# Federation of Students, University of Waterloo

Financial Statements
**April 30, 2026**

# Independent auditor's report

To the Members of Federation of Students, University of Waterloo

## Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Federation of Students, University of Waterloo (the Organization) as at April 30, 2026 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.

### What we have audited

The Organization's financial statements comprise:

- the statement of financial position as at April 30, 2026;
- the statement of operations for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

## Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

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

### Independence

We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

## 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants
London, Ontario
September 29, 2026

# Federation of Students, University of Waterloo

Statement of Financial Position

**As at April 30, 2026**

| | General Fund $ | Dental Plan Fund $ | Health Plan Fund $ | Legal Protection Fund $ | Capital Fund $ | UPass Fund $ | Orientation Fund $ | SRP Fund $ | Publications Fund $ | Societies Fund $ | 2026 $ | 2025 $ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | | | | | | |
| **Current assets** | | | | | | | | | | | | |
| Cash and cash equivalents (note 3) | 5,074,268 | 2,807,133 | 3,423,112 | 531,439 | 3,691,840 | 933,739 | 858,413 | 693,446 | 180,496 | 1,635,162 | 19,829,048 | 25,299,190 |
| Accounts receivable | 568,097 | 66,604 | 85,975 | 10,138 | 13,763 | 37,534 | 16,889 | 3,589 | 10,655 | 156,495 | 969,739 | 1,287,243 |
| Inventory (note 4) | 196,650 | - | - | - | - | - | - | - | - | 56,846 | 253,496 | 282,422 |
| Prepaid expenses and deposits | 132,005 | - | - | - | - | - | - | - | 2,578 | 14,842 | 149,425 | 168,197 |
| Interfund receivable (payable) | (9,251,073) | 3,543,379 | 5,554,511 | - | (6,776) | 187,289 | - | 32,670 | - | (60,000) | - | - |
| Fluctuation reserve (note 7) | - | - | 458,115 | - | - | - | - | - | - | - | 458,115 | 941,409 |
| Investments (note 6) | 6,737,569 | - | - | - | - | - | - | - | - | - | 6,737,569 | 6,600,098 |
| | 3,457,516 | 6,417,116 | 9,521,713 | 541,577 | 3,698,827 | 1,158,562 | 875,302 | 729,705 | 193,729 | 1,803,345 | 28,397,392 | 34,578,559 |
| **Capital assets** (note 5) | 2,099,836 | - | - | - | 135,071 | - | - | - | 4,842 | 319,029 | 2,558,778 | 2,587,919 |
| **Investments** (note 6) | 9,469,214 | - | - | - | 2,923,131 | - | - | - | - | - | 12,392,345 | 10,434,781 |
| | 15,026,566 | 6,417,116 | 9,521,713 | 541,577 | 6,757,029 | 1,158,562 | 875,302 | 729,705 | 198,571 | 2,122,374 | 43,348,515 | 47,601,259 |
| **Liabilities** | | | | | | | | | | | | |
| **Current liabilities** | | | | | | | | | | | | |
| Accounts payable and accrued liabilities (notes 8 and 9) | 2,379,145 | 1,888,819 | 2,699,191 | 304,805 | - | 844,130 | 36,593 | 16,029 | 51,584 | 52,482 | 8,272,778 | 16,041,996 |
| Deferred revenue (note 10) | 2,171,202 | 439,616 | 604,063 | 66,252 | 6,124,932 | - | 308,003 | - | - | 3,848 | 9,717,916 | 8,201,063 |
| Due to clubs | 525,962 | - | - | - | - | - | - | - | - | 243,016 | 768,978 | 723,501 |
| | 5,076,309 | 2,328,435 | 3,303,254 | 371,057 | 6,124,932 | 844,130 | 344,596 | 16,029 | 51,584 | 299,346 | 18,759,672 | 24,966,560 |
| **Net Assets** | | | | | | | | | | | | |
| Internally restricted | - | 4,088,681 | 6,218,459 | 170,520 | 632,097 | 314,432 | 530,706 | 713,676 | 146,987 | 1,823,028 | 14,638,586 | 14,814,916 |
| Unrestricted | 9,950,257 | - | - | - | - | - | - | - | - | - | 9,950,257 | 7,819,783 |
| | 9,950,257 | 4,088,681 | 6,218,459 | 170,520 | 632,097 | 314,432 | 530,706 | 713,676 | 146,987 | 1,823,028 | 24,588,843 | 22,634,699 |
| | 15,026,566 | 6,417,116 | 9,521,713 | 541,577 | 6,757,029 | 1,158,562 | 875,302 | 729,705 | 198,571 | 2,122,374 | 43,348,515 | 47,601,259 |

