Inc.

Year ended April 30, 2024, with comparative financial information for 2023

	2024	2023
Revenues:		
Student fees	\$ 418,574	\$ 400,508
Advertising sales	2,491	2,478
Investment income	40,297	17,249
Sponsorships	19,464	20,719
	480,826	440,954
Expenditures:		
Administration	25,846	15,682
Amortization	20,435	8,327
Advertising	1,702	4,842
Contractual maintenance services	10,903	6,640
HST/GST	-	13
Insurance	5,990	5,478
Memberships and licenses	57	4,627
Repairs and maintenance	34,275	22,776
Salaries and benefits	259,897	236,481
Telephone	8,173	8,044
Travel and conference	244	-
	367,522	312,910
Less allocated administration expenditures	24,400	14,500
	343,122	298,410
Excess of revenues over expenditures before inter-divisional revenues and expenditures	137,704	142,544
Less inter-divisional expenditures:		
Underground	345	220
AvTEK	300	225
Excess of revenues over expenditures	\$ 138,349	\$ 142,989

MCMMASTER STUDENTS UNION INCORPORATED

Schedule 6 - Schedule of Operations - Child Care

Year ended April 30, 2024, with comparative financial information for 2023

	2024	2023
Revenues:		
Parents	\$ 555,633	\$ 538,467
Subsidy	68,382	113,172
Provincial grant	178,315	145,695
Registration	347	649
Miscellaneous	92,114	36,156
	894,791	834,139
Expenditures:		
Administration costs	13,489	11,504
Amortization	16,525	17,100
Custodial services	24,170	21,861
Food	24,421	25,036
Learning materials	25,336	10,940
Rent	22,598	22,670
Repairs and maintenance	5,577	4,277
Salaries and benefits	815,587	747,868
Supplies	7,302	5,836
Telephone	1,934	1,539
Insurance	7,989	7,303
Canada Emergency Wage Subsidy	-	6,113
	964,928	882,047
Deficiency of revenues over expenditures before inter-divisional revenues and expenditures	(70,137)	(47,908)
Less inter-divisional expenditures:		
Underground	939	384
Deficiency of revenues over expenditures	\$ (69,198)	\$ (47,524)

MCMASTER STUDENTS UNION INCORPORATED

Schedule 7 - Schedule of Operations - Chatime

Year ended April 30, 2024, with comparative financial information for 2023

	2024	2023
Revenues:		
Rental income	\$ 25,603	\$ 19,885
Excess of revenues over expenditures	\$ 25,603	\$ 19,885

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MCMASTER STUDENTS UNION INCORPORATED

Schedule 8 - Schedule of Operations - Underground Media and Design

Year ended April 30, 2024, with comparative financial information for 2023

	2024	2023
Revenues	\$ 318,759	\$ 261,696
Cost of goods sold:		
Material purchases	174,502	117,083
Gross profit	144,257	144,613
Expenditures:		
Amortization	16,039	16,116
Administration	9,518	9,152
HST and other applicable taxes	4,356	4,698
Office supplies	2,316	3,679
Repairs and maintenance	-	1,775
Salaries and wages	292,714	243,272
Telephone	3,014	1,835
	327,957	280,527
Deficiency of revenues over expenditures before inter-divisional revenues and expenditures	(183,700)	(135,914)
Less inter-divisional revenues:		
Administration	911	944
Committees, services and campus events	87,612	76,179
The Silhouette	8,043	6,385
Union market	148	-
1280	757	-
Information, communications and technology	25	-
Student health plan	1,178	2,077
Student dental plan	453	570
CFMU Radio Inc.	345	220
Executive	13,804	13,814
Child Care	939	384
The Hub	2,464	-
	116,679	100,573
Deficiency of revenues over expenditures	\$ (300,379)	\$ (236,487)

MCMMASTER STUDENTS UNION INCORPORATED

Schedule 9 – Schedule of Operations – Union Market

Year ended April 30, 2024, with comparative financial information for 2023

	2024	2023
Revenues:		
Sales	\$ 106,892	\$ –
Other	10,004	50,000
	116,896	50,000
Cost of goods sold:		
Material purchases	92,432	24
Gross profit	24,464	49,976
Expenditures:		
Administrative	3,116	734
Advertising	79	–
Amortization	3,868	10,308
Office supplies	479	–
Repairs and maintenance	176	1,429
Salaries and wages	24,321	200
Supplies	124	3,424
Telephone	424	353
	32,587	16,448
Excess (deficiency) of revenues over expenditures before inter-divisional revenues and expenditures	(8,123)	33,528
Less inter-divisional (revenues) expenditures:		
Underground	148	–
Campus events	(37)	–
AvTEK	(1,760)	–
Excess (deficiency) of revenues over expenditures	\$ (9,772)	\$ 33,528

