



**MCMASTER STUDENTS UNION
INCORPORATED**

TAKE NOTICE that there will be a meeting of MCMASTER STUDENTS UNION INCORPORATED (the Corporation) on Sunday, September 28, 2014, at 6:30 pm, local time, for the following purposes.

1. To adopt the Audited Statements.
2. To transact any further business that may properly come before the meeting.

Dated at Hamilton, Ontario, this 17th day of September, 2014 BY
ORDER OF THE BOARD OF DIRECTORS.

Jessica Bauman
Corporate Secretary

MOTIONS:

1. Moved by Mallon, **seconded** by _____ that the Full Members of the Corporation adopt the McMaster Students Union Audited Statements for the 2013-2014 fiscal year as presented.



McMaster Students Union Notice of Motion

DATE: September 23, 2014
TO: Student Representative Assembly
FROM: Jess Bauman, Administrative Assistant
RE: **NOTICE OF MOTION – MSU Inc**

The following motions will be discussed at the MSU Inc. meeting scheduled for Sunday, September 28, 2014 (SRA 14G):

1. **Moved** by _____, **seconded** by _____ that the Full Members of the Corporation approve the minutes from MSU Inc 14E – July 20, 2014.



McMaster Students Union Incorporated Meeting
Sunday, September 28, 2014 – SRA 14G
Council Chambers, GH 111

Called to Order at 7:16 pm

CALL OF THE ROLL

Present	Abbas, Brodka, Chennabathni, Craig, D'Angela, D'Mello, Dufault, Gill, Gillis, Guarna, Jama, Khanano, King, Kousoulas, Lehwald, Mazza, Modi, Mohamed, Mordhorst, Narro Perez, Nestico-Semianiw, Nolan, Paul, Saull, Seevaratnam, Tambakis, Tweedie, Wilson, Zacharewicz
Absent Excused	Mallon
Absent	Soubas
Late	
Others Present	Lindsay D'Souza (MSU Member), Anj Periyalwar (MSU Member), Kevan McDougall (MSU Member), Helen Zeng (MSU Member), Matthew Clarke (MSU Member), Naomi Pullen (DRO), Lina Assi (MSU Member), Tamex Shihab (MSU Member), Issac Oakie (MSU Member), Eamon Colvin (SASS Observer), Kornelia Palczewski (SOCS President), Cullum Brownbridge (MSU Member), Natasha Sandhu (Services Commissioner), Alan Rheäume (UA Commissioner), V. Scott (Recording Secretary), Mike Cheung (MSU Speaker)
Chair	Teddy Saull

AGENDA

Moved by Osazuwa, **seconded** by Seevaratnam that the Agenda be adopted as presented.

In Favour: 28 Opposed: 3 Abstentions: 0
Opposed: D'Angela, Gillis, Abbas
Motion Passes

BUSINESS

1. To adopt the Audited Statements

Moved by Brodka, **seconded** by Narro Perez that the Full Members of the Corporation adopt the McMaster Students Union Audited Statements for the 2013-2014 fiscal year as presented.

- Brodka hoped that everyone had a chance to read through this.
- Gillis noticed that the Marmor generated \$70,000 in revenue after expenditures. He asked why it would be generating profit if it's the yearbook.
- Brodka responded that he believed the excess revenue was due to the catch-up process that the Marmor has been doing.
- Gillis asked if this was the case then shouldn't revenues be more if they were playing catch-up.
- Narro Perez responded that how they are doing the catch-up doesn't correspond with the fiscal year. The 13/14 yearbooks still has yet to be done, and that's why it won't be showing up in the statement.
- D'Angela asked about the performance of the investments and what the breakdown was of the portfolio, and how are the investments allocated. D'Angela also asked if the investments are in line with the Investment Policy.
- Brodka responded that the investments are in line with their policies. He added that he doesn't know the

breakdown but they are being managed by those listed in the policy. Brodka stated that he can give him a complete breakdown, but that he doesn't have the information on him right now.

- D'Angela asked how the investments compare to other investing.
- Brodka responded that the Auditors told the MSU that the portfolios have performed well.
- Narro Perez went over the report and the memo with the Full Members.
- Gillis asked if they were making assumptions when responding to the questions about the Marmor.
- Narro Perez responded that they were.
- Gillis asked why there weren't any expenditures listed for the House of Games.
- D'Angela responded that House of Games rents the space from the MSU.
- Brodka added that they do generate revenue from House of Games as rent.
- Tambakis asked why there was a \$55,000 drop in revenue for Underground Media & Design.
- Narro Perez responded that there were equipment troubles last year.
- Abbas asked how revenues for Shinerama worked, and if they lost money on Shinerama.
- Brodka responded that there is a loss as they are paying for a Coordinator and any expenses in order to sustain the initiative to fundraise. He explained that they aren't taking the fundraising money to cover the costs.
- Saull reminded the Members that they are just discussing the statements from the previous fiscal year, and that they aren't making any decisions on business units.
- D'Angela stated that while they are just statements of what has already happened, this is the SRA's opportunity to ask questions on how the MSU operated last year so that the SRA can make better decisions in the future. He asked why they aren't doing what was recommended for the inter-company transactions. D'Angela stated that if the auditors are suggesting that they change this, then why are they not following the suggestions.
- Brodka responded that they haven't done the recommendation because of the complexity of the system and the number of inter-company transactions, and that this also acts as a litmus test to see how the business units are performing, and provides useful information.
- Gillis asked the Board to speak to the revenue generated from the exec line of \$80,000 in schedule 11.
- Brodka responded that they can consult with accounting to see what this was, and get back to him.
- D'Angela asked if the numbers were inflated due to the inter-company transactions.
- Brodka responded that the over-all net assets for the organization are accurate; he explained that the only items that aren't accurate would be the individual schedules showing the revenues and expenses. Brodka stated that the net is the true statement and it doesn't affect the bottom line, and it does not misrepresent the financial position of the MSU.
- Saull added that if they didn't do the inter-company transactions the way they do now they wouldn't see the work being reflected. He added that from their meeting with the auditors the recommendation was more like 'in a perfect world you would do this' but that this was the norm in organizations like the MSU as items are easier to track. Saull stated that this doesn't excuse them for doing this, but it was what was told to the BOD.
- D'Angela asked what the performance of the MSU was in reality when you take out the inflated costs.
- Brodka responded that the net assets listed are accurate. He added that management has kept this practice because of the sheer volume of transactions. Brodka added that if he would like to follow up on this, then the Finance Committee could take a look into it and see how much they will be putting into this.
- Gillis asked if TwelvEighty was projected to break even last year, why were they \$60,000 in the red. He asked what went wrong.
- Brodka responded that he can comment on the general performance. He stated that they have been working with managers to ensure that it's successful and providing good value to students.

- Gillis stated that they hear this every year and if they do have the numbers it hasn't turn a profit once. He stated that he would like to see a serious plan on how this can be resolved.
- Brodka stated that there is a trend across university campuses where bars are looking at deficits. He explained that they are looking at providing good food for lower costs, and that they did a new menu with new prices. Brodka added that the price increase isn't enough to deter students, but it should help the MSU. Brodka explained that the VP Finance and Mr. McGowan, General Manager, meet with TwelvEighty regularly to make sure that it succeeds. Brodka asked to have faith in them.
- Mohamed asked if they ran a deficit because of the summer hours.
- Guarna stated that something to keep in mind is that the restaurant business is hard to predict. No one knows what will happen in a year. She explained that TwelvEighty operates unlike other restaurants. Employment costs eat into revenues and they provide food at low margins, this also doesn't create much revenue but it does provide students with a service.
- Gillis stated that if you look at the breakdown revenue is down, not up. He stated that the put a lot of money in last year and haven't gotten anything out of it.
- Saull responded that the pipe and drape happened at the end of the fiscal year.
- Brodka stated that through the meeting with the auditors they are in a good position financially and he recommended that the Members approve the audited statements.

Motion to Postpone

Moved by Abbas, **seconded** by Gillis that the Audited Statements be postponed until SRA 14H – October 19, 2014.

- Abbas thanked the Board of Directors for their cooperation in answering their questions, but he felt that it would be more proper to go through the VP Finance.
- Gillis agreed that they answered the questions well, but some of the questions could have been handled with more expertise.
- Gill agreed with the sentiment, and stated that one of the three things that the report focused on was investments and they didn't receive concrete answers. Gill felt that it would be a quick process for the VP Finance to answer their questions.
- Brodka stated that it was the will of the Assembly, but to submit questions and concerns beforehand so that the VP Finance would be prepared for this. Brodka explained that this was a motion to present the report, and that they aren't making any decisions on business units. He added that this is information and the next step for this is asking for more information if the Members felt that the report wasn't accurate.
- Guarna asked for clarification on the subject, and asked if the motion was to approve the report being accurate or not.
- Brodka responded that they hired professionals to audit everything and KPMG provided a report on their findings. Brodka stated that if they were making decisions for the respective business units they would be having a different conversation. He added that the information presented is accurate and that the motion is to adopt it as such.
- Gillis stated that by approving the report the members are giving the stamp of approval. He felt that they should be approving something without having their questions answered first.
- Brodka assured the Members that the report is accurate.
- Mordhorst asked if they would just be voting to pass the statements that have already been done for the MSU.
- Saull responded that yes, and that they have been recommended through the BOD and the full-time staff.
- Brodka responded that adopting the audited statements doesn't mean they are locking up information on the investments. Brodka stated that this information is from the previous fiscal year. He added that he will

not be voting in favour to postpone.