**Contingencies and commitments** (note 11)

## Approved by the Board of Directors

_____ Director _____ Director

The accompanying notes are an integral part of these financial statements.

# Federation of Students, University of Waterloo

Statement of Operations

**For the year ended April 30, 2026**

| | General Fund $ | Dental Plan Fund $ | Health Plan Fund $ | Legal Protection Fund $ | Capital Fund $ | UPass Fund $ | Orientation Fund $ | SRP Fund $ | Publications Fund $ | Societies Fund $ | 2026 $ | 2025 $ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | | | | | |
| Student fees – net of refunds | 7,139,560 | 5,700,818 | 7,475,319 | 894,086 | 81,503 | 7,645,321 | 923,736 | 329,587 | 345,782 | 1,023,616 | 31,559,328 | 29,200,701 |
| Transfers | - | (5,402,568) | (7,394,787) | (868,693) | - | (7,596,903) | - | - | - | - | (21,262,951) | (19,566,590) |
| Net student fees | 7,139,560 | 298,250 | 80,532 | 25,393 | 81,503 | 48,418 | 923,736 | 329,587 | 345,782 | 1,023,616 | 10,296,377 | 9,634,111 |
| Ancillary | 6,934,863 | - | - | - | 142,307 | 79,677 | 68,467 | 329 | 13,658 | 2,144,316 | 9,383,617 | 8,310,043 |
| | 14,074,423 | 298,250 | 80,532 | 25,393 | 223,810 | 128,095 | 992,203 | 329,916 | 359,440 | 3,167,932 | 19,679,994 | 17,944,154 |
| **Expenses** | | | | | | | | | | | | |
| Ancillary (notes 4 and 14) | 2,189,117 | - | - | - | - | - | - | - | - | 1,452,810 | 3,641,927 | 3,039,118 |
| Events and organizations (note 14) | 404,398 | - | - | - | - | - | 269,880 | - | 1,543 | 332,116 | 1,007,937 | 876,389 |
| General and administration (notes 5, 12 and 14) | 10,212,374 | 169,855 | 998,852 | 26,687 | 22,236 | 234,027 | 582,404 | 345,299 | 312,964 | 1,098,030 | 14,002,728 | 12,845,579 |
| | 12,805,889 | 169,855 | 998,852 | 26,687 | 22,236 | 234,027 | 852,284 | 345,299 | 314,507 | 2,882,956 | 18,652,592 | 16,761,086 |
| **Excess of revenue over expenses before other items** | 1,268,534 | 128,395 | (918,320) | (1,294) | 201,574 | (105,932) | 139,919 | (15,383) | 44,933 | 284,976 | 1,027,402 | 1,183,068 |
| **Other income** | | | | | | | | | | | | |
| Change in unrealized gain/loss on investments | 861,940 | - | - | - | 64,802 | - | - | - | - | - | 926,742 | 684,402 |
| **Excess of revenue over expenses** | 2,130,474 | 128,395 | (918,320) | (1,294) | 266,376 | (105,932) | 139,919 | (15,383) | 44,933 | 284,976 | 1,954,144 | 1,867,470 |

The accompanying notes are an integral part of these financial statements.

