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

FINANCIAL REPORT

MAY 31, 2024

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

FINANCIAL REPORT
MAY 31, 2024

INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Operations and Changes in Net Assets	3
Statement of Financial Position	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 10
Additional Information	11 - 12

215, Saint-Jacques Street, Suite 1200
Montréal, Québec H2Y 1M6 Canada
Tel.: + (514) 845-9253 | Fax.: +1 (514) 845-3859
forvismazars.com/ca

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 STUDENTS' SOCIETY/ASSOCIATION DES ÉTUDIANTS DU CAMPUS MACDONALD** (the Society), which comprise the statement of financial position as at May 31, 2024, 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, 2024, 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 27, 2024

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

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

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED MAY 31, 2024

	2024	2023
REVENUE		
Student council revenue (Schedule A)	$ 608,571	$ 553,800
Bar operations (Schedule B)	47,256	54,191
Restaurant operations (Schedule C)	30,816	25,547
Miscellaneous	1,911	900
	688,554	634,438
EXPENSES		
Student council (Schedule D)	518,095	474,099
Administrative salaries – operations	96,411	88,099
Bar (Schedule E)	88,680	101,423
General (Schedule F)	87,311	91,298
Restaurant expenditures (Schedule G)	71,424	92,487
	861,921	847,406
DEFICIENCY OF REVENUES OVER EXPENSES	(173,367)	(212,968)
NET ASSETS, BEGINNING OF YEAR	1,211,818	1,424,786
NET ASSETS, END OF YEAR	$ 1,038,451	$ 1,211,818

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

STATEMENT OF FINANCIAL POSITION
AS AT MAY 31, 2024

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 111,788	$ 161,371
Accounts receivable	1,324	9,108
Inventories	10,111	9,869
Prepaid expenses	1,692	1,522
Current portion of investments (Note 3)	179,794	97,500
	304,709	279,370
INVESTMENTS (Note 3)	652,442	776,147
CAPITAL ASSETS (Note 5)	325,352	367,904
	$ 1,282,503	$ 1,423,421
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable (Note 6)	$ 93,801	$ 67,441
Club revenue payable (Note 7)	140,513	136,705
Class fees payable	9,738	7,457
	244,052	211,603
NET ASSETS		
UNRESTRICTED	1,038,451	1,211,818
	$ 1,282,503	$ 1,423,421

ON BEHALF OF THE BOARD

_____, Director

_____, Director

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

STATEMENT OF CASH FLOWS
YEAR ENDED MAY 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	$ (173,367)	$ (212,968)
Non-cash items:		
Amortization – capital assets	44,872	45,925
Unrealized (gain) loss on investments	(22,952)	39,157
Interest income on investment not collected	(30,594)	(13,999)
	(182,041)	(141,885)
Net change in non-cash items related to operating activities	39,821	(8,871)
Cash (used in) operating activities	(142,220)	(150,756)
INVESTING ACTIVITIES		
Acquisition – investments	(100,000)	(98,306)
Disposal – investments	194,957	98,306
Acquisition – capital assets	(2,320)	(6,179)
Cash flows from (used in) investing activities	92,637	(6,179)
NET VARIATION IN CASH AND CASH EQUIVALENTS	(49,583)	(156,935)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	161,371	318,306
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 111,788	$ 161,371

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 bar for the students of Macdonald Campus, exercises a control of students' activities and promotes 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.

Interest 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 balances from positive to negative 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 and subsequent measurement

The Society initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

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 on a straight-line basis include cash, accounts receivable and all deposits.

Financial assets measured at fair value include both guaranteed and unguaranteed capital investments.

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

3. INVESTMENTS

	2024	2023
Term deposits, interest rates between 1.93% and 5.10%, maturing from November 2024 to November 2028	$ 627,366	$ 610,549
Guaranteed capital investments, maturing from November 2024 to November 2025	186,050	263,098
High interest savings account and cash	18,820	-
	832,236	873,647
Current portion	179,794	97,500
	$ 652,442	$ 652,442

4. INVENTORIES

The amount of the variation recorded as expenses is $21 282 ($35 235 in 2023).

