

STUDENTS' SOCIETY OF MCGILL UNIVERSITY

FINANCIAL STATEMENTS

MAY 31, 2021

**STUDENTS' SOCIETY OF MCGILL UNIVERSITY
FINANCIAL STATEMENTS
MAY 31, 2021**

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INDEPENDENT AUDITOR'S REPORT

To the Board of
Students' Society of McGill University

Qualified Opinion

We have audited the financial statements of Students' Society of McGill University (SSMU) (the Entity), which comprise the statement of financial position as at May 31, 2021, and the statements of operations and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at May 31, 2021, 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 Qualified Opinion

In common with many not-for-profit organizations, SSMU derives revenue from cash transactions the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our audit of these revenues was limited to the amounts recorded in the books of SSMU. Additionally, SSMU did not consolidate the accounts of SSMU Daycare Center Inc. / Centre de Garderie SSMU Inc., a not-for-profit organization, of which SSMU is deemed to have control over the operations and the deployment of its resources. Under Canadian accounting standards for not-for-profit organizations, SSMU should report the not-for-profit organization over which it has control by consolidating the controlled organization in its financial statements or by disclosing the total assets, total liabilities and net assets as at May 31, 2021 in addition to the revenues, expenses and cash flows for the year then ended. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses and cash flows for the years ended May 31, 2021 and 2020, assets as at May 31, 2021 and 2020, and fund balances as at June 1 and May 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended May 31, 2020 was modified accordingly because of the possible effects of these limitations of 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 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 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 qualified audit 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 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 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.

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.

FL Fuller Landau LLP

Montreal, October 25, 2021

¹ By CPA auditor, CA, public accountancy permit No. A133595



STUDENTS' SOCIETY OF MCGILL UNIVERSITY
STATEMENT OF FINANCIAL POSITION
AS AT MAY 31, 2021

	Operating Fund \$	Capital Expenditures Reserve Fund \$	Awards of Distinction Reserve Fund \$	Health and Dental Plan Reserve Fund \$	Student Life Fund \$	University Centre Building Fund \$	2021 Total \$	2020 Total \$
ASSETS								
Current								
Cash and cash equivalents (Note 3)	1,272,712	316,756	-	-	-	-	1,589,468	2,645,615
Trade receivables	8,605	-	-	-	-	-	8,605	48,570
Interest receivable	2,866	-	1,057	4,268	-	1,908	10,099	26,331
Investments (Note 4)	1,300,000	3,887,448	525,000	2,450,000	-	1,100,000	9,262,448	6,270,677
Inventory	1,963	-	-	-	-	-	1,963	-
Prepaid expenses	76,735	-	-	-	-	-	76,735	84,231
Due from other funds (Note 5)	-	958,259	-	-	1,607,881	-	2,566,140	2,892,051
	2,662,881	5,162,463	526,057	2,454,268	1,607,881	1,101,908	13,515,458	11,967,475
Capital assets (Note 6)	-	5,712,537	-	-	-	-	5,712,537	5,467,225
	2,662,881	10,875,000	526,057	2,454,268	1,607,881	1,101,908	19,227,995	17,434,700
LIABILITIES								
Current								
Accounts payable and accrued liabilities (Note 7)	545,279	-	-	915,256	-	-	1,460,535	1,073,818
Due to SSMU Daycare Centre Inc. (Note 8)	56,408	-	-	-	-	-	56,408	-
Deferred revenues	41,261	-	-	-	-	-	41,261	82,352
Current portion of long-term debt (Note 9)	-	261,907	-	-	-	-	261,907	209,451
Due to other funds (Note 5)	2,019,933	356,348	564	3,148	-	186,147	2,566,140	2,892,051
	2,662,881	618,255	564	918,404	-	186,147	4,386,251	4,257,672
Long-term debt (Note 9)	-	3,690,474	-	-	-	-	3,690,474	3,962,160
	2,662,881	4,308,729	564	918,404	-	186,147	8,076,725	8,219,832
FUND BALANCES								
Invested in capital assets	-	1,760,156	-	-	-	-	1,760,156	1,295,614
Internally restricted	-	4,806,115	525,493	1,535,864	1,607,881	915,761	9,391,114	7,919,254
Unrestricted	-	-	-	-	-	-	-	-
	-	6,566,271	525,493	1,535,864	1,607,881	915,761	11,151,270	9,214,868
	2,662,881	10,875,000	526,057	2,454,268	1,607,881	1,101,908	19,227,995	17,434,700

Contingencies (Note 10)

