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

FINANCIAL REPORT

MAY 31, 2025

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

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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

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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, 2025, 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, 2025, 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, September 10, 2025

[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, 2025

	2025	2024
Revenue		
Student council revenue (Schedule A)	$ 621,352	$ 608,571
Bar operations (Schedule B)	52,952	47,256
Restaurant operations (Schedule C)	7,209	30,816
Miscellaneous	397	1,911
	681,910	688,554
Expenses		
Student council (Schedule D)	412,112	518,095
Administrative salaries – operations	103,854	96,411
General (Schedule E)	91,067	87,311
Bar (Schedule F)	84,628	88,680
Restaurant expenditures (Schedule G)	7,204	71,424
	698,865	861,921
Deficiency of revenue over expenses	(16,955)	(173,367)
Net assets, beginning of year	1,038,451	1,211,818
Net assets, end of year	$ 1,021,496	$ 1,038,451

MACDONALD CAMPUS STUDENTS' SOCIETY/
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STATEMENT OF FINANCIAL POSITION
AS AT MAY 31, 2025

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	$ 168,985	$ 111,788
Accounts receivable	20,068	1,324
Inventories	9,064	10,111
Prepaid expenses	14,211	1,692
Current portion of investments (Note 3)	103,322	179,794
	315,650	304,709
Long-term assets		
Investments (Note 3)	703,393	652,442
Capital assets (Note 5)	288,039	325,352
	$ 1,307,082	$ 1,282,503
LIABILITIES		
Current liabilities		
Accounts payable (Note 6)	$ 138,905	$ 93,801
Club revenue payable (Note 7)	134,760	140,513
Class fees payable	11,921	9,738
	285,586	244,052
NET ASSETS		
Unrestricted	1,021,496	1,038,451
	$ 1,307,082	$ 1,282,503

On behalf of the Board

_____, Director

_____, Director

MACDONALD CAMPUS STUDENTS' SOCIETY/
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STATEMENT OF CASH FLOWS
YEAR ENDED MAY 31, 2025

	2025	2024
Operating activities		
Deficiency of revenue over expenses	$ (16,955)	$ (173,367)
Non-cash items:		
Amortization – capital assets	44,977	44,872
Unrealized gain on investments	(36,806)	(22,952)
Uncollected interest income on investment	(1,808)	(30,594)
	(10,592)	(182,041)
Net change in non-cash items related to operating activities	11,318	39,821
Cash flows from (used in) operating activities	726	(142,220)
Investing activities		
Acquisition – investments	(270,929)	(100,000)
Disposal – investments	335,064	194,957
Acquisition – capital assets	(7,664)	(2,320)
Cash flows from investing activities	56,471	92,637
Net variation in cash and cash equivalents	57,197	(49,583)
Cash and cash equivalents, beginning of year	111,788	161,371
Cash and cash equivalents, end of year	$ 168,985	$ 111,788

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 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 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 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

	2025	2024
Term deposits, interest rates between 1.95% and 5.10%, maturing from November 2025 to April 2030	$ 639,954	$ 627,366
Guaranteed capital investments, maturing in November 2025	166,761	186,050
High interest savings account and cash	-	18,820
	806,715	832,236
Current portion	103,322	179,794
	$ 703,393	$ 652,442

4. INVENTORIES

The amount of the variation recorded as expenses is $13,439 ($21,282 in 2024).

5. CAPITAL ASSETS

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Bar furniture and equipment	$ 237,751	$ 225,198	$ 12,553	$ 12,727
Computers	49,587	46,899	2,688	3,841
Office furniture	60,251	52,124	8,127	4,903
Leasehold improvements	302,105	98,184	203,921	234,131
Kitchen equipment	90,000	29,250	60,750	69,750
	$ 739,694	$ 451,655	$ 288,039	$ 325,352

6. ACCOUNTS PAYABLE

	2025	2024
Trade and accrued charges	$ 29,382	$ 23,171
Due to McGill University	93,319	60,253
Vacation payable	10,558	5,956
Government remittances	5,554	4,379
Sales taxes payable	92	42
	$ 138,905	$ 93,801

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:

	2025	2024
McGill University		
Rent for use of facilities	$ 33,066	$ 30,601
McGill administration fees	$ 2,226	$ 2,400
Student Council Members		
Honorariums and reimbursement of expenses	$ 10,320	$ 11,883

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

	2025	2024
Due to McGill University	$ 93,319	$ 60,253

9. COMMITMENTS

The commitments of the Society under lease agreements aggregate to $136,752. The instalments over the next four years are the following:

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 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 2024 have been reclassified to conform to the presentation adopted in 2025.

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ADDITIONAL INFORMATION
YEAR ENDED MAY 31, 2025

		2025		2024
SCHEDULE A – STUDENT COUNCIL REVENUE				
Health insurance	$	275,846	$	279,160
Fees – activities		268,608		267,826
Interest income		37,673		35,637
Unrealized gain on investment		36,806		22,952
Publications – handbook		2,010		1,948
Lockers		409		1,048
	$	621,352	$	608,571
SCHEDULE B – BAR OPERATIONS				
Income				
Bar – Ceilidh	$	46,976	$	55,186
Room rental and meals		21,413		13,007
Catering, beer and liquor		315		2,815
		68,704		71,008
Expenses				
Cost of beer and liquor		13,439		21,282
Cost of food and soft drinks		2,313		2,470
		15,752		23,752
	$	52,952	$	47,256
SCHEDULE C – RESTAURANT OPERATIONS				
Income				
Restaurant revenue	$	16,053	$	50,553
Expenses				
Cost of restaurant		8,844		19,737
	$	7,209	$	30,816

MACDONALD CAMPUS STUDENTS' SOCIETY/
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ADDITIONAL INFORMATION
YEAR ENDED MAY 31, 2025

	2025	2024
SCHEDULE D – STUDENT COUNCIL		
Health insurance	$ 275,063	$ 302,107
Student activities	93,852	160,586
Administrative salaries and benefits	34,310	46,185
Publications – handbook	5,524	5,089
McGill administration fees	2,226	2,400
Donations	1,000	1,000
Publication – Mouthpiece	137	-
Webmaster	-	728
	$ 412,112	$ 518,095
SCHEDULE E – GENERAL		
Amortization – capital assets	$ 44,977	$ 44,872
Audit and legal	24,466	20,231
Insurance	12,053	11,365
Bad debts	4,952	4,704
Computer	2,150	2,349
Office	1,708	1,963
Bank charges	464	287
Telephone	297	1,540
	$ 91,067	$ 87,311
SCHEDULE F – BAR		
Rent	$ 33,066	$ 30,601
Salaries and benefits	26,502	38,397
Supplies	14,916	13,122
Security	7,764	2,451
Repairs and maintenance	1,603	3,027
Sound system	627	721
Telephone	150	361
	$ 84,628	$ 88,680
SCHEDULE G – RESTAURANT EXPENDITURES		
Salaries	$ 6,803	$ 70,488
Supplies	401	936
	$ 7,204	$ 71,424