5. CAPITAL ASSETS

			2024	2023
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	NET BOOK VALUE
Bar furniture and equipment	$ 234,938	$ 222,211	$ 12,727	$ 13,750
Computers	49,587	45,746	3,841	4,934
Office furniture	55,399	50,496	4,903	6,128
Leasehold improvements	302,105	67,974	234,131	264,342
Kitchen equipment	90,000	20,250	69,750	78,750
	$ 732,029	$ 406,677	$ 325,352	$ 367,904

6. ACCOUNTS PAYABLE

	2024	2023
Trade and accrued charges	$ 23,171	$ 18,898
Due to McGill University	60,253	29,652
Government remittances	10,335	14,173
Sales taxes payable	42	4,718
	$ 93,801	$ 67,441

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 as a related party except for the following transactions which are measured at the exchange amount, which is the amount of consideration established and agreed to by the parties:

	2024	2023
McGill University		
Rent for use of facilities	$ 30,601	$ 29,652
McGill administration fees	$ 2,400	$ 2,400
Student Council Members		
Honorariums and reimbursement of expenses	$ 11,883	$ 17,202

At the end of the year, the amounts due to and (from) related entities are as follows:

	2024	2023
Due to McGill University	$ 60,253	$ 29,652

9. COMMITMENTS

The commitment of the Society under lease agreements aggregate to $168,331. The instalments over the next five years are the following:

2025	$	31,579
2026	$	32,590
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 market interest rates. The Society is exposed to interest rate risk on its fixed-interest financial instruments. Fixed-interest instruments subject the Society to a fair value risk.

11. COMPARATIVE FIGURES

Certain figures for 2023 have been reclassified to conform to the presentation adopted in 2024.

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

ADDITIONAL INFORMATION
YEAR ENDED MAY 31, 2024

		2024		2023
SCHEDULE A – STUDENT COUNCIL REVENUE				
Health insurance	$	279,160	$	294,614
Fees – activities		267,826		280,502
Interest income		35,637		13,999
Unrealized gain (loss) on investment		22,952		(39,157)
Publications – handbook		1,948		2,633
Lockers		1,048		1,209
	$	608,571	$	553,800
SCHEDULE B – BAR OPERATIONS				
Income				
Bar – Ceilidh	$	55,186	$	78,570
Room rental and meals		13,007		14,657
Catering, beer and liquor		2,815		521
		71,008		93,748
Expenses				
Cost of beer and liquor		21,282		35,235
Cost of food and soft drinks		2,470		4,322
		23,752		39,557
	$	47,256	$	54,191
SCHEDULE C – RESTAURANT OPERATIONS				
Income				
Restaurant revenue	$	50,553	$	50,842
Expenses				
Cost of restaurant		19,737		25,295
	$	30,816	$	25,547

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

ADDITIONAL INFORMATION
YEAR ENDED MAY 31, 2024

	2024	2023
SCHEDULE D – STUDENT COUNCIL		
Health insurance	$ 302,107	$ 253,926
Student activities	160,586	164,699
Administrative salaries and benefits	46,185	45,602
Publications – handbook	5,089	6,282
McGill administration fees	2,400	2,400
Donations	1,000	1,000
Webmaster	728	190
	$ 518,095	$ 474,099
SCHEDULE E – BAR		
Salaries and benefits	$ 38,397	$ 50,652
Rent	30,601	29,652
Supplies	13,122	10,756
Repairs and maintenance	3,027	9,096
Security	2,451	-
Sound system	721	1,030
Telephone	361	237
	$ 88,680	$ 101,423
SCHEDULE F – GENERAL		
Amortization – capital assets	$ 44,872	$ 45,925
Audit and legal	20,231	18,706
Insurance	11,365	13,786
Bad debts	4,704	4,821
Computer	2,349	2,127
Office	1,963	4,843
Telephone	1,540	1,083
Bank charges	287	7
	$ 87,311	$ 91,298
SCHEDULE G – RESTAURANT EXPENDITURES		
Salaries	$ 70,488	$ 87,293
Supplies	936	5,194
	$ 71,424	$ 92,487