- D'Angela stated that he was in favour of postponing as it is pertinent for the organization to have the VP Finance here answering questions. He explained that if OUSA or CASA came in to report, they would have the VP Education here. D'Angela felt that it makes sense to put this off until the next meeting.

Vote to Postpone

In Favour: 15 Opposed: 15 Abstentions: 0

Opposed: Brodka, Narro Perez, Khanano, Wilson, Lehwald, Osazuwa, D'Mello, Seevaratnam, Dufault, Mordhorst, Zacharewicz, Craig, Tambakis, Jama, Nolan

Motion Fails

- Guarna asked what would happen if the main motion failed.
- Brodka responded that they would tell the auditors that the members didn't feel that the report was accurate and that they would need to come up with something else.
- Gillis stated that just because this would fail doesn't mean that is what they believe.
- D'Angela stated that if this doesn't pass today it could be passed at the next meeting. He asked if it didn't pass would that mean another review would have to happen.
- Seevaratnam asked if it failed would it be possible to bring the same document to the next meeting.
- Brodka stated that it wouldn't make sense to fail this and then bring it back. Brodka added that if there are further questions regarding the business units then they could ask the VP Finance or the full-time staff who helped with this.
- Gill stated that the discontent wasn't from believing that the report was false, he felt that it is incomplete without the VP Finance explaining everything.

Vote on Main Motion

Moved by Brodka, **seconded** by Narro Perez that the Full Members of the Corporation adopt the McMaster Students Union Audited Statements for the 2013-2014 fiscal year as presented.

In Favour 18 Opposed: 12 Abstentions: 0

Opposed: King, Oliveros, Gill, Abbas, Mazza, Guarna, Kousoulas, Tweedie, Nestico-Semianiw, D'Angela, Paul, Gillis

Motion Passes

2. Adopt Minutes

Moved by Seevaratnam, **seconded** by Lehwald that the Full Members of the Corporation approve the minutes from MSU Inc 14E – July 20, 2014.

Passes by General Consent

3. Adjournment

Moved by Zacharewicz, **seconded** by D'Angela that the meeting of the Full Members of MSU Incorporated be adjourned.

Passes by General Consent

Adjourned at 8:23 pm

/vs

AUDIT

McMaster Students Union Incorporated

Audit Findings Report

For the year ended April 30, 2014

KPMG LLP, Chartered Professional Accountants, Licensed
Public Accountants

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This Audit Findings Report should not be used for any other purpose or by anyone other than the Board. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Findings Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose

Audit findings summary

Overview

The purpose of this Audit Findings Report is to assist you, as a member of the Board of Directors, in your review of the results of our audit of the financial statements of McMaster Students Union Incorporated as at and for the year ended April 30, 2014.

We appreciate the assistance of management and staff in conducting our audit. We trust that this audit findings report is of assistance to you, and we look forward to discussing our findings and answering your questions.

Key Findings

Areas of focus – Significant accounting policies and practices	<ul style="list-style-type: none">Significant accounting policies and practices are disclosed in Note 1 to the financial statements. Significant accounting policies are in accordance with Part III of the CPA Canada Handbook.
Areas of focus – Significant accounting estimates	<ul style="list-style-type: none">Deferral of student health and dental plan revenues at year end.
Areas of focus – Significant disclosures	<ul style="list-style-type: none">The financial statements include disclosures and presentation requirements under the relevant financial reporting framework.
Control deficiencies	<ul style="list-style-type: none">We did not identify any control deficiencies that we determined to be significant deficiencies in ICFR. We have identified performance improvement observations as disclosed in the attached Management Letter.

Finalizing the audit

As of the date of this report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include:

- receipt of signed management representation letter;
- completing our discussions with the Board of Directors; and
- obtaining evidence of the Student Representative Assembly's approval of the financial statements.

Please refer to our draft audit report included within the draft financial statements.

We will update you on significant matters, if any, arising from the completion of the audit, including completion of the above procedures. Our auditors' report will be dated upon completion of any remaining procedures.

Areas of focus

Included in this section are significant matters we believe are appropriate for discussion at the upcoming Board of Directors meeting. We look forward to discussing these matters and our findings with you.

Matters related to management's judgment and estimates

We have highlighted below significant matters related to management's judgment and estimates that we would like to bring to your attention:

Student Health and Dental Plans
<ul style="list-style-type: none">• The corporate fiscal year runs from May 1st to April 30th, while the school year and student coverage runs from September 1st to August 31st. This means that as at April 30th, there is still 4 months of the school year left.• The MSU has recorded deferred revenue amounts related to the fees received from McMaster University for both plans in relation to expected future payment of the claims and premiums to the end of the school year. Deferred revenue for the health and dental plans are \$417,700 and \$822,000, respectively.• The Health Plan ended the year with a surplus of approximately \$9,000, while the Dental Plan is in a deficit position of approximately \$105,000. This deficit is a result of insurance premiums being greater than the student fees collected. Student opt-outs of the plans also increased over the prior year.
KPMG comments regarding effect on the audit
<ul style="list-style-type: none">• KPMG obtained a fee remittance schedule from McMaster University showing the fees collected for both plans, and recalculated the amounts to be deferred, with no significant differences noted.• KPMG also obtained the summer and fall 2013 billing schedules, as well as the winter 2014 billing schedule to support the total claims/premiums. No significant issues were identified.• KPMG found the accounting methodology to be accurate, reasonable and consistent with the prior year.• The disclosure of the plans in the financial statements and note disclosures are appropriate.

Other matters

We have highlighted below other significant matters that we would like to bring to your attention:

Intercompany Transactions
<ul style="list-style-type: none">• During our testing it was found that separate departments within the MSU infrastructure are charging revenues and recording expenses for transactions between departments of the MSU. As the MSU is a single legal entity, any intercompany revenues and expenses should be eliminated on consolidation of the financial activity of the organization.• It should be noted that the MSU does not eliminate these intercompany transactions on consolidation. Revenues and expenses by department are recorded gross, when accounting standards would dictate they should be recorded net.• This treatment is consistent with past periods and our findings reported in 2012/2013. Management is currently reviewing the process in additional detail to determine future approach and any changes and related impacts.
Misstatements
<ul style="list-style-type: none">• The overall net asset position of the overall organization is accurate, however the presentation of revenues and expenses is inconsistent with the accounting guidelines. KPMG proposed an uncorrected audit misstatement for this deviation. This uncorrected misstatement has not been quantified due to the number of intercompany groups involved. Management has kept the presentation consistent with prior years.
Child Care Centre
<ul style="list-style-type: none">• KPMG performed an audit over MSU's Child care expenses as required by the agreement with the City of Hamilton. The Special Purpose Wage Subsidy Report for year ended April 30, 2014 will be provided to the City of Hamilton.• The Child Care Centre ended the 2013/14 fiscal year with a deficit of \$25,000, compared with a deficit of \$12,000 in the prior year. Revenues remained consistent with 2012/13, however an increase in expenses, mostly within wages, contributed to the larger deficit in the current year.
KPMG comments regarding effect on the audit
<ul style="list-style-type: none">• KPMG obtained deposit remittances from the City of Hamilton to verify the funding received. No issues were noted in the testing completed.• KPMG also performed testing over employee wages and found the expenses to be in line with the Wage Subsidy Guidelines. No exceptions were noted in testing.

Union Market Inventory Count

- KPMG attended an inventory count at Union Market and noted that a number of our sample test items resulted in variances from client counts.
- Through review of our testing samples, it was evident that a number of estimations were used rather than actual counts in many instances.
- KPMG also noted that employees were permitted to leave as soon as their counting was completed and thus not available to assist with the year end recounts.

KPMG comments regarding effect on the audit

- The estimation techniques used resulted in inaccurate documentation of actual quantities of inventory on hand at year-end. The number of errors discovered in our sample testing resulted in management concluding that a full recount of inventory would be completed. The recount was attended by KPMG and no issues were noted in the recount. The recount resulted in revised inventory amounts calculated by management.
- Given that employees were allowed to leave before the finalization of the count, this left the team unprepared for the recounts required.
- KPMG recommends that employees participating in the count be provided with training and instructions on the required count procedures. Counters should count all items of inventory and mark items as counted once completed. Counters should also be directed to stay for the duration of the count and for assistance with any auditor test counts or recounts as determined by management in review of inventory discrepancies.
- We have raised the above control observation in the attached Management Letter.