MCMASTER STUDENTS UNION INCORPORATED

Schedule 10 - Schedule of Operations - Campus Events

Year ended April 30, 2024, with comparative financial information for 2023

	2024			2023		
	Revenues	Expenditures	Total	Revenues	Expenditures	Total
AvTEK	\$ 24,886	\$ -	\$ 24,886	\$ 17,841	\$ -	\$ 17,841
Charity ball	21,708	34,172	(12,464)	3,470	37,636	(34,166)
Golf tournament	20,075	21,600	(1,525)	11,200	6,868	4,332
Recognition & staff events	-	999	(999)	-	4,370	(4,370)
External events	69,993	47,261	22,732	113,745	-	113,745
Light up the night	-	164,258	(164,258)	-	59,156	54,589
Orientation/welcome week	165,973	175,218	(9,245)	235,111	180,746	54,365
Other concerts and programs	49,420	23,057	26,363	109,418	67,576	41,842
Speakers and Sidewalk Sale	34,076	2,525	31,551	1,581	1,670	(89)
Amortization	-	30,618	(30,618)	-	26,470	(26,470)
Travel and administration	-	581,813	(581,813)	-	553,717	(553,717)
	386,131	1,081,521	(695,390)	492,366	938,209	(445,843)
Less inter-divisional revenues and (expenditures):						
Underground	-	7,623	(7,623)	-	8,425	(8,425)
Union market	-	37	(37)	-	-	-
1280	-	6,900	(6,900)	-	-	-
Revenue - Committee, executive, services	16,996	-	16,996	13,086	-	13,086
Revenue - The Silhouette	-	-	-	1,147	-	1,147
Revenue - CFMU Radio	300	-	300	225	-	225
	17,296	14,560	2,736	14,458	8,425	6,033
	\$ 368,835	\$ 1,066,961	\$ (698,126)	\$ 477,908	\$ 929,784	\$ (451,876)

MCMMASTER STUDENTS UNION INCORPORATED

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

Year ended April 30, 2024, with comparative financial information for 2023

	2024			2023		
	Revenues	Expenditures	Total	Revenues	Expenditures	Total
Committees and Commissions:						
Diversity	\$ 250	\$ 27,824	\$ (27,574)	\$ 6,580	\$ 27,854	\$ (21,274)
Election Committee	5,095	29,411	(24,316)	5,580	31,091	(25,511)
First Year Council	–	13,487	(13,487)	–	14,865	(14,865)
MSU Spark	5,256	35,339	(30,083)	1,680	31,021	(29,341)
Public relations/student life	–	296,081	(296,081)	–	239,862	(239,862)
Teaching awards	–	13,510	(13,510)	–	13,511	(13,511)
Amortization	–	14,200	(14,200)	–	4,467	(4,467)
	10,601	429,852	(419,251)	13,840	362,671	(348,831)
Less inter-divisional expenditures:						
Underground	–	57,962	(57,962)	–	40,321	(40,321)
The Silhouette	–	3,775	(3,775)	–	2,590	(2,590)
1280	–	1,400	(1,400)	–	–	–
AvTEK	–	6,295	(6,295)	–	4,161	(4,161)
	–	69,432	(69,432)	–	47,072	(47,072)
	\$ 10,601	\$ 360,420	\$ (349,819)	\$ 13,840	315,599	\$ (301,759)

MCMaster Students Union Incorporated

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

Year ended April 30, 2024, with comparative financial information for 2023

	2024			2023		
	Revenues	Expenditures	Total	Revenues	Expenditures	Total
MSU Executive:						
Administrative	\$ -	\$ 7,870	\$ (7,870)	\$ -	\$ 12,134	\$ (12,134)
Travel & conferences	-	12,390	(12,390)	-	13,644	(13,644)
Donations	-	9,618	(9,618)	-	10,961	(10,961)
Executive expense	-	20,254	(20,254)	-	4,553	(4,553)
Honoraria and awards	-	1,243	(1,243)	-	21,450	(21,450)
Board training	-	-	-	-	475	(475)
Meetings	-	10,288	(10,288)	-	12,483	(12,483)
Miscellaneous	-	6,532	(6,532)	-	43,422	(43,422)
Special projects	-	47,185	(47,185)	-	19,935	(19,935)
Salaries and benefits	-	334,899	(334,899)	-	332,032	(332,032)
	-	450,279	(450,279)	-	471,089	(471,089)
Less inter-divisional expenditures:						
Underground	-	13,804	(13,804)	-	13,814	(13,814)
1280	-	6,416	(6,416)	-	-	-
The Hub	-	54	(54)	-	-	-
AvTEK	-	10,531	(10,531)	-	8,773	(8,773)
	-	30,805	(30,805)	-	22,587	(22,587)
	\$ -	\$ 419,474	\$ (419,474)	\$ -	\$ 448,502	\$ (448,502)

