

STUDENTS' SOCIETY OF MCGILL UNIVERSITY

FINANCIAL STATEMENTS

MAY 31, 2024

**STUDENTS' SOCIETY OF MCGILL UNIVERSITY
FINANCIAL STATEMENTS
MAY 31, 2024**

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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, 2024, 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, 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 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, 2024 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 (deficiency) of revenues over expenses and cash flows for the years ended May 31, 2024 and 2023, current assets as at May 31, 2024 and 2023, and fund balances as at June 1 and May 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended May 31, 2023 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.

BDO Canada s.r.l./S.E.N.C.R.L./LLP¹

Montreal, December 10, 2024

¹ By CPA auditor, public accountancy permit No. A130513

STUDENTS' SOCIETY OF MCGILL UNIVERSITY
STATEMENT OF FINANCIAL POSITION
AS AT MAY 31, 2024

	Operating Fund \$	Capital Expenditures Reserve Fund \$	Awards of Distinction Reserve Fund \$	Health and Dental Plan Reserve Fund \$	Student Life Fund \$	University Centre Building Fund \$	2024 Total \$	2023 Total \$
ASSETS								
Current								
Cash and cash equivalents (Note 3)	6,042,886	468,958	69,804	-	-	-	6,581,648	1,154,779
Trade receivables (Note 4)	542,347	-	-	-	-	-	542,347	440,038
Due from SSMU Daycare Centre Inc. (Note 5)	1,629	-	-	-	-	-	1,629	1,473
Interest receivable	-	-	-	4,359	-	-	4,359	27,184
Investments (Note 6)	-	3,267,953	441,846	1,800,000	-	-	5,509,799	6,635,110
Inventory	17,777	-	-	-	-	-	17,777	17,499
Prepaid expenses	64,939	-	-	-	-	-	64,939	727,583
Due from (to) other funds (Note 7)	(2,396,786)	(2,142,269)	(498)	1,340,302	1,803,017	1,396,234	-	-
	4,272,792	1,594,642	511,152	3,144,661	1,803,017	1,396,234	12,722,498	9,003,666
Capital assets (Note 8)	-	5,113,766	-	-	-	-	5,113,766	5,266,111
	4,272,792	6,708,408	511,152	3,144,661	1,803,017	1,396,234	17,836,264	14,269,777
LIABILITIES								
Current								
Accounts payable and accrued liabilities (Note 9)	4,107,149	-	-	-	-	48,795	4,155,944	990,521
Deferred revenues	165,643	-	-	-	-	-	165,643	89,956
Current portion of long-term debt (Note 10)	-	2,641,669	-	-	-	-	2,641,669	243,648
	4,272,792	2,641,669	-	-	-	48,795	6,963,256	1,324,125
Long-term debt (Note 10)	-	528,169	-	-	-	-	528,169	3,180,089
	4,272,792	3,169,838	-	-	-	48,795	7,491,425	4,504,214
FUND BALANCES								
Invested in capital assets	-	1,943,929	-	-	-	-	1,943,929	1,842,374
Internally restricted	-	1,594,641	511,152	3,144,661	1,803,017	1,347,439	8,400,910	7,923,189
Unrestricted	-	-	-	-	-	-	-	-
	-	3,538,570	511,152	3,144,661	1,803,017	1,347,439	10,344,839	9,765,563
	4,272,792	6,708,408	511,152	3,144,661	1,803,017	1,396,234	17,836,264	14,269,777

Contingencies (Note 11)

Commitments (Note 12)

