Financial Statements of

UNIVERSITY OF SASKATCHEWAN STUDENTS' UNION

And Independent Auditor's Report thereon

Year ended April 30, 2026

KPMG LLP
500, 475 - 2nd Avenue South
Saskatoon, Saskatchewan S7K 1P4
Canada
Telephone (306) 934 6200
Fax (306) 934 6233

INDEPENDENT AUDITOR'S REPORT

To the Members of University of Saskatchewan Students' Union

Opinion

We have audited the financial statements of University of Saskatchewan Students' Union (the Entity), which comprise:

- the statement of financial position as at April 30, 2026
- the statement of operations for the year then ended
- the statement of net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at April 30, 2026 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.

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 auditor's report.

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- 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.

KPMG LLP

Chartered Professional Accountants

Saskatoon, Canada

September 25, 2026

UNIVERSITY OF SASKATCHEWAN STUDENTS' UNION

Statement of Financial Position

April 30, 2026, with comparative information for 2025

	2026	2025
Assets		
Current assets:		
Cash and cash equivalents	$ 616,041	$ 626,259
Accounts receivable	149,168	113,146
Inventories (note 2)	141,066	130,239
Prepaid expenses	23,288	3,398
Investments (note 3)	14,835,053	12,839,225
Due from University of Saskatchewan	230,420	152,075
	15,995,036	13,864,342
Property and equipment (note 4)	14,082,417	14,759,326
	$ 30,077,453	$ 28,623,668
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	$ 1,240,278	$ 880,707
Deferred revenue	61,023	73,779
Current portion of long-term debt (note 6)	567,235	531,125
	1,868,536	1,485,611
Long-term debt (note 6)	12,296,688	12,863,923
Deferred capital contributions (note 7)	14,395,008	13,773,647
	28,560,232	28,123,181
Net assets	1,517,221	500,487
	$ 30,077,453	$ 28,623,668

See accompanying notes to financial statements.

On behalf of the Board:

_____ Director

_____ Director

UNIVERSITY OF SASKATCHEWAN STUDENTS' UNION

Statement of Operations

Year ended April 30, 2026, with comparative information for 2025

	2026	2025
Revenue:		
Student fees	$ 2,197,114	$ 2,081,196
Sales	1,906,406	1,872,300
Amortization of deferred capital contributions (note 7)	1,449,315	1,514,616
Facilities	945,798	943,137
Investment income	675,408	275,984
Marketing and media	69,580	74,353
Student services	62,004	54,571
Entertainment	39,207	25,625
Ratification revenue	10,965	7,978
Other revenue	11,331	7,244
	7,367,128	6,857,004
Expenses:		
Business operations	1,967,918	1,881,175
Administrative	1,075,411	1,062,642
Building maintenance	1,246,576	1,084,584
Amortization	756,369	791,582
Financing costs	708,079	665,023
Student governance	275,627	277,614
Student services	264,987	239,118
Marketing and media	24,953	23,770
Entertainment	30,803	22,386
	6,350,723	6,047,894
Excess of revenue over expenses before the undernoted item	1,016,405	809,110
Other income (expense):		
Gain (loss) on disposal of property and equipment	329	(197)
Excess of revenue over expenses	$ 1,016,734	$ 808,913

See accompanying notes to financial statements.

UNIVERSITY OF SASKATCHEWAN STUDENTS' UNION

Statement of Net Assets

Year ended April 30, 2026, with comparative information for 2025

		2026		2025
Retained earnings (deficit), beginning of year	$	500,487	$	(308,426)
Excess of revenue over expenses		1,016,734		808,913
Net assets (deficit), end of year	$	1,517,221	$	500,487

See accompanying notes to financial statements.