# Federation of Students, University of Waterloo

Statement of Changes in Net Assets

**For the year ended April 30, 2026**

| | General Fund $ | Dental Plan Fund $ | Health Plan Fund $ | Legal Protection Fund $ | Capital Fund $ | UPass Fund $ | Orientation Fund $ | SRP Fund $ | Publications Fund $ | Societies Fund $ | 2026 $ | 2025 $ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Net assets – Beginning of year** | 7,819,783 | 3,960,286 | 7,136,779 | 171,814 | 365,721 | 420,364 | 390,787 | 729,059 | 102,054 | 1,538,052 | 22,634,699 | 20,767,229 |
| **Excess of revenue over expenses** | 2,130,474 | 128,395 | (918,320) | (1,294) | 266,376 | (105,932) | 139,919 | (15,383) | 44,933 | 284,976 | 1,954,144 | 1,867,470 |
| **Net assets – End of year** | 9,950,257 | 4,088,681 | 6,218,459 | 170,520 | 632,097 | 314,432 | 530,706 | 713,676 | 146,987 | 1,823,028 | 24,588,843 | 22,634,699 |

The accompanying notes are an integral part of these financial statements.

# Federation of Students, University of Waterloo

Statement of Cash Flows

**For the year ended April 30, 2026**

| | General Fund $ | Dental Plan Fund $ | Health Plan Fund $ | Legal Protection Fund $ | Capital Fund $ | UPass Fund $ | Orientation Fund $ | SRP Fund $ | Publications Fund $ | Societies Fund $ | 2026 $ | 2025 $ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Cash provided by (used in)** | | | | | | | | | | | | |
| **Operating activities** | | | | | | | | | | | | |
| Excess of revenue over expenses | 2,130,474 | 128,395 | (918,320) | (1,294) | 266,376 | (105,932) | 139,919 | (15,383) | 44,933 | 284,976 | 1,954,144 | 1,867,470 |
| Adjustments for | | | | | | | | | | | | |
| Amortization | 368,012 | - | - | - | 10,514 | - | - | - | 1,123 | 59,167 | 438,816 | 512,625 |
| Change in unrealized gain/loss on investments | (861,940) | - | - | - | (202,495) | - | - | - | - | - | (1,064,435) | (684,402) |
| | 1,636,546 | 128,395 | (918,320) | (1,294) | 74,395 | (105,932) | 139,919 | (15,383) | 46,056 | 344,143 | 1,328,525 | 1,695,693 |
| Changes in non-cash working capital items | | | | | | | | | | | | |
| Accounts receivable | 142,596 | (16,831) | (34,983) | (2,485) | 87,523 | 22,085 | 92,796 | (563) | (940) | 28,305 | 317,503 | (245,089) |
| Inventory | 25,354 | - | - | - | - | - | - | - | - | 3,572 | 28,926 | (121,851) |
| Prepaid expenses and deposits | 14,782 | - | - | - | - | - | 8,291 | - | 90 | (4,391) | 18,772 | 1,002,994 |
| Interfund payable | - | - | - | - | - | - | - | - | - | - | - | - |
| Fluctuation reserve | - | - | 483,294 | - | - | - | - | - | - | - | 483,294 | (523,582) |
| Accounts payable and accrued liabilities | (85,471) | (2,363,785) | (2,415,145) | (363,086) | (86,058) | (2,416,696) | (14,806) | 11,338 | (23,926) | (11,583) | (7,769,218) | 8,378,532 |
| Deferred revenue | 228,991 | (39,043) | 98,655 | (4,459) | 1,283,523 | - | 26,656 | (77,450) | - | (20) | 1,516,853 | 1,507,515 |
| Due from/to clubs | 73,603 | - | - | - | - | - | - | - | - | (28,126) | 45,477 | (19,873) |
| | 2,036,401 | (2,291,264) | (2,786,499) | (371,324) | 1,359,383 | (2,500,543) | 252,856 | (82,058) | 21,280 | 331,900 | (4,029,868) | 11,674,339 |
| **Investing activities** | | | | | | | | | | | | |
| Proceeds from disposal of capital assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Purchase of capital assets | (351,089) | - | - | - | (1,645) | - | - | - | (5,965) | (50,975) | (409,674) | (1,902,642) |
| Proceeds from sale of investments | (530,600) | - | - | - | - | - | - | - | - | - | (530,600) | (388,272) |
| Purchase of investments | - | - | - | - | (500,000) | - | - | - | - | - | (500,000) | (758,714) |
| | (881,689) | - | - | - | (501,645) | - | - | - | (5,965) | (50,975) | (1,440,274) | (3,049,628) |
| **Change in cash and cash equivalents during the year** | 1,154,712 | (2,291,264) | (2,786,499) | (371,324) | 857,738 | (2,500,543) | 252,856 | (82,058) | 15,315 | 280,925 | (5,470,142) | 8,624,711 |
| **Cash and cash equivalents – Beginning of year** | 3,919,556 | 5,098,397 | 6,209,611 | 902,763 | 2,834,102 | 3,434,282 | 605,557 | 775,504 | 165,181 | 1,354,237 | 25,299,190 | 16,674,479 |
| **Cash and cash equivalents – End of year** | 5,074,268 | 2,807,133 | 3,423,112 | 531,439 | 3,691,840 | 933,739 | 858,413 | 693,446 | 180,496 | 1,635,162 | 19,829,048 | 25,299,190 |