Investments

- During fiscal 2014, the MSU added over \$800,000 to its investment portfolio. However, the portfolio underperformed compared to average market returns.
- With a book value of approximately \$4.4 million, the portfolio earned \$216,000 in investment income.

KPMG comments regarding effect on the audit

- KPMG obtained confirmations from TD Waterhouse and ScotiaMcLeod and verified book values and market values of the MSU's investments.
- KPMG also verified the accuracy of the investment income reconciliations with no significant differences identified.

Misstatements

Misstatements identified during the audit have been categorized as follows:

- corrected misstatements, including disclosure misstatements
- uncorrected misstatements, including disclosure misstatements.

Corrected misstatements

The management's representation letter in the Appendices includes all misstatements identified as a result of the audit, communicated to management and subsequently corrected in the financial statements.

Uncorrected misstatements

Professional standards require that we request of management and the audit committee that all uncorrected misstatements be corrected. We have made this request of management and all identified audit differences have been corrected as highlighted above.

Presentation Adjustment (Intercompany charges): It was noted during testing that separate departments within the MSU infrastructure are charging revenues and recording expenses for intercompany transactions. As the MSU is effectively a single entity, these amounts should be netted against each other on consolidation and only the net amount be reported on the financial statements. This is not the case with the MSU, as they are not eliminating the intercompany transactions on consolidation. There is no net impact on net assets or the surplus for the year and is only considered a presentation error of revenues and expenses and thus management has chosen not to correct for this presentation difference.

Appendices

Independence letter

Management representation letter

Management letter

KPMG's Audit Committee Priorities for Not-for-Profit Organizations

Thought Leadership

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Independence letter

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Management representation letter

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Management letter

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KPMG's Audit Committee Priorities for Not-for-Profit Organizations

Audit Committee Responsibilities

- **Stay focused on the audit committee's top priority: financial reporting and internal controls.** This continues to be the number one to-do for 2014. The challenges of the transition to new accounting standards, coupled with continued economic uncertainty, cost reductions and for some the impact of major public policy initiatives including deficit reduction and purchasing policies – will require the attention of every audit committee. Review fair value estimates, impairments, and management's assumptions underlying critical accounting estimates. Consider how the disclosures can be improved to tell the organization's story. Are *all* financial communications consistent with what is being said in public presentations? Recognizing that financial reporting quality starts with the CFO and finance department, maintain a sharp focus on management's financial reporting processes, and make sure they have the resources to succeed.
- **What is your competitive advantage?** Could you do what you do with less funding? Resources will change over time, and unless you are able to specifically outline to funders why you are the organization to receive the funds, you may find that you need to rethink your service delivery model. There are many organizations that are merging with like-focused entities. Where missions are similar, can your organization succinctly outline why they are deserving of limited donor dollars? Would there be a better impact on service delivery if infrastructures were shared? Has partnering been considered? Donors are increasingly asking questions about the size of administration costs not-for-profit organizations incur. Are your answers ready? Or would it be to your advantage to consider partnering or merging with another organization?
- **Make sure organizational risk is being properly addressed.** Who is responsible for reviewing, managing and controlling the risk agenda of your organization? How often is it reviewed? If you have an internal audit department consider the need to re-define internal audit's role – and focus internal audit on key areas of risk and the adequacy of the organization's risk management *processes*. Generally internal audit is most effective when it is focused on the critical risks to operations, including key operational risks and related controls – not just compliance and financial reporting risks. If you don't have an internal audit department, consider how you are monitoring this risk. What's changed in the operating environment? What are the risks posed by the extended organization – sourcing, outsourcing, fundraising and service delivery? Set clear expectations and make sure that management (either through internal audit or otherwise) has the resources, skills, and expertise to succeed. Challenge them to take the lead in coordinating other governance, risk, and compliance functions within the organization to limit duplication in coverage and, more importantly, to prevent gaps.
- **Understand the organization's significant tax risks and how they are being managed.** Oversight of tax risk (for charities and not-for-profits this means the ongoing ability to maintain their tax exempt status) is an increasingly important responsibility for audit

committees, prompted largely by the complexity of different tax and indirect tax regimes. Increased enforcement at all levels, demands for greater transparency and disclosure, prospects for tax reform, and reputational issues have also raised the stakes. Ensure that management is monitoring tax reform proposals and analyzing the impact of likely scenarios. Tax reporting forms, such as the T3010, change regularly. To stay abreast of critical tax risks – including compliance, and disclosure issues – establish a clear communications protocol for management to update the audit committee on the status of its tax risk management activities.

- **Monitor the impact of the business and regulatory environment on the organization's compliance programs.** With the focus on streamlining delivery, emerging technologies, and the pressures to do more with less, organizations are more vulnerable than ever to fraud, misconduct, and compliance risk. These vulnerabilities, coupled with the increased public scrutiny will require continued attention. Ensure that the organization's regulatory compliance and monitoring programs cover all necessary reporting.
- **Have you considered the impact of new legislation on your organization?** If your organization was incorporated under the *Canada Corporations Act* or the *Corporations Act (Ontario)*, steps must be taken, and taken soon to continue under new legislation. Does your organization have many members? The definition of membership is critical under both of these new acts. Having multiple classes of membership, or a significant number of members may lead to onerous future obligations, and unwanted consequences. Organizations may need to do some pre-continuance restructuring at their upcoming Annual General Meeting. In addition, the timing of sending out board approved financial statements to members prior to an Annual General Meeting requires a specific number of days. Have these issues been brought to the board for discussion? Legal counsel should be consulted at an early stage.

Broader Governance Matters

Beyond the above “core” areas of oversight, we believe audit committees can play an important role in supporting the board (and coordinating among board committees) on the following governance matters:

- **Consider whether the board has the right composition and committee structure to provide effective risk oversight.** In addition to their oversight responsibility for financial reporting risk, many audit committees have oversight responsibility for the organization’s enterprise risk management *process*. Over the years (by design or default), many audit committees have also assumed responsibility for other major risks facing the organization – such as risks posed by cyber security and IT risks, and other operational risks, as well as legal and regulatory compliance. Given the substantial time commitment required by its core oversight responsibilities, does the audit committee have the time and expertise to oversee so many critical risks “beyond the core”? Is there a need for another committee (e.g., risk, technology, compliance)? Are risk responsibilities clear? Board and audit committee effectiveness and accountability hinge on honest self-reflection, meaningful board assessments, and continuing director education. In addition to board oversight processes, take a hard look at board and audit committee composition, independence, and leadership. Is there a need for a “fresh set of eyes” or a greater diversity of views?
- **Understand how digitization and social media are transforming the business landscape – and impacting the organization and board oversight.** The staggering pace of technology change and the accelerating threat of cyber attack have pushed IT risk steadily higher on audit committee agendas. At the same time, audit committees and boards have expanded their focus beyond “defensive” IT risks – such as data privacy and security, social media/brand reputation, and protection of IP and non-public financial information – to consider the transformational impact of game-changing technologies such as the cloud, social media, mobile, and “big data.” Is management making the most of new technologies? Absent a technology committee of the board, what is the role of the audit committee – versus the board – in helping to ensure that management understands the opportunities and risks posed by emerging technologies? What expertise/resources does the audit committee or board require to oversee the organization’s efforts to manage the many risks (such as cyber attack) posed by these technologies, and to understand the strategic and transformational implications of emerging technologies for the organization’s business model and data analytics? Has management assessed if the organization’s existing IT can take them into the future? Do the systems have the capacity?

- **Set the tone and closely monitor leadership’s commitment to that tone, as well as the culture throughout the organization.** The year ahead will be one of tremendous pressure and change. In this environment, it is more important than ever to be acutely sensitive to the tone from (and example set by) leadership, and to reinforce the culture of the organization, i.e., *what* the organization does, *how* it does it, and the *culture of compliance, including a commitment to financial reporting integrity throughout the organization*. Is the audit committee (and board) hearing views from those below senior management and outside the organization? Are there dissenting views? Recognize when asymmetric risk – the over-reliance on senior management’s information and perspective – is too high. Does the information provided by management, internal audit, and external auditors tell a consistent story? Make time to visit organization facilities and attend employee functions. The tone and culture throughout the organization’s operations and the extended organization is critical.

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PRIVATE & CONFIDENTIAL

Student Representative Assembly
McMaster Students Union Incorporated
1280 Main Street West
Hamilton, ON L8S 4S4

Date

Dear Members of the Student Representative Assembly:

We have been engaged to express an opinion on the financial statements of McMaster Students Union Incorporated ("MSU"), as at and for the year ended April 30, 2014.

Professional standards specify that we communicate to you in writing all relationships between McMaster Students Union Incorporated ("MSU"), (and its related entities) and our firm, that may reasonably be thought to bear on our independence.