UNIVERSITY OF SASKATCHEWAN STUDENTS' UNION

Statement of Cash Flows

Year ended April 30, 2026, with comparative information for 2025

	2026	2025
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	$ 1,016,734	$ 808,913
Items not involving cash:		
Amortization of deferred capital contributions	(1,449,315)	(1,514,616)
Amortization	756,369	791,582
Fair value adjustments on investments	(309,172)	(14,108)
Loss on disposal of property and equipment	(329)	197
	14,287	71,968
Changes in non-cash operating working capital:		
Accounts receivable	(36,022)	20,788
Inventories	(10,827)	3,631
Prepaid expenses	(19,890)	33,010
Due from University of Saskatchewan	(78,345)	(118,424)
Accounts payable and accrued liabilities	359,571	(2,255,415)
Deferred revenue	(12,756)	34,578
	216,018	(2,209,864)
Financing:		
Repayment of long-term debt	(531,125)	(499,547)
Deferred capital infrastructure fees	2,070,676	2,081,269
	1,539,551	1,581,722
Investing:		
Proceeds on disposal of investments	6,824,235	12,434,604
Purchase of investments	(8,510,891)	(11,768,055)
Purchase of property and equipment	(79,486)	(153,844)
Proceeds on disposal of property and equipment	355	345
	(1,765,787)	513,050
(Decrease) in cash and cash equivalents	(10,218)	(115,092)
Cash and cash equivalents, beginning of year	626,259	741,351
Cash and cash equivalents, end of year	$ 616,041	$ 626,259

See accompanying notes to financial statements.

Nature of operations:

University of Saskatchewan Students' Union ("USSU") is responsible for the governing of undergraduate student affairs at the University of Saskatchewan. The USSU is a dynamic and progressive organization committed to meeting the academic and non-academic needs of undergraduate students through advocacy and services. It strives to lead consultatively and ethically while bolstering the image of the students and the University of Saskatchewan.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations using the deferral method of accounting for contributions. The Organization's significant accounting policies are as follows:

(a) 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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant items subject to such estimates and assumptions include carrying amounts and estimated useful life of property and equipment, and related deferred capital contributions. Actual results could differ from those estimates.

(b) Cash and cash equivalents:

Cash consists of balances with financial institutions which have an initial term to maturity of three months or less.

(c) Inventories:

Inventories are valued at the lower of cost and net realizable value on a first-in, first out basis.

(d) Property and equipment:

Property and equipment are stated at cost, less accumulated amortization. Amortization is provided using the declining balance method and following annual rates:

Asset	Rate
Leasehold improvements	4-20%
Equipment	15-55%
Furniture and fixtures	5-30%

1. Significant accounting policies (continued):

(e) Revenue recognition:

Sales, entertainment, facilities, student services, ratification, marketing and media and other revenue is recorded in the statement of operations when the services have been provided or the products have been sold and the related amounts have been received or become receivable.

Student fees are recognized as revenue over the academic term for which services are delivered.

(f) Deferred revenue:

Deferred revenue relates to funds received which relate to the next fiscal year.

(g) Deferred capital contributions:

Deferred capital contributions are comprised of:

- funds received from capital grants which are deferred and amortized to revenue in the statement of operations on the same basis that the related property and equipment is amortized.

- funds received from infrastructure fees which are deferred and amortized to revenue in the statement of operations on the following basis:

  - portion of fees designated for paying down the mortgage for the Place Riel addition: amortized to revenue based on principal and interest paid or payable on long-term debt.

  - portion of fees approved and designated for capital projects: amortized to revenue based on the same basis that the related property and equipment is amortized.

(h) Contributed materials and services:

The USSU pays a nominal fee to the University of Saskatchewan under the terms of a Head Lease and Master Operating Agreement for the rental of certain facilities. The fair value of this contribution is not included in these financial statements.

1. Significant accounting policies (continued):

(i) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Investments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at amortized cost.

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. These costs 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, USSU 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 USSU 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 impairment charge.

USSU utilizes an interest rate swap to convert floating rate financial liabilities to fixed rates. To meet the criteria for hedge accounting, USSU documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions.

