MACDONALD CAMPUS STUDENTS' SOCIETY/
ASSOCIATION DES ÉTUDIANTS DU CAMPUS MACDONALD

FINANCIAL REPORT

MAY 31, 2026

MACDONALD CAMPUS STUDENTS' SOCIETY/
ASSOCIATION DES ÉTUDIANTS DU CAMPUS MACDONALD

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INDEPENDENT AUDITOR'S REPORT

To the Members of
MACDONALD CAMPUS STUDENTS' SOCIETY/
ASSOCIATION DES ÉTUDIANTS DU CAMPUS MACDONALD

Opinion

We have audited the financial statements of Macdonald Campus Student's Society/Association des étudiants du campus Macdonald (the Society), which comprise the statement of financial position as at May 31, 2026, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at May 31, 2026, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for 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 are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Forvis Mazars LLP [1]

Montréal, August 13, 2026

[1] By CPA auditor, public accountancy permit No. A123052

MACDONALD CAMPUS STUDENTS' SOCIETY/
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STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED MAY 31, 2026

	2026	2025
Revenue		
Student council revenue (Schedule A)	$ 682,229	$ 621,352
Bar operations (Schedule B)	34,483	52,952
Miscellaneous	9,069	397
Restaurant operations (Schedule C)	2,699	7,209
	728,480	681,910
Expenses		
Student council (Schedule D)	439,200	412,112
Administrative salaries – operations	105,325	103,854
General (Schedule E)	84,839	91,067
Bar (Schedule F)	91,452	84,628
Restaurant expenditures (Schedule G)	7,561	7,204
	728,377	698,865
Excess (deficiency) of revenue over expenses	103	(16,955)
Net assets, beginning of year	1,021,496	1,038,451
Net assets, end of year	$ 1,021,599	$ 1,021,496

MACDONALD CAMPUS STUDENTS' SOCIETY/
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STATEMENT OF FINANCIAL POSITION
AS AT MAY 31, 2026

	2026	2025
ASSETS		
Current assets		
Cash and cash equivalents	$ 134,841	$ 168,985
Accounts receivable	1,496	20,068
Inventories	11,742	9,064
Prepaid expenses	1,737	14,211
Current portion of investments (Note 3)	225,457	103,322
	375,273	315,650
Long-term assets		
Investments (Note 3)	585,494	703,393
Capital assets (Note 5)	244,353	288,039
	$ 1,205,120	$ 1,307,082
LIABILITIES		
Current liabilities		
Accounts payable (Note 6)	$ 42,101	$ 138,905
Club revenue payable (Note 7)	127,378	134,760
Class fees payable	14,042	11,921
	183,521	285,586
NET ASSETS		
Unrestricted	1,021,599	1,021,496
	$ 1,205,120	$ 1,307,082

On behalf of the Board

_____, Director

_____, Director

MACDONALD CAMPUS STUDENTS' SOCIETY/
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STATEMENT OF CASH FLOWS
YEAR ENDED MAY 31, 2026

	2026	2025
Operating activities		
Excess (deficiency) of revenue over expenses	$ 103	$ (16,955)
Non-cash items:		
Amortization – capital assets	44,235	44,977
Unrealized loss (gain) on investments	57,329	(41,917)
Uncollected interest income on investment	(141,565)	(32,562)
	(39,898)	(46,457)
Net change in non-cash items related to operating activities	(73,697)	11,318
Cash flows used in operating activities	(113,595)	(35,139)
Investing activities		
Disposal – investments	80,000	100,000
Acquisition – capital assets	(549)	(7,664)
Cash flows from investing activities	79,451	92,336
Net variation in cash and cash equivalents	(34,144)	57,197
Cash and cash equivalents, beginning of year	168,985	111,788
Cash and cash equivalents, end of year	$ 134,841	$ 168,985

1. STATUS AND NATURE OF OPERATIONS

The Society was incorporated on February 20, 1976, under Part III of the Québec Companies Act as a not-for-profit organization and is exempt from tax on its operations. The Society operates a restaurant and a bar for the students of the Macdonald Campus, exercises control on students' activities and promotes the students' welfare and interests.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations included in Part III of the CPA Canada Handbook – Accounting, and include the following significant accounting policies:

Revenue Recognition

The Society follows the deferral method in accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and its collection is reasonably assured.

Bar and restaurant sales are recognized when the goods are shipped or services are provided, when there is persuasive evidence that an arrangement exists, the price is fixed or determinable and that the recovery is reasonably assured.

Fees for activities are recognized as revenue proportionally over the fiscal year to which they relate.

Investment income is recognized as revenue when earned.

Cash and Cash Equivalents

The Society’s policy is to present in cash and cash equivalents bank balances, including bank overdraft with positive or negative balances and term deposits with a maturity period of three months or less from the date of acquisition.

Inventories

Inventories are measured at the lower of cost and net realizable value, with cost being determined using the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable variable selling costs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets are accounted for at cost. Amortization is calculated using the following methods, rates and periods:

	Methods	Rates and periods
Bar furniture and equipment	Declining balance	20%
Computers	Declining balance	30%
Office furniture	Declining balance	20%
Leasehold improvements	Straight-line	10 years
Kitchen equipment	Straight-line	10 years

Financial Instruments

Initial measurement

The Society initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Society is in the capacity of management, are initially measured at cost.

Subsequent measurement

The Society subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of these financial instruments are recognized in net earnings in the period incurred.

Financial assets measured at amortized cost using the straight-line method include cash, trade and other receivables and deposits.