Commitments (Note 11)

DocuSigned by:

On behalf of the Board,

Desmond Rodrigues

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Director

Director

STUDENTS' SOCIETY OF MCGILL UNIVERSITY
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MAY 31, 2021

	Operating Fund (Appendix A) \$	Capital Expenditures Reserve Fund \$	Awards of Distinction Reserve Fund \$	Health and Dental Plan Reserve Fund \$	Student Life Fund \$	University Centre Building Fund \$	Total 2021 \$	Total 2020 \$
Revenues								
Student fees	2,685,111	34,850	-	4,968,582	-	365,972	8,054,515	7,834,320
University centre building operations	189,425	-	-	-	-	-	189,425	56,476
General administration (Note 12)	132,564	-	-	-	-	-	132,564	127,596
Funding	578,800	-	-	-	-	-	578,800	435,105
Programming activities	52,667	-	-	-	-	-	52,667	221,830
Publications and communication	36,654	-	-	-	-	-	36,654	50,001
Services	995,701	-	-	-	-	-	995,701	983,187
Investment revenue	-	124,074	7,132	20,769	-	1,908	153,883	193,521
Gain on disposal of investments	-	178,362	-	-	-	-	178,362	67,043
Unrealized gain (loss) on investments	-	352,410	-	-	-	-	352,410	(101,843)
Clubs - net gain	175,275	-	-	-	-	-	175,275	58,754
	4,846,197	689,696	7,132	4,989,351	-	367,880	10,900,256	9,925,990
Expenses								
University centre building operations	425,676	-	-	-	-	186,574	612,250	423,174
Student health plan premiums	-	-	-	4,556,303	-	-	4,556,303	4,071,905
General administration	1,727,348	-	-	-	-	-	1,727,348	1,433,283
Governances	362,856	-	-	-	-	-	362,856	364,302
Funding	121,363	-	-	-	221,270	-	342,633	399,237
Programming activities	57,529	-	-	-	-	-	57,529	142,626
Publications and communication	30,698	-	-	-	-	-	30,698	29,428
Services	436,051	-	-	-	319,423	-	755,474	1,007,367
Amortization of capital assets	-	318,695	-	-	-	-	318,695	306,411
Investment management fees	-	38,554	-	-	-	-	38,554	35,729
Awards of distinction granted	-	-	8,000	-	-	-	8,000	8,000
Interest on long-term debt	-	153,514	-	-	-	-	153,514	116,544
	3,161,521	510,763	8,000	4,556,303	540,693	186,574	8,963,854	8,338,006
Excess (deficiency) of revenues over expenses	1,684,676	178,933	(868)	433,048	(540,693)	181,306	1,936,402	1,587,984
Fund balances, beginning of year	-	5,893,984	526,361	1,102,816	957,252	734,455	9,214,868	7,626,884
Interfund transfers (Note 5)	(1,684,676)	493,354	-	-	1,191,322	-	-	-
Fund balances, end of year	-	6,566,271	525,493	1,535,864	1,607,881	915,761	11,151,270	9,214,868

STUDENTS' SOCIETY OF MCGILL UNIVERSITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MAY 31, 2021

	2021	2020
	\$	\$
Operating activities		
Excess of revenues over expenses	1,936,402	1,587,984
Items not requiring cash		
Amortization of capital assets	318,695	306,411
Gain on disposal of investments	(178,362)	(67,043)
Unrealized (gain) loss on investments	(352,410)	101,843
	1,724,325	1,929,195
Net change in non-cash items related to operating activities	463,764	153,240
	2,188,089	2,082,435
Investing activities		
Acquisition of capital assets	(564,007)	(1,554,898)
Acquisition of investments	(10,946,517)	(6,695,192)
Proceeds from disposition of investments	8,485,518	6,328,919
	(3,025,006)	(1,921,171)
Financing activities		
Long-term debt borrowings	-	1,214,375
Repayment of long-term debt	(219,230)	(114,491)
	(219,230)	1,099,884
Increase (decrease) in cash and cash equivalents	(1,056,147)	1,261,148
Cash and cash equivalents, beginning of year	2,645,615	1,384,467
Cash and cash equivalents, end of year	1,589,468	2,645,615
Cash and cash equivalents		
Cash	1,407,917	2,286,930
Term deposits	181,551	358,685
	1,589,468	2,645,615

STUDENTS' SOCIETY OF MCGILL UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2021

1. Nature of the organization

The Students' Society of McGill University ("SSMU") incorporated the Student Center of McGill University on August 19, 1992 under part III of the Companies Act (Québec). On June 1, 2007, the Student Center of McGill University / Centre étudiant de l'Université McGill merged with Students' Society of McGill University / Association étudiante de l'Université McGill. As a result, SSMU was renamed Students' Society of McGill University / Association étudiante de l'Université McGill.