On behalf of the Board,

_____, Director

_____, Director

STUDENTS' SOCIETY OF MCGILL UNIVERSITY
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MAY 31, 2024

	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 2024 \$	Total 2023 \$
Revenues								
Student fees	3,034,094	33,772	-	6,103,120	-	426,765	9,597,751	9,265,045
Gerts Bar	532,598	-	-	-	-	-	532,598	362,338
University centre building operations	358,020	-	-	-	-	-	358,020	289,393
General administration (Note 13)	171,607	-	-	-	-	-	171,607	146,738
Funding	851,946	-	-	-	-	-	851,946	1,014,382
Programming activities	80,786	-	-	-	-	-	80,786	147,319
Publications and communication	37,755	-	-	-	-	-	37,755	33,969
Services	2,799,889	-	-	-	-	-	2,799,889	1,538,365
Investment revenue	-	141,383	26,969	199,592	-	30,617	398,561	285,965
Gain (loss) on disposal of investments	-	43,076	-	-	-	-	43,076	(4,504)
Unrealized gain (loss) on investments	-	100,949	31,598	-	-	-	132,547	(173,688)
Clubs - net gain	18,958	-	-	-	-	-	18,958	26,095
	7,885,653	319,180	58,567	6,302,712	-	457,382	15,023,494	12,931,417
Expenses								
Gerts Bar	705,500	-	-	-	-	-	705,500	619,302
University centre building operations	667,275	-	-	-	-	292,119	959,394	1,060,086
Student health plan premiums	-	-	-	5,895,469	-	-	5,895,469	5,370,070
General administration	1,982,281	-	-	-	-	-	1,982,281	2,325,242
Governances	994,351	-	-	-	-	-	994,351	1,075,269
Funding	462,993	-	-	-	668,449	-	1,131,442	1,485,240
Programming activities	89,517	-	-	-	-	-	89,517	235,061
Publications and communication	38,110	-	-	-	-	-	38,110	34,686
Services	1,787,613	-	-	-	389,214	-	2,176,827	1,680,658
Amortization of capital assets	-	219,566	-	-	-	-	219,566	265,425
Investment management fees	-	34,464	-	-	-	-	34,464	36,617
Awards of distinction granted	-	-	12,312	-	-	-	12,312	12,312
Interest on long-term debt	-	204,985	-	-	-	-	204,985	147,792
	6,727,640	459,015	12,312	5,895,469	1,057,663	292,119	14,444,218	14,347,760
Excess (deficiency) of revenues over expenses	1,158,013	(139,835)	46,255	407,243	(1,057,663)	165,263	579,276	(1,416,343)
Fund balances, beginning of year (Note 15)	-	3,906,056	464,897	2,737,418	1,475,016	1,182,176	9,765,563	11,181,906
Interfund transfers (Note 7)	(1,158,013)	(227,651)	-	-	1,385,664	-	-	-
Fund balances, end of year	-	3,538,570	511,152	3,144,661	1,803,017	1,347,439	10,344,839	9,765,563

STUDENTS' SOCIETY OF MCGILL UNIVERSITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MAY 31, 2024

	2024	2023
	\$	\$
Operating activities		
Excess (deficiency) of revenues over expenses	579,276	(1,416,343)
Items not requiring cash		
Amortization of capital assets	219,566	265,425
(Gain) loss on disposal of investment	(43,076)	4,504
Unrealized (gain) loss on investments	(132,547)	173,688
	623,219	(972,726)
Net change in non-cash items related to operating activities		
Trade receivables	(102,309)	(208,547)
Inventory	(278)	(5,897)
Interest receivable	22,825	(1,296)
Due from SSMU Daycare Centre Inc.	(156)	(3)
Prepaid expenses	662,644	(575,569)
Accounts payable and accrued liabilities	3,165,423	(444,938)
Deferred revenues	75,687	35,355
	3,823,836	(1,200,895)
	4,447,055	(2,173,621)
Investing activities		
Acquisition of capital assets	(67,220)	(58,562)
Acquisition of investments	(8,703,132)	(9,969,704)
Proceeds from disposition of investments	10,004,065	12,163,097
	1,233,713	2,134,831
Financing activity		
Repayment of long-term debt	(253,899)	(266,798)
Increase (decrease) in cash and cash equivalents	5,426,869	(305,588)
Cash and cash equivalents, beginning of year	1,154,779	1,460,367
Cash and cash equivalents, end of year	6,581,648	1,154,779

STUDENTS' SOCIETY OF MCGILL UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2024

I. 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.

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.

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

Fund accounting (continued)

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

The organization follows the deferral method of accounting for contributions and uses fund accounting.

Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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.

Restricted net investment income is recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Restricted net investment income that must be added to the principal amount of resources held for endowment is recognized as a direct increase in net assets. Unrestricted net investment income is recognized as revenue when earned.

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

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 under three months from the date of acquisition.