The accompanying notes are an integral part of these financial statements.

## 1 Incorporation and nature of the organization

Federation of Students, University of Waterloo (the Organization) is incorporated under the Ontario Not-for-Profit Corporations Act, 2010, without share capital. The Organization is a registered not-for-profit organization and thus is exempt from income taxes under section 149(1)(e) of the Income Tax Act of Canada (the Act). In order to maintain its status as a registered not-for-profit organization under the Act, the Organization must meet certain requirements within the Act. In the opinion of management, these requirements have been met. The Organization is dedicated to providing services to University of Waterloo (the University) students.

## 2 Significant accounting policies

The financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO) as issued by the Accounting Standards Board in Canada and include the following significant accounting policies.

### Fund accounting

The Organization follows the restricted fund method of accounting for contributions and maintains the following funds: General Fund, Dental Plan Fund, Health Plan Fund, Legal Protection Fund (Legal Fund), Capital Fund, UPass Fund, Orientation Fund, Student Refugee Program Fund (SRP Fund), Student Publications Fund (Publications) and Societies Fund.

The General Fund reports the Organization's unrestricted revenue from the day-to-day operations of the Organization.

The Dental Plan Fund reports the Organization's internally restricted revenue to pay dental insurance premiums on behalf of members. The fund is intended to be used to fund insurance premiums for members covered under the program.

The Health Plan Fund reports the Organization's internally restricted revenue to pay health premiums on behalf of members. The fund is intended to be used to fund insurance premiums for members covered under the program.

The Legal Fund reports the Organization's internally restricted revenue to pay legal premiums on behalf of members. The fund is intended to be used to fund legal coverage for members covered under the program.

The Capital Fund reports the Organization's internally restricted revenue to fund maintenance, deferred maintenance, renewal, capital improvement and future expansions of the Student Life Centre and other student common areas across campus.

The UPass Fund reports the Organization's internally restricted revenue to pay universal bus pass fees on behalf of members. The fund is intended to be used to fund universal bus pass fees for members covered under the program.

The Orientation Fund reports the Organization's internally restricted revenue to pay for costs related to Orientation Week on behalf of members. The fund is intended to be used to fund activities, salaries and operating expenses that pertain to Orientation Week for members covered under the program.

The SRP Fund reports the Organization's internally restricted revenue to pay tuition and student housing fees for refugee students. The fund is intended to be used to assist refugee students in attending the University.

The Student Publications fee reports the Organization's internally restricted revenue to fund the day-to-day operations of student publications on campus.

The Societies Fund reports the Organization's internally restricted revenue to pay the operating expenses of the nine student societies. The fund is intended to be used to provide services to the University students in certain faculties.