SSMU is a not-for-profit organization dedicated to providing various services to McGill students. The organization is exempt from income taxes.

2. Significant accounting policies

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

Use of estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

STUDENTS' SOCIETY OF MCGILL UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2021

2. Significant accounting policies (continued)

Fund accounting

The Operating Fund records unrestricted resources which are available for the general operations of SSMU. This fund also records restricted resources for activities for which no restricted fund has been established.

The Capital Expenditures Reserve Fund was established in 1985 for the purpose of defraying and recording the cost of certain significant capital expenditures. The capital of this fund is derived from transfers made from the Operating Fund as deemed necessary to ensure the maintenance of an appropriate capital asset base.

The Awards of Distinction Reserve Fund was established in 1990 for the purpose of generating revenue to provide for SSMU's awards of distinction.

The Health and Dental Plan Reserve Fund was established in 2007 to ensure steady health care costs for students. The surplus from the SSMU Health and Dental plan fees at the end of the fiscal year must be maintained in this fund.

The Student Life Fund was established in March 2010 for the purpose of enhancing student life on campus and to ensure that unused resources from other funds remain available for use in future years. The capital of the Student Life Fund is derived by unused resources from other sub or subsidiary funds, namely: Internal Fee Funded Funds, Fee Funded SSMU Services, Non-Fee Funded SSMU Services, Fee Funded Affiliated Student Associations and the Gerts Student Life Fund.

The University Centre Building Fund was established in October 2014 with the creation of the SSMU University Centre Building fee, in order to ensure any excess of funds from student fees are reserved and restricted for future lease payments.

Revenue recognition

Student fees, university centre building operations, general administration, funding, programming activities and services revenues are recognized by SSMU once the service is provided and collection is reasonably assured.

Gerts Bar revenues are recognized by SSMU when the service or goods are provided and collection is reasonably assured.

Investment income earned on resources to be spent on restricted activities is recognized as revenue in the period in which it is earned in the appropriate restricted fund.

Deferred revenues include revenues received in advance for rentals, handbook advertising and sponsorship.

STUDENTS' SOCIETY OF MCGILL UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
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2. Significant accounting policies (continued)

Cash and cash equivalents

The SSMU's policy is to present bank balances under cash and cash equivalents, including bank overdrafts when bank balances that fluctuate frequently from being positive to overdrawn, and term deposits with a maturity period of three months or less from the date of acquisition.

Capital assets

Capital assets are accounted for at cost. Amortization is calculated on their respective estimated useful lives using the straight-line method at the following rates and over the following periods:

	<u>Rates and periods</u>
Building	40 years
Building improvements	over the lease term
Equipment	20%
Furniture and fixtures	20%
Computer equipment	20%
Computer software	50%

Impairment of long-lived assets

Capital assets subject to amortization are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

STUDENTS' SOCIETY OF MCGILL UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2021

2. Significant accounting policies (continued)

Financial instruments

Measurement of financial instruments

SSMU initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

SSMU subsequently measures all its financial assets and financial liabilities at 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 are recognized in excess of revenues over expenses.

Financial assets measured at amortized cost include cash and cash equivalents, term deposits, accounts receivable, interest receivable and due from other funds.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, long-term debt, due to other funds and due to SSMU Daycare Centre Inc..

Financial assets measured at fair value include shares in public corporations.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of possible impairment. SSMU determines whether a significant adverse change has occurred in the expected timing or amount of future cash flows from the financial asset. If this is the case, the carrying amount of the asset is reduced directly to the higher of the present value of the cash flows expected to be generated by holding the asset, and the amount that could be realized by selling the asset at the balance sheet date. The amount of the write-down is recognized in the Statement of Operations. The previously recognized impairment loss may be reversed to the extent of the improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the Statement of Operations.

Contributed services

Volunteers contribute many hours per year to SSMU to ensure service delivery. Due to the difficulty of determining the fair value of contributed services, they are not recognized in the financial statements.

3. Cash and cash equivalents

The total cash balance as at May 31, 2021 includes \$431,027 (2020, \$417,985) of cash restricted for the use of the SSMU's various internal clubs.