STUDENTS' SOCIETY OF MCGILL UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2024

2. Significant accounting policies (continued)

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	10 years
Equipment	20%
Furniture and fixtures	20%
Computer equipment	20%
Computer software	50%

Impairment of long-lived assets

When a capital asset no longer contributes to an organization's ability to provide goods and services, or the future economic benefits or service potential of the capital asset is less than its carrying value, the excess of its net carrying amount over its fair value or replacement cost is recognized as an expense in the statement of operations. Any unamortized deferred contribution amount related to the capital asset is recognized in revenue in the statement of operations, provided that all restrictions have been complied with.

Financial instruments

Arm's length financial instruments are recorded at fair value at initial recognition.

Related party financial instruments quoted in an active market or those with observable inputs significant to the determination of fair value or derivative contracts are recorded at fair value at initial recognition. All other related party financial instruments are recorded at cost at initial recognition.

In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in the Statement of Operations. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in the Statement of Operations.

STUDENTS' SOCIETY OF MCGILL UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2024

2. Significant accounting policies (continued)

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, 2024 includes \$473,499 (2023, \$520,559) of cash for the use of the SSMU's various internal clubs.

4. Trade receivables

	2024	2023
	\$	\$
Trade	318,961	315,988
Sales taxes receivable	223,386	124,050
	542,347	440,038

5. Due from SSMU Daycare Center Inc.

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

6. Investments

	2024	2023
	\$	\$
Operating Fund		
Non-redeemable guaranteed investment certificates matured during the year	-	1,000,000
	2024	2023
	\$	\$
Capital Expenditures Reserve Fund		
Shares in public corporations	1,283,673	1,258,259
Corporate bond certificates	1,984,280	2,117,147
	3,267,953	3,375,406

STUDENTS' SOCIETY OF MCGILL UNIVERSITY
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6. Investments (continued)

As at May 31, 2024, the redeemable corporate bonds had a fixed weighted average interest rate of 4.41% (2023, 4.45%). These bonds mature at various dates starting in the calendar year 2025 and ending in 2083.

	2024	2023
	\$	\$
Awards of Distinction Reserve Fund		
Corporate bond certificates	441,846	459,704

As at May 31, 2024, the redeemable corporate bonds had a fixed weighted average interest rate of 4.89% (2023, 4.91%). These bonds mature at various dates starting in the calendar year 2029 and ending in 2082.

	2024	2023
	\$	\$
Health and Dental Plan Reserve Fund		
Non-redeemable guaranteed investment certificates at a rate of 5.20%, maturing in November 2024	1,800,000	-
Non-redeemable guaranteed investment certificates matured during the year	-	1,000,000
	1,800,000	1,000,000

	2024	2023
	\$	\$
University Centre Building Fund		
Cashable guaranteed investment certificates matured during the year	-	800,000
Total investments	5,509,799	6,635,110

STUDENTS' SOCIETY OF MCGILL UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
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7. Due from (to) 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. Excess of expenses over revenue generated in the Operating Fund shall be transferred from the CERF on an annual basis.

As at May 31, 2024, a loss of \$227,651 (2023, loss of \$1,200,174) was transferred from the Operating Fund to the Capital Expenditures Reserve Fund and an amount of \$1,385,664 (2023, \$796,133) was transferred from the Operating Fund to the Student Life Fund.

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

8. Capital assets

	Cost \$	Accumulated amortization \$	2024 Net book value \$	2023 Net book value \$
Land	730,286	-	730,286	730,286
Building	4,851,178	689,633	4,161,545	4,282,825
Building improvements	801,319	755,847	45,472	70,373
Equipment	960,647	861,473	99,174	107,864
Furniture and fixtures	272,070	225,199	46,871	39,770
Computer equipment	246,199	219,272	26,927	30,459
Computer software	308,524	305,033	3,491	4,534
	8,170,223	3,056,457	5,113,766	5,266,111

9. Accounts payable and accrued liabilities

	2024 \$	2023 \$
Accruals and other payables	4,127,985	973,771
Deductions at source and other government remittances	27,959	16,750
	4,155,944	990,521

STUDENTS' SOCIETY OF MCGILL UNIVERSITY
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10. Long-term debt