**Inventory**

Inventory is valued at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis. Supplies are recorded as an expense in the year of purchase. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

**Capital assets**

Capital purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value on the date of contribution if fair value can be reasonably determined.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives. Amortization commences when the capital assets are available for use in the following periods:

| | |
|---|---|
| Leasehold improvements | 10 years |
| Office equipment | 5 years |
| Furniture | 5 years |
| Technology | 3 years |

**Cash and cash equivalents**

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

**Revenue recognition**

Student fees are recognized as revenue of the appropriate fund. Amounts received for purposes other than specific funds are recognized as revenue of the General Fund. Student fees are included in income when earned, which is over the related school term.

Ancillary revenue is recognized when the services are rendered or products are sold.

Health and dental plan revenue is recognized as revenue over the period in which the fees are earned, which is over the period in which health and dental coverage is provided.

Investment income is recognized as revenue when earned.

**Contributed services**

Student volunteers contribute an undetermined number of hours during the year to assist the Organization in carrying out its service delivery activities. The University also provides a number of services to the Organization at no cost. Because of the difficulty of determining their value, contributed services are not recognized in the financial statements.

**Financial instruments**

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with CPA Canada Handbook Section 3840, Related Party Transactions.

At initial recognition, the Organization may irrevocably elect to measure any financial instrument at fair value. The Organization has not made such an election during the year.

The Organization measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market are measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Organization's performance and those instruments designated at fair value, all other financial assets and liabilities are measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the statement of operations for the current period. Conversely, transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at cost or amortized cost are added to the carrying amount of the financial instrument.

**Financial asset impairment**

At the end of each reporting period, the Organization assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. If there are indicators of impairment, and the Organization determines there has been a significant adverse change in the expected amount or timing of future cash flows, the carrying amount of the asset is reduced to the higher of the expected cash flows expected to be generated by holding the asset, discounted using a current market rate of interest, and the amount that could be realized by selling the asset as at the statement of financial position date.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in operations in the year the reversal occurs.

**Use of estimates**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided when considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of capital assets. Accrued liabilities are based on expected invoices to be received subsequent to the current fiscal period that relate to the current fiscal period.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in operations in the periods in which they become known.

## 3 Cash and cash equivalents

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| Cash | 18,363,490 | 24,293,097 |
| Canadian money market mutual funds | 1,465,558 | 1,006,093 |
| | 19,829,048 | 25,299,190 |

## 4 Inventory

The cost of inventories recognized as an expense and included in ancillary expenses amounts to $3,293,510 (2025 – $3,727,376).

## 5 Capital assets

| | | | 2026 |
|---|---|---|---|
| | Cost<br>$ | Accumulated amortization<br>$ | Net<br>$ |
| Furniture and fixtures | 257,493 | (185,949) | 71,544 |
| Equipment | 1,624,797 | (1,018,218) | 606,579 |
| Technology | 1,821,013 | (1,624,809) | 196,204 |
| Leasehold improvements | 3,840,691 | (2,156,240) | 1,684,451 |
| | 7,543,994 | (4,985,216) | 2,558,778 |

| | 2025 | | |
|---|---|---|---|
| | Cost<br>$ | Accumulated amortization<br>$ | Net<br>$ |
| Furniture and fixtures | 257,168 | (181,167) | 76,001 |
| Equipment | 1,476,518 | (857,103) | 619,415 |
| Technology | 1,642,928 | (1,542,053) | 100,875 |
| Leasehold improvements | 3,757,705 | (1,966,077) | 1,791,628 |
| | 7,134,319 | (4,546,400) | 2,587,919 |

Amortization of $438,816 (2025 – $512,625) is recognized in general and administration expenses.

## 6 Investments

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | Book value<br>$ | Fair value<br>$ | Book value<br>$ | Fair value<br>$ |
| Guaranteed investment certificates | 6,737,569 | 6,737,569 | 6,600,098 | 6,600,098 |
| Canadian equity mutual funds | 4,891,949 | 6,264,003 | 4,078,839 | 5,297,175 |
| Foreign equity mutual funds | 3,152,380 | 4,871,907 | 2,962,728 | 3,952,674 |
| Foreign fixed income mutual funds | 1,145,015 | 1,256,435 | 1,116,943 | 1,184,932 |
| | 15,926,913 | 19,129,914 | 14,758,608 | 17,034,879 |

## 7 Fluctuation reserve

The Organization's health plan is underwritten on a refund accounting basis. A Claims Fluctuation Reserve (CFR), which is currently prescribed at 10% of premiums, is held in trust by the Organization to offset future adverse claims fluctuations. Funds held in a CFR are the property of the Organization but the insurer has first call on these funds in the event of a plan year deficit.