STUDENTS' SOCIETY OF MCGILL UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2021

4. Investments

	2021	2020
	\$	\$
Operating Fund		
Cashable guaranteed investment certificates matured during the year	-	475,000
Cashable guaranteed investment certificates at a rate of 0.34%, maturing October 2021	1,000,000	-
Cashable guaranteed investment certificates at a rate of 0.53%, maturing November 2021	300,000	-
	1,300,000	475,000
	2021	2020
	\$	\$
Capital Expenditures Reserve Fund		
Shares in public corporations	1,490,964	1,099,847
Corporate bonds	2,396,484	2,172,830
	3,887,448	3,272,677

As at May 31, 2021, the redeemable corporate bonds had a fixed weighted average interest rate of 4.57% (2020, 4.55%). These bonds mature at various dates starting in the calendar year 2023 and ending in 2080.

STUDENTS' SOCIETY OF MCGILL UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2021

4. Investments (continued)

	2021	2020
	\$	\$
Awards of Distinction Reserve Fund		
Cashable guaranteed investment certificates matured during the year	-	523,000
Cashable guaranteed investment certificates at a rate of 0.34%, maturing October 2021	525,000	-
	525,000	523,000
Health and Dental Plan Reserve Fund		
Cashable guaranteed investment certificates matured during the year	-	2,000,000
Cashable guaranteed investment certificates at a rate of 0.34%, maturing October 2021	1,950,000	-
Cashable guaranteed investment certificates at a rate of 0.49%, maturing March 2022	500,000	-
	2,450,000	2,000,000
University Centre Building Fund		
Cashable guaranteed investment certificates at a rate of 0.34%, maturing October 2021	800,000	-
Cashable guaranteed investment certificates at a rate of 0.49%, maturing March 2022	300,000	-
	1,100,000	-

STUDENTS' SOCIETY OF MCGILL UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
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5. Due to/from other funds

Any variance between actual and budgeted net results in the Operating Fund from Funding Committee, the Services, the Clubs and the Affiliate Student Associations is transferred to the Student Life Fund, after fulfilling the requirement of the Capital Expenditures Reserve Fund, at the end of the fiscal year.

As at May 31, 2021 an amount of \$1,191,322 (2020, \$540,693) was transferred from the Operating Fund to the Student Life Fund, while \$493,354 (2020, \$648,857) was transferred from the Operating Fund to the Capital Expenditures Reserve Fund in order to utilize excess funds.

The due to/from other funds have no specific terms of repayment, are unsecured and non-interest bearing.

6. Capital assets

	Cost \$	Accumulated amortization \$	2021 Net book value \$	2020 Net book value \$
Land	730,286	-	730,286	730,286
Building	4,851,178	326,000	4,525,178	4,184,995
Building improvements	801,319	607,498	193,821	273,952
Equipment	862,971	716,746	146,225	196,965
Furniture and fixtures	202,858	181,569	21,289	34,727
Computer equipment	210,322	180,905	29,417	41,474
Computer software	304,356	238,036	66,320	4,826
	7,963,290	2,250,754	5,712,536	5,467,225

7. Accounts payable and accrued liabilities

	2021 \$	2020 \$
Student health insurance premiums	915,256	629,517
Accruals and other payables	500,089	301,084
Deductions at source and other government remittances	27,193	36,666
Sales taxes	17,997	106,551
	1,460,535	1,073,818

STUDENTS' SOCIETY OF MCGILL UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2021

8. Due to SSMU Daycare Center Inc.

The amounts owed to SSMU Daycare Inc., a daycare controlled by SSMU, are unsecured, non-interest bearing and have no terms of repayment.

9. Long-term debt

	2021	2020
	\$	\$
Long-term debt, repayable in monthly installments of \$18,929 including interest calculated at a fixed rate of 3.72% and maturing on March 13, 2023. The loan is secured by a first-ranking hypothec of \$3,200,000 on the immovable property located at 3501 Peel Street, Montreal, Quebec. As at May 31, 2021, the property (land and building) has a net book value of \$4,086,629.	2,838,113	2,957,236
Long-term debt, repayable in monthly installments of \$14,882, including interest calculated at a fixed rate of 3.84% and maturing on March 30, 2027 with a final payment due of \$242,875. The loan is secured by building improvements within the immovable property located at 3501 Peel Street, Montreal, Quebec, in the amount of \$1,214,375. As at May 31, 2021, the respective secured assets recorded in building (capital assets) have a net book value of \$1,168,836.	1,114,268	1,214,375
	3,952,381	4,171,611
Current portion of long-term debt	261,907	209,451
	3,690,474	3,962,160

Long-term debt principal repayments over the next years are the following:

	\$
2022	261,907
2023	2,858,026
2024	149,223
2025	155,056
2026	161,116
Others	367,053

STUDENTS' SOCIETY OF MCGILL UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2021

10. Contingencies

In the prior year, a student instituted proceedings in the amount of \$1,500,000 against SSMU. SSMU has contested this claim and, at this stage, the total damages are estimated at \$69,500. A provision has been made for this amount in the financial statements. The final outcome may exceed the amount accrued.