2. Inventories:

	2026	2025
Louis'; food and beverage	$ 101,290	$ 94,538
XL Print & Design; supplies	38,296	34,617
Promotional merchandise	1,480	1,084
	$ 141,066	$ 130,239

3. Investments:

	2026	2025
Term deposits, at amortized cost	$ 12,409,650	$ 10,192,445
Mutual funds, at fair value	2,255,577	2,514,357
Equity funds, at fair value	169,826	132,423
	$ 14,835,053	$ 12,839,225

4. Property and equipment:

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Leasehold improvements	$ 29,264,348	$ 15,552,605	$ 13,711,743	$ 14,350,476
Equipment	2,487,136	2,253,430	233,706	268,998
Furniture and fixtures	756,008	619,040	136,968	139,852
	$ 32,507,492	$ 18,425,075	$ 14,082,417	$ 14,759,326

5. Accounts payable and accrued liabilities:

As of April 30, 2026, USSU had outstanding government remittances consisting of GST, PST and liquor tax payable of $18,006 (2025 - $16,971).

6. Long-term debt:

	2026	2025
Toronto-Dominion and First Nations Bank of Canada - term facility repayable in monthly installments ranging from $64,500 to $76,700 with interest at 5.385% and due on June 1, 2040. Secured by a general security agreement.	$ 8,450,000	$ 8,799,000
Toronto-Dominion and First Nations Bank of Canada - term facility repayable in monthly installments ranging from $33,400 to $37,500 with interest at 5.32% and due on January 1, 2041. Secured by a general security agreement.	4,413,923	4,596,048
	12,863,923	13,395,048
Less current portion	567,235	531,125
	$ 12,296,688	$ 12,863,923

The USSU has an interest rate swap agreement in place with TD Securities with terms that match the long-term credit facilities. The interest rate swap fixed the interest rates at the rates described above. Interest on long-term debt during the year was $708,079 (2025 - $665,023). Principal repayments required on the term loans in each of the next five years and thereafter are estimated as follows:

2027	$ 567,235
2028	598,025
2029	645,141
2030	687,315
2031	730,741
Thereafter	9,635,466
	$ 12,863,923

The University of Saskatchewan has guaranteed these loans.

7. Deferred capital contributions:

Deferred Capital Contributions from Capital Grants	2026	2025
Balance, beginning of year	$ 1,503,839	$ 1,732,658
Amortization	(78,705)	(228,819)
Balance, end of year	$ 1,425,134	$ 1,503,839

Deferred Contributions Related to Infrastructure Fees	2026	2025
Balance, beginning of year	12,269,808	11,474,336
Amortization	(1,370,610)	(1,285,797)
Infrastructure fees	2,070,676	2,081,269
Balance, end of year	$ 12,969,874	$ 12,269,808
	$ 14,395,008	$ 13,773,647

8. Financial instruments and risk management:

The USSU, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments:

(a) Credit risk:

The USSU's principal financial assets are cash and cash equivalents, accounts receivable, and investments, which are subject to credit risk. The carrying amount of these financial assets on the statement of financial position represent the USSU's maximum credit exposure at April 30, 2026.

The USSU is exposed to credit risk from the potential non-payment of accounts receivable. This credit risk is considered minimal given the USSU's collection history. The credit risk on investments is minimized by investing in short-term interest bearing instruments issued by financial institutions with strong credit ratings. The credit risk on cash and cash equivalents is minimized because the USSU deals with financial institutions that have strong credit ratings. There has been no change to risk exposure from 2025.

(b) Interest rate risk:

USSU's exposure to interest rate risk arises primarily from long-term debt. Interest rates have been fixed through a long-term interest rate swap agreement to mitigate cash flow exposure to fluctuation in interest rates.

The interest-bearing investments have limited exposure to interest rate risk due to their short-term maturity. There has been no change to risk exposure from 2025.

(c) Fair values:

The carrying value of cash and cash equivalents, accounts receivable, due from University of Saskatchewan, accounts payable and accrued liabilities approximate fair value due to the relatively short periods to maturity of these instruments or because they are receivable or payable on demand.

The fair value of long-term debt, adjusted for the interest rate swap was $13,933,175 (2025 - $15,102,701) at April 30, 2025.

The carrying value of investments carried at amortized cost approximates their fair value.