In determining which relationships to report, we consider relevant rules and related interpretations prescribed by the relevant professional bodies and any applicable legislation or regulation, covering such matters as:

- a) provision of services in addition to the audit engagement
- b) other relationships such as:
 - holding a financial interest, either directly or indirectly, in a client
 - holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client
 - personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client
 - economic dependence on a client

PROVISION OF SERVICES

The following summarizes the professional services rendered by us to the MSU (and its related entities) for the year ended April 30, 2014:

Description of Professional Services
<ul style="list-style-type: none">• Audit of MSU's financial statements for the year ending April 30, 2014.• Audit opinion on the Special Purpose Wage Subsidy Report of the Child Care Centre of McMaster Students Union Incorporated for the year ending April 30, 2014.

Professional standards require that we communicate the related safeguards that have been applied to eliminate identified threats to independence or to reduce them to an acceptable level. Although we have policies and procedures to ensure that we did not provide any prohibited services and to ensure that we have not audited our own work, we have applied the following safeguards regarding possible threats to independence:

- We instituted policies and procedures to prohibit us from making management decisions or assuming responsibility for such decisions.
- We obtained pre-approval of non-audit services and during this pre-approval process we discussed the nature of the engagement and other independence issues related to the services.
- We obtained management's acknowledgement of responsibility for the results of the work performed by us regarding non-audit services and we have not made any management decisions or assumed responsibility for such decisions.

OTHER RELATIONSHIPS

KPMG is the independent auditor of McMaster University and McMaster University Centre Incorporated.

We are not aware of any relationships between our firm and the MSU (and its related entities) that may reasonably be thought to bear on our independence from May 1, 2013 up to the date of our auditors' report.

CONFIRMATION OF INDEPENDENCE

We confirm that we are independent with respect to the MSU (and its related entities) within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation from May 1, 2013 up to the date of our auditors' report.

OTHER MATTERS

This letter is confidential and intended solely for use by those charged with governance in carrying out and discharging their responsibilities and should not be used for any other purposes.

KPMG shall have no responsibility for loss or damages or claims, if any, to or by any third party as this letter has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

Yours very truly,

Licensed Public Accountants

PRIVATE & CONFIDENTIAL

Board of Directors
McMaster Students Union Incorporated
1280 Main Street West
Hamilton, ON L8S 4S4

July 11, 2014

Dear Members of the Board of Directors:

In planning and performing our audit of the financial statements of the McMaster Students Union (“the Entity”) for the year ended April 30, 2014, we obtained an understanding of internal control over financial reporting (ICFR) relevant to the Entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR. Accordingly, we do not express an opinion on the effectiveness of the Entity’s ICFR.

Our understanding of ICFR was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies and therefore, there can be no assurance that all significant deficiencies and other control deficiencies have been identified. As a result, any matters reported below are limited to those deficiencies in ICFR that we identified during the audit.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors.

IDENTIFICATION

Refer to the Appendices for the definitions of various control deficiencies.

We identified certain control deficiencies that we determined to be other control deficiencies in ICFR that have not been communicated to management by other parties and that, in our professional judgment, are of sufficient importance to merit management's attention.

MANAGEMENT'S RESPONSES

Management's responses have not been subjected to the audit procedures applied in the audit, and accordingly, we express no opinion on them.

USE OF LETTER

This letter is for the use of management and those charged with governance in carrying out and discharging their responsibilities and should not be used for any other purpose or by anyone other than management and those charged with governance. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this letter has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

Yours very truly,

Licensed Public Accountants

DRAFT

INVENTORY COUNT PROCEDURES

Observation:

During the year end inventory count of Union Market, KPMG noted that Union Market employees incorrectly counted a number of inventory items. Through review of our testing selections it was evident that estimations were used instead of actual counting in many instances. Additionally, items were not marked as being counted, leading to duplication and omission of some items. KPMG noted that employees were permitted to leave as soon as their counting was completed and thus not available to assist with KPMG recounts.

Implication:

The estimation techniques used resulted in inaccurate documentation of actual quantities of inventory on hand at year end. The number of errors discovered in our sample testing resulted in management re-performing the full inventory count days later. Given the employees were allowed to leave before the finalization of the count, this left the team unprepared for the full recount required.

Recommendation:

KPMG recommends that employees participating in the count be provided with training and instructions on the required count procedures. Counters should count all items of inventory and mark items as counted once completed. Counters should be directed to stay for the duration of the count and for assistance with any auditor test counts or recounts as determined by management in review of inventory discrepancies. It is also recommended that individuals with count experience are selected to help with the count.

INTERCOMPANY TRANSACTIONS

Observation:

KPMG observed in several instances that the entity is not eliminating intercompany transactions on consolidation of the financial results.

Implication:

As intercompany transactions are not being eliminated on consolidation, both revenues and expenses are being overstated as a result of sales between MSU units/departments. Accounting standards in Canada do not allow sales within an entity to be reported on a gross basis. It should be noted that although revenues and expenses are overstated there is no impact to net assets or the entity's surplus for the year.

Recommendation:

KPMG recommends that management review the process surrounding intercompany charges and presentation in the financial statements. As noted, there is no net impact to the organization's bottom line in the Statement of Operations, however the amount of revenues and expenses are overstated on a consolidated basis. Management should track on a yearly basis the magnitude of the proposed adjustment to determine if the adjustment could be material to the users of the financial statements.

Appendices

Terminology	Definition
Deficiency in Internal Control	A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing; or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or the person performing the control does not possess the necessary authority or competence to perform the control effectively.
Significant Deficiency in Internal Control	A significant deficiency in internal control is a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of those charged with governance.

KPMG LLP
Chartered Accountants
Commerce Place
21 King Street West, Suite 700
Hamilton, Ontario L8P 4W7
Canada

DATE

Ladies and Gentlemen:

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as "financial statements") of McMaster Students Union Incorporated ("MSU") as at and for the year ended April 30, 2014.

We confirm that the representations we make in this letter are in accordance with the definitions as set out in **Attachment I** to this letter.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

GENERAL:

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 16, 2014, for:
 - a) the preparation and of the financial statements and believe that these financial statements have been prepared in accordance with the relevant financial reporting framework
 - b) providing you with all relevant information, such as all financial records and related data and complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors and committees of the board of directors that may affect the financial statements, and access to such relevant information
 - c) such internal control as management determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error
 - d) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements

INTERNAL CONTROL OVER FINANCIAL REPORTING:

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which management is aware.

FRAUD & NON-COMPLIANCE WITH LAWS AND REGULATIONS:

- 3) We have disclosed to you:
- a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud
 - b) all information in relation to fraud or suspected fraud that we are aware of and that affects the MSU and involves: management, employees who have significant roles in internal control, or others, where the fraud could have a material effect on the financial statements
 - c) all information in relation to allegations of fraud, or suspected fraud, affecting the MSU's financial statements, communicated by employees, former employees, regulators, or others
 - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements
 - e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements

COMMITMENTS & CONTINGENCIES:

- 4) There are no:
- a) other liabilities that are required to be recognized and no other contingent assets or contingent liabilities that are required to be disclosed in the financial statements in accordance with the relevant financial reporting framework, including liabilities or contingent liabilities arising from illegal acts or possible illegal acts, or possible violations of human rights legislation
 - b) other environmental matters that may have an impact on the financial statements

SUBSEQUENT EVENTS:

- 5) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

RELATED PARTIES:

- 6) We have disclosed to you the identity of the MSU's related parties and all the related party relationships and transactions/balances of which we are aware and all related party relationships and transactions/balances have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

ESTIMATES:

- 7) Measurement methods and significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

NON-SEC REGISTRANTS OR NON-REPORTING ISSUERS:

- 8) We confirm that the MSU is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002). We also confirm that the financial statements of the MSU will not be included in the consolidated financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

MISSTATEMENTS:

- 9) The effects of the uncorrected misstatements described in Attachment II are immaterial, both individually and in the aggregate, to the financial statements as a whole.
- 10) We approve the corrected misstatements identified by you during the audit described in Attachment II.

Yours very truly,

MCMASTER STUDENTS UNION INCORPORATED

By: Mr. John McGowan, General Manager

By: Ms. Maggie Gallagher, Comptroller

I have the recognized authority to take, and assert that I have taken, responsibility for the financial statements.

Attachment I – Definitions

MATERIALITY

Certain representations in this letter are described as being limited to matters that are material. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both.

FRAUD & ERROR

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

RELATED PARTIES

In accordance with CICA Part III Not-for-profit accounting standards a *related party* is defined as:

- Related parties exist when one party has the ability to exercise, directly or indirectly, control, joint control or significant influence over the other. Two or more parties are related when they are subject to common control, joint control or common significant influence. Related parties also include management and immediate family members (see paragraph 3840.04).

In accordance with CICA Part III Not-for-profit accounting standards a *related party transaction* is defined as:

- A related party transaction is a transfer of economic resources or obligations between related parties, or the provision of services by one party to a related party, regardless of whether any consideration is exchanged. The parties to the transaction are related prior to the transaction. When the relationship arises as a result of the transaction, the transaction is not one between related parties.