During the year, a student instituted proceedings against SSMU and the Plaintiff is seeking reinstatement. The legal proceeding are ongoing and a hearing has been scheduled on November 15th, 2021. The possible monetary outcome of this proceeding cannot be foreseen and such, no provision has been made in the financial statements.

11. Commitments

The SSMU entered into an equipment lease contract maturing in June 2024, for office equipment totalling \$11,675. The installments over the next three years are the following:

	\$
2022	4,831
2023	4,831
2024	2,013

12. Related party transactions

Included in General administration are administrative revenues received from SSMU Daycare Centre Inc., a daycare under control of SSMU, totalling \$21,000 (2020, \$12,000). These transactions were concluded in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

13. Financial instruments

Risks and concentration

SSMU is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of SSMU's risk exposure at the statement of financial position date of May 31, 2021.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. SSMU is exposed to this risk mainly in respect of accounts payable, accrued liabilities, long-term debt and amounts due to the SSMU Daycare Centre.

STUDENTS' SOCIETY OF MCGILL UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2021

13. Financial instruments (continued)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. SSMU is mainly exposed to interest rate risk and other price risk.

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. SSMU is exposed to interest rate risk on its fixed-interest rate financial instruments. The fixed-rate investment certificates and long-term debt subject SSMU to a fair value risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instruments or its issuer, or factors affecting all similar financial instruments traded in the market. SSMU is exposed to other price risk through its investments in shares quoted in an active market.

14. Budgeted figures

All budgeted figures have been provided by management and have not been audited nor reviewed.

**STUDENTS' SOCIETY OF MCGILL UNIVERSITY
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED MAY 31, 2021**

Appendix A

Statements of Operations Compared to Budget - Operating Fund

	2021		2020	
	Actual \$	Budget (unaudited - see Note 14) \$	Actual \$	Budget (unaudited - see Note 14) \$
Revenues				
Student fees	2,685,111	2,677,767	2,568,435	1,850,000
Gerts Bar	-	108,100	-	405,840
University centre building operations	189,425	140,692	56,476	285,936
General administration	132,564	108,000	127,596	111,600
Funding	578,800	-	435,105	270,500
Programming activities	52,667	81,300	221,830	291,000
Publications and communication	36,654	-	50,001	50,000
Services	995,701	-	983,187	542,488
Clubs - net gain	175,275	-	58,754	-
	4,846,197	3,115,859	4,501,384	3,807,364
Expenses				
Gerts Bar	-	171,427	-	448,517
University centre building operations	425,676	619,320	423,174	821,220
General administration	1,727,348	1,571,278	1,433,283	1,354,244
Governances	362,856	507,122	364,302	395,577
Funding	121,363	-	272,589	270,500
Programming activities	57,529	148,106	142,626	204,718
Publications and communication	30,698	2,322	29,428	31,580
Services	436,051	-	646,432	542,488
Clubs - net loss	-	-	-	-
	3,161,521	3,019,575	3,311,834	4,068,844

**STUDENTS' SOCIETY OF MCGILL UNIVERSITY
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED MAY 31, 2021**

Appendix A (continued)

Statements of Operations Compared to Budget - Operating Fund

	2021		2020	
	Actual \$	Budget (unaudited - see Note 14) \$	Actual \$	Budget (unaudited - see Note 14) \$
Excess (deficiency) of revenues over expenses				
Student fees	2,685,111	2,677,767	2,568,435	1,850,000
Gerts Bar	-	(63,327)	-	(42,677)
University centre building operations	(236,251)	(478,628)	(366,698)	(535,284)
General administration	(1,594,784)	(1,463,278)	(1,305,687)	(1,242,644)
Governances	(362,856)	(507,122)	(364,302)	(395,577)
Funding	457,437	-	162,516	-
Programming activities	(4,862)	(66,806)	79,204	86,282
Publications and communication	5,956	(2,322)	20,573	18,420
Services	559,650	-	336,755	-
Clubs - net gain	175,275	-	58,754	-
	1,684,676	96,284	1,189,550	(261,480)