MCMMASTER STUDENTS UNION INCORPORATED

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

Year ended April 30, 2024, with comparative financial information for 2023

	2024			2023		
	Revenues	Expenditures	Total	Revenues	Expenditures	Total
Services expenses:						
Emergency First Response Team	\$ 53,106	\$ 176,386	\$ (123,280)	\$ 57,285	\$ 149,827	\$ (92,542)
MacCycle	143	–	143	577	(181)	758
Compass Information Service	7,450	100	7,350	38,299	6,341	31,958
Ombuds office	–	80,304	(80,304)	–	79,245	(79,245)
Student Health Education Centre	700	30,716	(30,016)	–	30,149	(30,149)
SWHAT	–	15,931	(15,931)	–	12,219	(12,219)
MACCESS	–	26,706	(26,706)	–	27,542	(27,542)
Pride Community Centre	10,884	38,608	(27,724)	6,200	24,715	(18,515)
Maroons	277	23,040	(22,763)	–	19,169	(19,169)
CLAY Conference	–	–	–	–	(3,106)	3,106
Horizons	–	–	–	–	(42)	42
FIT/Shinerama	–	–	–	–	(19)	19
Advocacy	–	136,282	(136,282)	–	152,911	(152,911)
Clubs administrator	7,380	248,823	(241,443)	6,380	141,981	(135,601)
Women & Gender Equity	–	27,965	(27,965)	–	21,417	(21,417)
Food Collective Centre	1,132	26,066	(24,934)	1,712	25,924	(24,212)
Amortization	–	25,279	(25,279)	–	26,649	(26,649)
	81,072	856,206	(775,134)	110,453	714,741	(604,288)
Less allocated administration expenditures	–	–	–	–	5,000	(5,000)
Less inter-divisional expenditures:						
Underground	–	22,027	(22,027)	–	27,433	(27,433)
The Silhouette	–	500	(500)	–	–	–
1280	–	2,105	(2,105)	–	–	–
The Hub	–	108	(108)	–	–	–
AvTEK	–	170	(170)	–	152	(152)
	–	24,910	(24,910)	–	27,585	(27,585)
	\$ 81,072	\$ 831,296	\$ (750,224)	\$ 110,453	\$ 682,156	\$ (571,703)

MCMASTER STUDENTS UNION INCORPORATED

Schedule 12 - Schedule of Operations - Student Wellness Centre

Year ended April 30, 2024, with comparative financial information for 2023

	2024	2023
Revenues:		
Student Wellness - Rental income	\$ 33,200	\$ 31,321
Other income	-	4,072
Total revenues	\$ 33,200	\$ 35,393

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MCMMASTER STUDENTS UNION INCORPORATED

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

Year ended April 30, 2024, with comparative financial information for 2023

	2024	2023
Revenues:		
Student fees (net of opt-out)	\$ 2,421,876	\$ 2,426,718
Investment income	33,869	58,559
	<u>2,455,745</u>	<u>2,485,277</u>
Expenditures:		
Administration charges	40,000	50,000
Insurance premiums	2,555,608	2,490,503
Advertising	1,198	2,077
Office expense	-	75
	<u>2,596,806</u>	<u>2,542,655</u>
Less allocated administration expenditures	40,000	50,000
	<u>2,556,806</u>	<u>2,492,655</u>
Deficiency of revenues over expenditures before inter-divisional revenues and expenditures	(101,061)	(7,378)
Less inter-divisional expenditures:		
Underground	1,178	2,077
Deficiency of revenues over expenditures	<u>\$ (99,883)</u>	<u>\$ (5,301)</u>

MCMASTER STUDENTS UNION INCORPORATED

Schedule 14 - Schedule of Operations - Student Dental Plan Fund

Year ended April 30, 2024, with comparative financial information for 2023

	2024	2023
Revenues:		
Student fees (net of opt-out)	\$ 2,913,161	\$ 2,932,667
Expenditures:		
Administration charges	25,000	30,000
Advertising & Promotion	453	570
Insurance premiums	2,712,558	2,729,734
	2,738,011	2,760,304
Less allocated administration expenditures	25,000	30,000
	2,713,011	2,730,304
Excess of revenues over expenditures before inter-divisional expenditures	200,150	202,363
Less inter-divisional expenditures:		
Underground	453	570
Excess of revenues over expenditures	\$ 200,603	\$ 202,933