Attachment II

MSU

Summary of Uncorrected Audit Misstatements

For Year Ended April 30, 2014

<u>Correcting Entry Required at Current Period End</u>						<u>Income Statement Effect - Debit(Credit)</u>			<u>Balance Sheet Effect - Debit (Credit)</u>				
ID	Description of misstatement	Type of misstatement	Accounts	Debit	(Credit)	Income effect of correcting the balance sheet in prior period (carryforward from prior period)	Income effect of correcting the current period balance sheet	Income effect according to Rollover (Income Statement) method	Equity	Current Assets	Noncurrent Assets	Current Liabilities	Noncurrent Liabilities
				A		B	C=A (Only Income Statement accounts)	C-B					

It was noted during testing tht separate departments within the MSU infrastructure are charging revenues and recording expenses for intercompany transactions. As the MSU is effectively a single entity, these amounts should be netted against each other on consolidation and only the net amount be reported on the financial statements. This is not the case with the MSU, as they are not eliminating related party transactions on consolidation. As there is no net impact on net assets or the accumulated surplus for the year, KPMG to propose a general SAM for this diversion from GAAP.

Attachment II

MSU

Summary of Corrected Audit Misstatements

For Year Ended April 30, 2014

Correcting Entry Required at Current Period End						Income Statement Effect - Debit(Credit)			Balance Sheet Effect - Debit (Credit)					
ID	Description of misstatement	Type of misstatement	Accounts	Debit	(Credit)	Income effect of correcting the balance sheet in prior period (carryforward from prior period)	Income effect of correcting the current period balance sheet	income effect according to Rollover (Income Statement) method	Equity	Current Assets	Noncurrent Assets	Current Liabilities	Noncurrent Liabilities	
				A		B	C=A (Only Income Statement accounts)	C-B						
1	To move transfer to Dental Plan Fund not approved by the Executive Board back to the Operating Fund.	Factual	Due to (from) other funds	250,000									250,000	
			Net assets - Operating Fund		(250,000)				(250,000)					
			Due to (from) other funds		(250,000)									(250,000)
			Net assets - Student Dental Plan Fund	250,000					250,000					



MEMO

From the office of the...

Vice-President Finance

TO: Members of MSU Inc.
FROM: Vice President (Finance)
SUBJECT: Audited Financial Statements
DATE: September 23, 2014

Dear Members,

Once again it is that time of year when we are required to approve the audited financial statements. The auditors this year were KPMG. The audit took place in June and the Board of Directors met with the auditors on September 10th to discuss their findings.

Some highlights from the audit include that it was good fiscal year for the MSU and we remain in a healthy financial position. Last year still produced a surplus for the year. They were very impressed with our accounting practices.

Areas to focus on are as follows:

- **Intercompany transactions** - they suggested that we report net revenues instead of gross revenues when paying with the MSU based off of accounting principles. This was not an issue for major concern as our bottom line was still correct.
- **Union Market Inventory Controls** - Maggie and Robyn are now performing weekly inventory spot checks to make sure that inventory in the Retail Management System matches up with the on hand number
- **Investments** - the return on our portfolio was a little bit low but it was done because the organization needs more liquid investments. This low return balances itself out because we had a higher return during years when the market return was lower.

There was one misstatement that was corrected. It was a transfer from the Dental Plan fund that was not approved so it was moved back to the operating fund.

It is the opinion of the Board of Directors that the Full Members of MSU Incorporated approves the financial statements for the 2013-2014 fiscal year.

If you have any questions please do not hesitate to ask.

Sincerely,

A handwritten signature in black ink, appearing to read "S Mallon". The signature is fluid and cursive, with the first letter "S" being particularly large and stylized.

Scott Mallon
Vice President (Finance)
vpfinance@msu.mcmaster.ca

Financial Statements of

**MCMASTER STUDENTS UNION
INCORPORATED**

Year ended April 30, 2014

MCMMASTER STUDENTS UNION INCORPORATED

Financial Statements

Year ended April 30, 2014

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INDEPENDENT AUDITORS' REPORT

To the Student Representative Assembly

We have audited the accompanying financial statements of McMaster Students Union Incorporated, which comprise the statement of financial position as at April 30, 2014, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.



Basis for Qualified Opinion

In common with many not-for-profit organizations, McMaster Students Union Incorporated raises revenue from various activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the entity and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenditures (expenditures over revenues), current assets and net assets.

Qualified Opinion

In our opinion, except for the possible effects on the financial statements of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of McMaster Students Union incorporated as at April 30, 2014, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Professional Accountants, Licensed Public Accountants

MM DD, YYYY

Hamilton, Canada

MCMASTER STUDENTS UNION INCORPORATED

Statement of Financial Position

As at April 30, 2014, with comparative financial information for 2013

	Operating Fund	Capital Fund	University Student Centre Building Fund	CFMU Fund	Student Health Insurance Plan Fund	Student Dental Plan Fund	2014	2013
Assets								
Current assets:								
Cash	\$ 573,446	\$ -	\$ -	\$ -	\$ 9,697	\$ -	\$ 583,143	\$ 1,612,049
Marketable securities (note 2)	3,082,451	-	-	539,153	985,557	-	4,607,161	3,673,044
Accounts receivable (note 3)	512,158	-	-	-	-	-	512,158	272,142
Inventories	72,596	-	-	-	-	-	72,596	73,637
Prepaid expenses	84,317	-	-	5,266	-	-	89,583	77,073
Due from McMaster University Centre Incorporated (note 9)	614,830	-	-	-	-	-	614,830	465,268
	4,939,798	-	-	544,419	995,254	-	6,479,471	6,173,213
Capital assets (note 4)	-	510,289	-	33,081	-	-	543,370	558,346
	4,939,798	510,289	-	577,500	995,254	-	7,022,841	6,731,559
Liabilities								
Current liabilities:								
Accounts payable and accrued liabilities (note 5)	694,023	-	-	-	-	-	694,023	970,234
Deferred revenue	39,732	-	-	-	417,700	822,000	1,279,432	997,963
	733,755	-	-	-	417,700	822,000	1,973,455	1,968,197
Due to (from) other funds	724,195	-	(203,041)	(686,755)	735,523	(569,922)	-	-
Net assets (note 6)	3,481,848	510,289	203,041	1,264,255	(157,969)	(252,078)	5,049,386	4,763,362
	\$ 4,939,798	\$ 510,289	\$ -	\$ 577,500	\$ 995,254	\$ -	\$ 7,022,841	\$ 6,731,559

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

MCMaster Students Union Incorporated

Statement of Operations

Year ended April 30, 2014, with comparative financial information for 2013

	Operating Fund	Capital Fund	University Student Centre Building Fund	CFMU Fund	Student Health Insurance Plan Fund	Student Dental Plan Fund	2014 Total	2013 Total
Revenues:								
Student fees (Schedule 1, 5, 14 and 15)	\$ 2,663,445	\$ -	\$ 372,502	\$ 260,619	\$ 832,724	\$ 1,673,096	\$ 5,802,386	\$ 5,616,974
Administration (Schedule 1)	53,864	-	-	-	-	-	53,864	62,585
Investment income (Schedule 1, 5, and 14)	156,509	-	-	24,872	34,824	-	216,205	314,781
1280 (Schedule 2)	970,010	-	-	-	-	-	970,010	1,037,796
The Silhouette (Schedule 3)	150,780	-	-	-	-	-	150,780	163,080
Marmor (Schedule 4)	187,836	-	-	-	-	-	187,836	185,543
CFMU (Schedule 5)	-	-	-	20,422	-	-	20,422	29,528
Child Care (Schedule 6)	595,673	-	-	-	-	-	595,673	597,253
House of Games (Schedule 7)	13,367	-	-	-	-	-	13,367	10,640
Underground Media and Design (Schedule 8)	750,234	-	-	-	-	-	750,234	804,019
Union Market (Schedule 9)	788,193	-	-	-	-	-	788,193	717,478
Campus Events (Schedule 10)	562,733	-	-	-	-	-	562,733	457,881
Committees (Schedule 11)	127,829	-	-	-	-	-	127,829	115,299
Executive (Schedule 11)	8,210	-	-	-	-	-	8,210	7,472
Services (Schedule 11)	2,459,390	-	-	-	-	-	2,459,390	2,453,880
The Short Stop (Schedule 12)	4,312	-	-	-	-	-	4,312	9,904
Student Wellness Ctr (Schedule 13)	21,172	-	-	-	-	-	21,172	21,172
Total revenues	9,513,557	-	372,502	305,913	867,548	1,673,096	12,732,616	12,605,285
Expenditures:								
Administration (Schedule 1)	894,969	-	-	-	-	-	894,969	831,278
1280 (Schedule 2)	1,030,183	-	-	-	-	-	1,030,183	1,092,837
The Silhouette (Schedule 3)	320,991	-	-	-	-	-	320,991	332,209
Marmor (Schedule 4)	117,978	-	-	-	-	-	117,978	173,550
CFMU (Schedule 5)	-	-	-	309,495	-	-	309,495	231,921
Child Care (Schedule 6)	620,739	-	-	-	-	-	620,739	609,352
House of Games (Schedule 7)	283	-	-	-	-	-	283	-
Underground Media and Design (Schedule 8)	720,607	-	-	-	-	-	720,607	744,851
Union Market (Schedule 9)	721,302	-	-	-	-	-	721,302	625,869
Campus Events (Schedule 10)	973,188	-	-	-	-	-	973,188	874,154
Committees (Schedule 11)	454,201	-	-	-	-	-	454,201	351,952
Executive (Schedule 11)	469,693	-	-	-	-	-	469,693	435,704
Services (Schedule 11)	2,863,635	-	-	-	-	-	2,863,635	2,855,897
Student Health Insurance Plan (Schedule 14)	-	-	-	-	858,109	-	858,109	940,712
Student Dental Plan (Schedule 15)	-	-	-	-	-	1,777,879	1,777,879	1,815,430
Building fund occupancy costs	-	-	313,340	-	-	-	313,340	319,862
Total expenditures	9,187,769	-	313,340	309,495	858,109	1,777,879	12,446,592	12,235,578
Excess of revenues over expenditures (expenditures over revenues)	\$ 325,788	\$ -	\$ 59,162	\$ (3,582)	\$ 9,439	\$ (104,783)	\$ 286,024	\$ 369,707