Financial assets measured at fair value include guaranteed capital investments.

Financial liabilities measured at amortized cost include accounts payable, club revenue payable and class fees payable.

3. INVESTMENTS

	2026	2025
Term deposits, interest rates between 2.21% and 5.10%, maturing from November 2026 to April 2030, including interest accrual of $48,407 ($38,379 in 2025)	$ 553,963	$ 639,954
Guaranteed capital investments, maturing in November 2033	256,388	166,761
High interest savings account and cash	600	-
	810,951	806,715
Current portion	225,457	103,322
	$ 585,494	$ 703,393

4. INVENTORIES

The amount of the variation recorded as expenses is $16,765 ($13,439 in 2025).

5. CAPITAL ASSETS

			2026	2025
	Cost	Accumulated amortization	Net book value	Net book value
Bar furniture and equipment	$ 238,109	$ 227,762	$ 10,347	$ 12,553
Computers	49,587	47,705	1,882	2,688
Office furniture	60,441	53,778	6,663	8,127
Leasehold improvements	302,105	128,394	173,711	203,921
Kitchen equipment	90,000	38,250	51,750	60,750
	$ 740,242	$ 495,889	$ 244,353	$ 288,039

6. ACCOUNTS PAYABLE

	2026	2025
Trade and accrued charges	$ 28,549	$ 29,382
Due to McGill University	-	93,319
Vacation payable	9,295	10,558
Government remittances	1,982	5,554
Sales taxes payable	2,275	92
	$ 42,101	$ 138,905

7. CLUB REVENUE PAYABLE

The Society holds amounts in trust for various club activities. The results of the club activities are only included in these financial statements to the extent of support provided by the Students' Society.

8. RELATED PARTY TRANSACTIONS

The Society operates as an independent organization and elects its own directors and management. As a result, McGill University is not considered a related party, except for the following transactions, which are measured at the exchange amount, being the amount of consideration established and agreed to by the parties:

	2026	2025
McGill University		
Rent for use of facilities	$ 32,590	$ 33,066
McGill administration fees	$ 2,297	$ 2,226
Student council members		
Honorariums and reimbursement of expenses	$ 10,216	$ 10,320

At the end of the year, the amounts due to related entities are as follows:

	2026	2025
Due to McGill University	$ -	$ 93,319

9. COMMITMENTS

The commitments of the Society under lease agreements aggregate to $104,162. The instalments over the next three years are the following:

2027	$	33,633
2028	$	34,709
2029	$	35,820

10. FINANCIAL INSTRUMENTS

Risks and Concentrations

The Society is exposed to various risks through its financial instruments without being exposed to concentrations of risk. The following analysis provides a measure of the risk at the balance sheet date.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Society is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed interest rate instruments subject the Society to a fair value risk, since fair value fluctuates inversely to changes in market interest rates. Floating interest rate instruments subject the Society to changes in related future cash flows.

11. COMPARATIVE FIGURES

Certain figures for 2025 have been reclassified to conform to the presentation adopted in 2026.

MACDONALD CAMPUS STUDENTS' SOCIETY/
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ADDITIONAL INFORMATION
YEAR ENDED MAY 31, 2026

	2026	2025
SCHEDULE A – STUDENT COUNCIL REVENUE		
Health insurance	$ 313,830	$ 275,846
Fees – activities	281,589	268,608
Interest income	141,565	32,562
Publications – handbook	1,900	2,010
Lockers	674	409
Unrealized gain (loss) on investment	(57,329)	41,917
	$ 682,229	$ 621,352
SCHEDULE B – BAR OPERATIONS		
Income		
Bar – Ceilidh	$ 33,375	$ 46,976
Room rental and meals	17,160	21,413
Catering, beer and liquor	713	315
	51,248	68,704
Expenses		
Cost of beer and liquor	14,909	13,439
Cost of food and soft drinks	1,856	2,313
	16,765	15,752
	$ 34,483	$ 52,952
SCHEDULE C – RESTAURANT OPERATIONS		
Income		
Restaurant revenue	$ 9,312	$ 16,053
Expenses		
Cost of restaurant	6,613	8,844
	$ 2,699	$ 7,209
SCHEDULE D – STUDENT COUNCIL		
Health insurance	$ 259,772	$ 275,063
Student activities	123,869	93,852
Administrative salaries and benefits	46,279	34,310
Publications – handbook	5,598	5,524
McGill administration fees	2,297	2,226
Donations	1,000	1,000
Webmaster	220	-
Publication – Mouthpiece	165	137
	$ 439,200	$ 412,112

MACDONALD CAMPUS STUDENTS' SOCIETY/
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ADDITIONAL INFORMATION
YEAR ENDED MAY 31, 2026

		2026		2025
SCHEDULE E – GENERAL				
Amortization – capital assets	$	44,235	$	44,977
Audit and legal		17,940		24,466
Insurance		11,474		12,053
Bad debts		5,395		4,952
Computer		2,978		2,150
Office		2,567		1,708
Bank charges		250		464
Telephone		-		297
	$	84,839	$	91,067
SCHEDULE F – BAR				
Rent	$	32,590	$	33,066
Supplies		24,930		14,916
Salaries and benefits		23,387		26,502
Security		6,570		7,764
Repairs and maintenance		3,348		1,603
Sound system		627		627
Telephone		-		150
	$	91,452	$	84,628
SCHEDULE G – RESTAURANT EXPENDITURES				
Salaries	$	7,216	$	6,803
Supplies		345		401
	$	7,561	$	7,204