	2024	2023
	\$	\$
Long-term debt, repayable in monthly blended installments of \$23,358 including interest calculated at a fixed rate of 6.92% and maturing on March 13, 2025. 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, 2024, the property (land and building) has a net book value of \$4,891,832.	2,487,543	2,592,218
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, 2024, the respective secured assets recorded in building (capital assets) have a net book value of \$1,092,937.	682,295	831,519
	3,169,838	3,423,737
Current portion of long-term debt	2,641,669	243,648
	528,169	3,180,089

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

	\$
2025	2,641,669
2026	161,116
2027	367,053

STUDENTS' SOCIETY OF MCGILL UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2024

11. Contingencies

In the prior year, a group of corporations and individuals instituted proceedings in the amount of \$971,000 plus interest and additional indemnity against SSMU. SSMU has contested this claim and intends to defend against it. The possible monetary outcome of this proceeding cannot be foreseen and such, no provision has been made in the financial statements.

Additionally in the prior year, a former executive instituted proceedings in the amount of \$700,500 plus interest and additional indemnity against SSMU. Subsequent to year-end, the SSMU reached a settlement agreement in the amount of \$90,000.

12. Commitments

The SSMU entered into a software licence and services agreement ending in March 2026. The installments over the next two years are the following:

	\$
2025	31,600
2026	26,333

13. Related party transactions

Included in General administration are administrative revenues received from SSMU Daycare Centre Inc., a daycare under control of SSMU by virtue of common board members, totalling \$6,000 (2023, \$6,000). 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. Receivables were measured at cost, determined using their undiscounted cash flows. No difference resulted from these transactions.

14. Financial instruments

Financial risks

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, 2024. There have been no substantive changes in the company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

STUDENTS' SOCIETY OF MCGILL UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
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14. Financial instruments (continued)

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, and long-term debt.

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.

15. Comparative figures

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

16. 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, 2024

Appendix A

Statements of Operations Compared to Budget - Operating Fund

	2024		2023	
	Actual \$	Budget (unaudited - see Note 16) \$	Actual \$	Budget (unaudited - see Note 16) \$
Revenues				
Student fees	3,034,094	2,800,000	2,848,767	2,700,000
Gerts Bar	532,598	509,556	362,338	622,574
University centre building operations	358,020	387,040	397,791	229,894
General administration	171,607	127,500	146,738	119,164
Funding	851,946	-	1,014,382	-
Programming activities	80,786	91,000	147,319	107,700
Publications and communication	37,755	-	33,969	43,727
Services	2,799,889	-	1,429,967	-
Clubs - net gain	18,958	-	26,095	-
	7,885,653	3,915,096	6,407,366	3,823,059
Expenses				
Gerts Bar	705,500	563,315	619,302	652,091
University centre building operations	667,275	880,261	925,372	1,179,665
General administration	1,982,281	2,217,397	2,325,242	1,737,139
Governances	994,351	871,984	1,075,269	670,548
Funding	462,993	-	634,472	-
Programming activities	89,517	108,398	235,061	176,405
Publications and communication	38,110	-	34,686	34,836
Services	1,787,613	-	962,003	-
Clubs - net loss	-	-	-	-
	6,727,640	4,641,355	6,811,407	4,450,684

**STUDENTS' SOCIETY OF MCGILL UNIVERSITY
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED MAY 31, 2024**

Appendix A (continued)

Statements of Operations Compared to Budget - Operating Fund

	2024		2023	
	Actual \$	Budget (unaudited - see Note 16) \$	Actual \$	Budget (unaudited - see Note 16) \$
Excess (deficiency) of revenues over expenses				
Student fees	3,034,094	2,800,000	2,848,767	2,700,000
Gerts Bar	(172,902)	(53,759)	(256,964)	(29,517)
University centre building operations	(309,255)	(493,221)	(527,581)	(949,771)
General administration	(1,810,674)	(2,089,897)	(2,178,504)	(1,617,975)
Governances	(994,351)	(871,984)	(1,075,269)	(670,548)
Funding	388,953	-	379,910	-
Programming activities	(8,731)	(17,398)	(87,742)	(68,705)
Publications and communication	(355)	-	(717)	8,891
Services	1,012,276	-	467,964	-
Clubs - net gain	18,958	-	26,095	-
	1,158,013	(726,259)	(404,041)	(627,625)