See accompanying notes to financial statements.

MCMASTER STUDENTS UNION INCORPORATED

Statement of Changes in Net Assets

Year ended April 30, 2014, with comparative financial information for 2013

April 30, 2014	Operating Fund	Capital Fund	University Student Centre Building Fund	CFMU Fund	Student Health Insurance Plan Fund	Student Dental Plan Fund	Total
Net assets, beginning of year	\$ 3,135,221	\$ 531,128	\$ 143,879	\$ 1,267,837	\$ (167,408)	\$ (147,295)	\$ 4,763,362
Excess of revenues over expenditures (expenditures over revenues)	325,788	-	59,162	(3,582)	9,439	(104,783)	286,024
Transfers	20,839	(20,839)	-	-	-	-	-
Net assets, end of year	\$ 3,481,848	\$ 510,289	\$ 203,041	\$ 1,264,255	\$ (157,969)	\$ (252,078)	\$ 5,049,386

April 30, 2013	Operating Fund	Capital Fund	University Student Centre Building Fund	CFMU Fund	Student Health Insurance Plan Fund	Student Dental Plan Fund	Total
Net assets, beginning of year	\$ 2,599,489	\$ 552,872	\$ 101,444	\$ 1,074,052	\$ 162,580	\$ (96,782)	\$ 4,393,655
Excess of revenues over expenditures (expenditures over revenues)	513,988	-	42,435	193,785	(329,988)	(50,513)	369,707
Transfers	21,744	(21,744)	-	-	-	-	-
Net assets, end of year	\$ 3,135,221	\$ 531,128	\$ 143,879	\$ 1,267,837	\$ (167,408)	\$ (147,295)	\$ 4,763,362

See accompanying notes to financial statements.

MCMASTER STUDENTS UNION INCORPORATED

Statement of Cash Flows

Year ended April 30, 2014, with comparative financial information for 2013

	2014	2013
Operating:		
Excess of revenues over expenditures	\$ 286,024	\$ 369,707
Items not involving cash:		
Amortization	190,944	183,840
	476,968	553,547
Changes in non-cash operating working capital items:		
Accounts receivable	(240,016)	14,005
Due from McMaster University Centre Incorporated	(149,562)	(520,276)
Inventories	1,041	11,060
Prepaid expenses	(12,510)	19,676
Accounts payable and accrued liabilities	(276,211)	263,484
Deferred revenue	281,469	405,095
	81,179	746,591
Investing:		
Purchase of capital assets	(175,968)	(159,175)
Net change in cash and cash equivalents	(94,789)	587,416
Cash and cash equivalents, beginning of year	5,285,093	4,697,677
Cash and cash equivalents, end of year	\$ 5,190,304	\$ 5,285,093
Represented by:		
Cash	\$ 583,143	\$ 1,612,049
Marketable securities	4,607,161	3,673,044
	\$ 5,190,304	\$ 5,285,093

See accompanying notes to financial statements.

MCMASTER STUDENTS UNION INCORPORATED

Notes to Financial Statements

Year ended April 30, 2014

The McMaster Students Union Incorporated ("MSU") is incorporated under the laws of the Province of Ontario as a not-for-profit organization and is an exempt not-for-profit organization under the Income Tax Act. The purpose of MSU is to provide a wide variety of services to the students of McMaster University (the "University").

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook.

(a) Revenue recognition:

Fee revenue is recorded during the fiscal period. For sales of goods and services, MSU recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the price to the buyer is fixed or determinable and collection is reasonably assured.

(b) Fund accounting:

In order to ensure observance of limitations and restrictions placed on the use of the resources available to MSU, such resources are classified for accounting and reporting purposes into funds according to the activities or objectives specified.

The Operating Fund is used to account for day-to-day operations. Funds are provided from yearly membership fees from students, university grants, interest on funds invested and revenues from various facilities and programs.

The Capital Fund records the capital assets and the related accumulated amortization. Funds are provided from current revenues of the Operating Fund equal to the amortization provision for the year less any capital asset acquisitions funded during the year.

The University Student Centre Building Fund holds restricted capital to underwrite MSU's share of planning, construction, maintenance and associated costs of the McMaster University Student Centre. Funds are provided through the collection of a building fund fee from each MSU member to support future occupancy charges, payable to McMaster University Centre Incorporated ("MUCI").

The CFMU Fund is funded through the collection of fees from MSU members and from revenue generating activities of the radio station. The fund records operating results and holds restricted capital and capital assets relating to the radio station's operations.

MCMASTER STUDENTS UNION INCORPORATED

Notes to Financial Statements

Year ended April 30, 2014

1. Significant accounting policies (continued):

(b) Fund accounting (continued):

The Student Health Insurance Plan Fund is funded through the collection of fees from MSU members. During the prior year the MSU switched service providers for their Health Insurance Plan causing the plan to switch from a self-insured health plan to a plan provided through a third-party insurance underwriter. The plan provides reimbursements to MSU members for qualifying prescription drugs as well as remitting premiums for accidental insurance coverage.

The Student Dental Plan Fund is funded through the collection of fees from MSU members. The MSU services the plan through a third-party insurance underwriter. The plan covers routine dental procedures for all students who choose to pay the annual premium as well as minor surgical procedures and orthodontics.

(c) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than one year.

(d) Inventories:

Inventory consists of food, bar items including alcohol, printing materials and other items for resale. Inventories are stated at the lower of cost (at the average cost method) and net realizable value. The amount of inventory expensed in the year was \$1,653,852 (2013 - \$1,699,027).

(e) Capital assets:

Capital assets are capitalized at cost in the Capital Fund and amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Equipment	3 - 10
Leasehold improvements	3 - 10

(f) Contributed goods and services:

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

MCMaster Students Union Incorporated

Notes to Financial Statements

Year ended April 30, 2014

1. Significant accounting policies (continued):

(g) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. MSU has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the MSU determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the MSU expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(h) Allocation of expenses:

The MSU records a number of its expenses by program. The costs of each program include the costs of personnel, premises and other expenses that are directly related to providing the program. The MSU allocates certain administration and corporate governance expenses from administration program within the Statement of Operations to the individual programs.

(i) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets, deferred revenue and accrued liabilities. Actual results could differ from those estimates.

MCMASTER STUDENTS UNION INCORPORATED

Notes to Financial Statements

Year ended April 30, 2014

2. Marketable securities:

investments reported on the statement of financial position have market values as follows:

	2014	2013
Operating Fund	\$ 3,082,451	\$ 2,655,396
CFMU	539,153	463,610
Student Health Plan Fund	985,557	554,038
	<u>\$ 4,607,161</u>	<u>\$ 3,673,044</u>

Marketable securities held by MSU include Canadian fixed income investments, Canadian equity and mutual funds, and US equity and mutual funds.

	2014	2013
Canadian money markets	\$ 355,480	\$ -
Canadian fixed income investments	1,557,568	23,343
Canadian equity and mutual funds	2,397,360	2,787,463
US equity and mutual funds	296,753	862,238
	<u>\$ 4,607,161</u>	<u>\$ 3,673,044</u>

The MSU's fixed income investments have an effective interest rate of 9.975%, callable June 30, 2019.