## 8 Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances payable of $437 (2025 – $804).

## 9 Related party balances and transactions

The University has an economic interest in the Organization. The University collects the student fees on behalf of the Organization and holds the liquor licence for the bar operations of the Organization.

The University provides a number of services to the Organization at the University's cost. These services include space cost for all businesses, janitorial services, utilities and repairs and maintenance services for the businesses, telephone and voicemail system and orders of alcohol for bar operations.

The University also provides a number of services to the Organization at no cost. These include janitorial services, utilities and repairs and maintenance services for the general office, human resource department services, payroll processing and insurance on the buildings.

International News (Flock stop), Dispensary and Chaska are linked to the Watcard System of the University that allows Watcards to be used at all these locations. The Organization pays a user fee to the University of 8% of the purchases at Flock Stop, Dispensary and Chaska locations. The University does not charge any user fees at turnkey location activities.

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| Amount due to University of Waterloo, non-interest bearing, unsecured, with no set repayment terms | 1,572,476 | 1,225,968 |

The amount due is included in accounts payable and accrued liabilities.

## 10 Deferred revenue

Deferred revenue includes fees and other income collected relating to the next fiscal year.

## 11 Contingencies and commitments

The Organization is subject to various legal actions and proceedings arising in the normal course of business. At this time, the outcome of these matters and any potential financial impact are indeterminable. Management is unable to reasonably estimate the likelihood or amount of any potential loss, if any, related to these claims and no provision has been recorded in the financial statements.

The Organization maintains insurance coverage that it believes is adequate to mitigate any significant financial exposure arising from these litigation matters. However, there can be no assurance that such insurance coverage will be sufficient to cover any liabilities that may arise.

### Student clubs

There are a number of student clubs that operate for the benefit of specific university student groups. The Organization has custody of the clubs' cash balances for the purposes of paying club expenditures. If a club's expenditures were to exceed the amount of cash payable to the club, the Organization would be liable for the shortfall.

## 12 Pension plan

Employees of the Organization are members of the University of Waterloo Defined Benefit Pension Plan (the Plan), a plan in which the University permits the Organization to participate. As at April 30, 2026, 55 (2025 – 55) employees were enrolled in the Plan. The Plan was not fully funded as at April 30, 2026, and any unfunded liability is the responsibility of the plan sponsor, the University. Any payments made by the Organization towards the unfunded liability of the plan sponsor will be expensed as incurred. Contributions to the Plan made by the Organization during the year, on behalf of its employees, amounted to $422,844 (2025 – $393,529) and are included in general and administration expenses.

## 13 Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

### Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

Interest rate exposure of the Organization arises from its interest-bearing assets. The Organization has no interest-bearing liabilities.

The Organization's cash and cash equivalents include amounts on deposit with financial institutions that earn interest at market rates.

The Organization manages its exposure to the interest rate risk of its cash and cash equivalents by maximizing the interest income earned on excess funds while maintaining the minimum liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest on cash and cash equivalents do not have a significant impact on the Organization's results of operations.

Investments in equity securities are not exposed to significant interest rate risk.

### Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they come due. Liquidity risk also includes the risk of the Organization not being able to liquidate assets in a timely manner at a reasonable price.

The Organization meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations and anticipated investing and financing activities and holding assets that can be readily converted into cash.

**Other price risk**

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk).

The Organization is exposed to equity securities price risk because of its investment in equity index pooled funds.

## 14 Comparative figures

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

The Organization chose to reclassify the presentation of certain expenses, which had the impact of reducing ancillary expenses by $5,187, reducing events and organization expenses by $120,758 and increasing general and administration expenses by $125,945.