3. Accounts receivable:

	2014	2013
Trade receivables	\$ 546,528	\$ 299,794
Less allowance for doubtful accounts	(34,370)	(27,652)
	<u>\$ 512,158</u>	<u>\$ 272,142</u>

MCMASTER STUDENTS UNION INCORPORATED

Notes to Financial Statements

Year ended April 30, 2014

4. Capital assets:

	2014		
	Cost	Accumulated amortization	Net book value
Equipment	\$ 3,976,153	\$ 3,700,196	\$ 275,957
Leasehold improvements	1,240,056	972,643	267,413
	<u>\$ 5,216,209</u>	<u>\$ 4,672,839</u>	<u>\$ 543,370</u>

	2013		
	Cost	Accumulated amortization	Net book value
Equipment	\$ 4,104,024	\$ 3,783,069	\$ 320,955
Leasehold improvements	1,161,561	924,170	237,391
	<u>\$ 5,265,585</u>	<u>\$ 4,707,239</u>	<u>\$ 558,346</u>

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$70,165 (2013 - \$64,033), which includes amounts payable for HST and payroll related taxes.

6. Surplus restrictions:

Marmor:

Revenues derived from student fees (specified for the Marmor) and grants are designated solely for operations and capital purchases of the Marmor. Any shortfall in revenues over expenditures is recovered through future period surpluses.

As at April 30, 2014, the balance of the surplus attributed to the Marmor totaled \$78,413 (2013 - \$8,555) and is included in the Operating Fund net assets.

MCMASTER STUDENTS UNION INCORPORATED

Notes to Financial Statements

Year ended April 30, 2014

7. Commitments:

MSU is paying their share of building costs that MUCI incurs for heating, cooling and other costs based on the square footage of the MSU's commercial areas. These costs will not be known until the fiscal year ends; however, based on historical data, costs are expected to be approximately \$350,000 per year.

MSU entered into an agreement with Xerox beginning in fiscal 2010-2011 for five years whereby MSU will pay a fixed fee per photocopy to Xerox. This fee is based on usage and ranges from \$0.0204 to \$0.10 per photocopy, depending on the type of photocopier used. Xerox retains ownership of the photocopiers during the full term and is responsible for the repairs & maintenance of the machines. The estimated costs are \$59,000 per year and will vary based on usage.

8. Financial instruments:

(a) Currency risk:

MSU is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, the MSU holds investments in U.S. dollars. MSU does not currently enter into forward contracts to mitigate this risk. There has been no change to the risk exposure from 2013.

(b) Liquidity risk:

Liquidity risk is the risk that MSU will be unable to fulfill its obligations on a timely basis or at a reasonable cost. MSU manages its liquidity risk by monitoring its operating requirements. MSU prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2013.

(c) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. MSU is exposed to credit risk with respect to the accounts receivable. MSU assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

(d) Interest rate risk:

MSU is exposed to interest rate risk on its fixed interest rate financial instruments. Further details about the fixed rate investments are included in note 2.

MCMASTER STUDENTS UNION INCORPORATED

Notes to Financial Statements

Year ended April 30, 2014

9. Related party transactions:

MSU has the ability to significantly influence the operations of McMaster Student Centre Incorporated ("MUCI") through the appointment of the MUCI board members. Included in the financial statements is a net receivable from MUCI of \$614,830 (2013 – \$465,268) resulting from charges by MSU for the University's building fund net of transactions from which MSU has paid expenses on behalf of MUCI. The MSU administers payment of all expenses incurred by MUCI. Total amount of expenses paid on behalf of MUCI by the MSU are \$835,161 (2013 - \$946,503).

10. Comparative figures:

Certain comparative figures have been reclassified to conform with the current year's presentation.

MCMASTER STUDENTS UNION INCORPORATED

Schedule 1 - Schedule of Operations - Administration

Year ended April 30, 2014, with comparative financial information for 2013

	2014	2013
Revenues:		
Member fees	\$ 2,663,445	\$ 2,556,319
Fees – WUSC Refugee Fund and Incite	50,468	49,510
Interest and investment income	156,509	241,320
Other income	3,396	13,075
	2,873,818	2,860,224
Expenditures:		
Amortization	44,569	46,274
Computer supplies and maintenance	16,498	9,687
Donation to WUSC Refugee Fund	50,513	49,220
Faculty support disbursement	58,357	50,387
HST and other applicable taxes	157	1,030
Insurance	65,842	61,940
Memberships	1,599	779
Miscellaneous	15,140	19,253
Office expense	16,957	17,952
Professional development	1,653	2,577
Professional fees	59,066	44,647
Purchased services	52,997	32,906
Repairs and maintenance	1,987	2,448
Salaries	531,880	510,152
Service (bank) charges	11,523	13,042
Telephone	10,598	11,346
Travel	133	2,138
	939,469	875,778
Less expenditures allocated to facilities	44,500	44,500
	894,969	831,278
Excess of revenues over expenditures	\$ 1,978,849	\$ 2,028,946

MCMASTER STUDENTS UNION INCORPORATED

Schedule 2 - Schedule of Operations - 1280

Year ended April 30, 2014, with comparative financial information for 2013

	2014	2013
Sales:		
Beer and liquor	\$ 339,730	\$ 368,780
Food	521,520	518,061
	<u>861,250</u>	<u>886,841</u>
Cost of goods sold:		
Beer and liquor	137,403	140,582
Food	229,127	251,232
	<u>366,530</u>	<u>391,814</u>
	<u>494,720</u>	<u>495,027</u>
Other income:		
Admission	80,715	90,657
Rental and other revenue	28,045	60,298
	<u>108,760</u>	<u>150,955</u>
	<u>603,480</u>	<u>645,982</u>
Expenditures:		
Administrative	50,338	41,005
Advertising	13,317	17,390
Amortization	60,465	65,430
Entertainment	5,400	12,307
Office supplies	1,931	4,126
Repairs and maintenance	6,070	16,976
Salaries and wages	465,688	470,429
Staff training	2,270	2,309
Supplies	53,977	62,464
Telephone	4,197	8,587
	<u>663,653</u>	<u>701,023</u>
Excess of expenditures over revenues	<u>\$ (60,173)</u>	<u>\$ (55,041)</u>

MCMMASTER STUDENTS UNION INCORPORATED

Schedule 3 - Schedule of Operations – The Silhouette

Year ended April 30, 2014, with comparative financial information for 2013

	2014	2013
Revenue	\$ 150,780	\$ 163,080
Expenditures:		
Advertising	3,515	1,422
Amortization	17,699	12,932
Bad debts	6,717	11,328
Commissions on advertising sales	-	13,896
General staff costs	20,416	14,854
Graphic ad layout	30,143	35,921
Office supplies	1,441	9,343
Printing costs	105,683	111,297
Repairs and maintenance	15,119	1,637
Salaries and benefits	118,568	118,362
Telephone	1,690	1,217
	320,991	332,209
Excess of expenditures over revenues	\$ (170,211)	\$ (169,129)

MCMMASTER STUDENTS UNION INCORPORATED

Schedule 4 - Schedule of Operations - Marmor

Year ended April 30, 2014, with comparative financial information for 2013

	2014	2013
Revenues:		
Student fees	\$ 187,836	\$ 185,543
Expenditures:		
Amortization	1,251	2,001
Miscellaneous	305	128
Office supplies	81	-
Photographic	39,010	40,000
Postage	64,518	45,000
Printing costs	2,915	75,000
Salaries and benefits	9,898	11,421
	117,978	173,550
Excess of revenues over expenditures	\$ 69,858	\$ 11,993

MCMMASTER STUDENTS UNION INCORPORATED

Schedule 5 - Schedule of Operations - CFMU

Year ended April 30, 2014, with comparative financial information for 2013

	2014	2013
Revenues:		
Student fees	\$ 260,619	\$ 356,449
Advertising sales	1,000	5,151
Investment income	24,872	39,729
Sponsorships	19,422	24,377
	305,913	425,706
Expenditures:		
Administration	42,743	17,030
Amortization	7,872	7,494
Bad debts	-	64
Contractual maintenance services	16,960	11,236
HST and other applicable taxes	763	2,103
Insurance	5,898	5,469
Memberships and licenses	8,764	8,721
Office supplies	4,197	1,214
Repairs and maintenance	7,138	17,075
Salaries and benefits	200,866	152,263
Telephone	13,373	8,301
Travel and transportation	921	951
	309,495	231,921
Excess of (expenditures over revenues)		
revenues over expenditures	\$ (3,582)	\$ 193,785

MCMMASTER STUDENTS UNION INCORPORATED

Schedule 6 - Schedule of Operations – Child Care

Year ended April 30, 2014, with comparative financial information for 2013

	2014	2013
Revenues:		
Parents	\$ 377,200	\$ 325,573
Subsidy	81,057	133,691
Provincial grant	119,228	135,515
Registration	150	175
Miscellaneous	18,038	2,299
	595,673	597,253
Expenditures:		
Amortization	11,441	9,528
Conferences	430	590
Custodial services	11,083	10,833
Food	18,863	19,285
Administration costs	11,045	9,774
Learning materials	5,724	2,750
Office supplies	2,823	801
Rent	20,882	23,262
Repairs and maintenance	1,006	4,439
Salaries and benefits	535,293	525,264
Telephone	2,023	2,718
Transportation	126	108
	620,739	609,352
Excess of expenditures over revenues	\$ (25,066)	\$ (12,099)

MCMASTER STUDENTS UNION INCORPORATED

Schedule 7 - Schedule of Operations - House of Games

Year ended April 30, 2014, with comparative financial information for 2013

	2014	2013
Revenues:		
Rental income	\$ 13,367	\$ 10,640
Expenditures:		
Telephone	283	-
Excess of revenues over expenditures	\$ 13,084	\$ 10,640

MCMMASTER STUDENTS UNION INCORPORATED

Schedule 8 - Schedule of Operations - Underground Media & Design

Year ended April 30, 2014, with comparative financial information for 2013

	2014	2013
Revenues	\$ 750,234	\$ 804,019
Cost of goods sold:		
Material purchases	334,724	351,928
Gross profit	415,510	452,091
Expenditures:		
Amortization	6,098	4,650
Bad debts	-	4,510
HST and other applicable taxes	9,215	9,292
Office supplies	7,969	13,288
Repairs and maintenance	798	2,148
Salaries and wages	357,140	355,312
Telephone	4,663	3,723
	385,883	392,923
Excess of revenues over expenditures	\$ 29,627	\$ 59,168

MCMMASTER STUDENTS UNION INCORPORATED

Schedule 9 - Schedule of Operations - Union Market

Year ended April 30, 2014, with comparative financial information for 2013

	2014	2013
Revenues:		
Sales	\$ 788,193	\$ 717,478
Cost of goods sold:		
Material purchases	476,288	424,848
Gross profit	311,905	292,630
Expenditures:		
Administrative	12,764	9,477
Advertising	10,748	10,507
Amortization	10,629	3,689
Office supplies	813	864
Repairs and maintenance	2,920	4,379
Salaries and wages	204,747	168,800
Supplies	1,337	1,841
Telephone	1,056	1,464
	245,014	201,021
Excess of revenues over expenditures	\$ 66,891	\$ 91,609

MCMASTER STUDENTS UNION INCORPORATED

Schedule 10 - Schedule of Operations - Campus Events

Year ended April 30, 2014, with comparative financial information for 2013

	2014			2013		
	Revenues	Expenditures	Total	Revenues	Expenditures	Total
Homecoming	\$ 19,414	\$ 32,575	\$ (13,161)	\$ 25,080	\$ 36,370	\$ (11,290)
Charity ball	64,149	63,811	338	41,498	42,258	(760)
Golf tournament	14,487	14,487	-	19,234	19,234	-
Recognition & staff events	-	4,089	(4,089)	-	5,451	(5,451)
External events	138,230	83,991	54,239	101,793	124,763	(22,970)
Orientation/welcome week	153,696	123,180	30,516	146,926	148,900	(1,974)
Other concerts and programs	44,429	60,685	(16,256)	63,472	84,528	(21,056)
Speakers and sidewalk sale	94,674	81,827	12,847	4,391	17,025	(12,634)
Travel and administration	-	453,456	(453,456)	-	378,612	(378,612)
Avtek	33,654	55,087	(21,433)	55,487	17,013	38,474
	\$ 562,733	\$ 973,188	\$ (410,455)	\$ 457,881	\$ 874,154	\$ (416,273)

MCMASTER STUDENTS UNION INCORPORATED

Schedule 11 - Schedule of Committees and Commissions, MSU Executive and Services Expenses

Year ended April 30, 2014, with comparative financial information for 2013

	2014			2013		
	Revenues	Expenditures	Total	Revenues	Expenditures	Total
Committees and Commissions:						
Diversity	\$ 5,617	\$ 28,268	\$ (22,651)	\$ 10,414	\$ 27,476	\$ (17,062)
Election Committee	1,088	22,105	(21,017)	2,134	26,385	(24,251)
MacGreen	5,720	21,683	(15,963)	-	17,675	(17,675)
First Year Council	86	625	(539)	5,390	8,531	(3,141)
FIT/Shinerama	114,818	140,036	(25,218)	97,361	116,456	(19,095)
SCSN	500	28,614	(28,114)	-	27,079	(27,079)
Public relations/student life	-	207,953	(207,953)	-	122,977	(122,977)
Teaching awards	-	4,917	(4,917)	-	5,373	(5,373)
	\$ 127,829	\$ 454,201	\$ (326,372)	\$ 115,299	\$ 351,952	\$ (236,653)
MSU Executive:						
Administrative	\$ -	\$ 8,675	\$ (8,675)	\$ -	\$ 7,938	\$ (7,938)
Advertising	-	6,375	(6,375)	-	21,751	(21,751)
Donations	-	14,052	(14,052)	1,825	-	1,825
Executive expense	-	9,914	(9,914)	-	3,621	(3,621)
Honoraria and awards	-	12,301	(12,301)	-	18,912	(18,912)
Board training	-	10,093	(10,093)	-	14,841	(14,841)
Meetings	-	16,402	(16,402)	-	6,073	(6,073)
Memberships	-	110,963	(110,963)	-	109,770	(109,770)
Miscellaneous	8,210	-	8,210	5,647	-	5,647
Special projects	-	27,068	(27,068)	-	20,545	(20,545)
Salaries and benefits	-	229,506	(229,506)	-	211,376	(211,376)
Travel & conferences	-	24,344	(24,344)	-	20,877	(20,877)
	\$ 8,210	\$ 469,693	\$ (461,483)	\$ 7,472	\$ 435,704	\$ (428,232)

MCMASTER STUDENTS UNION INCORPORATED

Schedule 11 - Schedule of Committees and Commissions, MSU Executive and Services Expenses (continued)

Year ended April 30, 2014, with comparative financial information for 2013

	2014			2013		
	Revenues	Expenditures	Total	Revenues	Expenditures	Total
Services expenses:						
Bread Bin	\$ 1,504	\$ 11,871	\$ (10,367)	\$ 2,879	\$ 13,733	\$ (10,854)
CLAY Conference	27,306	48,893	(21,587)	23,750	45,328	(21,578)
Clubs administrator	14,503	128,769	(114,266)	35,942	157,476	(121,534)
Emergency First Response Team	72,136	111,420	(39,284)	57,607	109,686	(52,079)
Compass Information Service	2,302,059	2,331,517	(29,458)	2,281,318	2,311,796	(30,478)
Maroons	5,940	23,980	(18,040)	5,628	22,365	(16,737)
MacCycle	365	22,055	(21,690)	4,638	27,356	(22,718)
PAC	-	3,035	(3,035)	-	3,044	(3,044)
QSCC	707	11,611	(10,904)	4,409	11,878	(7,469)
Horizons	34,870	50,460	(15,590)	37,709	52,298	(14,589)
Ombuds office	-	67,778	(67,778)	-	68,214	(68,214)
Peer Support	-	19,213	(19,213)	-	-	-
Student Health Education Centre	-	16,987	(16,987)	-	18,689	(18,689)
SWHAT	-	16,046	(16,046)	-	14,034	(14,034)
	\$ 2,459,390	\$ 2,863,635	\$ (404,245)	\$ 2,453,880	\$ 2,855,897	\$ (402,017)

MCMaster STUDENTS UNION INCORPORATED

Schedule 12 - Schedule of Operations - The Short Stop

Year ended April 30, 2014, with comparative financial information for 2013

	2014		2013
Revenues:			
Sales/royalties/commissions	\$ 4,312	\$	9,904
Excess of revenues over expenditures	\$ 4,312	\$	9,904

MCMASTER STUDENTS UNION INCORPORATED

Schedule 13 - Schedule of Operations - Student Wellness Ctr

Year ended April 30, 2014, with comparative financial information for 2013

	2014	2013
Revenues:		
Rental income	\$ 21,172	\$ 21,172
Excess of revenues over expenditures	\$ 21,172	\$ 21,172

MCMASTER STUDENTS UNION INCORPORATED

Schedule 14 - Schedule of Operations – Student Health Insurance Plan Fund

Year ended April 30, 2014, with comparative financial information for 2013

	2014	2013
Revenues:		
Student fees (net of opt-out)	\$ 832,724	\$ 576,992
Investment income	34,824	33,732
	867,548	610,724
Expenditures:		
Administration charges	160	455
Claims	843,234	846,194
Tax and interest	-	17,212
Trustee fees	14,715	76,851
	858,109	940,712
Excess of revenues over expenditures (expenditures over revenues)	\$ 9,439	\$ (329,988)

MCMASTER STUDENTS UNION INCORPORATED

Schedule 15 - Schedule of Operations – Student Dental Plan Fund

Year ended April 30, 2014, with comparative financial information for 2013

	2014	2013
Revenues:		
Student fees (net of opt-out)	\$ 1,673,096	\$ 1,764,917
Expenditures:		
Administration charges	13,057	24,588
Insurance premiums	1,764,822	1,790,842
	1,777,879	1,815,430
Excess of expenditures over revenues	\$ (104,783)	\$ (50,513)