

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

FINANCIAL STATEMENTS

MAY 31, 1991



AUDITORS' REPORT

To the Members of
The Students' Society of McGill University

We have audited the balance sheets of the operating fund, the debt repayment fund, the capital expenditures reserve fund and Awards of Distinction fund of The Students' Society of McGill University as at May 31, 1991 and the statements of revenue and expenses and surplus of the operating fund, changes in the deficit of the debt repayment fund, changes in the reserve fund for capital expenditures and changes in the reserve fund for Awards of Distinction for the year then ended. These financial statements are the responsibility of the Students' Society Council. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Students' Society Council, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at May 31, 1991 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Samson Bélair
Deloitte & Touche
Chartered Accountants

September 25, 1991

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY
OPERATING FUND
STATEMENT OF REVENUE AND EXPENSES AND SURPLUS
year ended May 31, 1991

	1 9 9 1 (12 months)	1 9 9 0 (13 months)
Revenue		
Students' fees	\$ 895,006	\$ 892,525
Sadie's tabagie	578,721	638,470
Food and beverage operations	406,888	324,328
Students' contributions for debt repayment (Note 1)	135,426	134,657
University Centre building operations	45,258	46,143
Miscellaneous	<u>(1,529)</u>	<u>1,381</u>
	<u>2,059,770</u>	<u>2,037,504</u>
Expenses		
Sadie's tabagie	610,604	654,413
Food and beverage operations	171,450	160,902
University Centre Building operations, net of revenues of \$45,257 (\$46,143 in 1990)	420,815	430,921
General office and administrative	452,577	445,185
Council services	190,496	160,966
Society activities and services, net of revenues of \$249,041 (\$231,133 in 1990)	191,715	138,050
Functional groups, net of revenues of \$88,615 (\$109,720 in 1990)	57,563	26,816
Interest groups, net of revenues of \$58,066 (\$52,700 in 1990)	13,768	23,446
Special projects	<u>29,310</u>	<u>10,752</u>
	<u>2,138,298</u>	<u>2,051,451</u>
Excess of expenses over revenue for the year	(78,528)	(13,947)
Transfer from capital expenditures reserve fund	162,756	148,604
Transfer of students' contributions to debt repayment fund	<u>(84,228)</u>	<u>(134,657)</u>
Accumulated surplus, end of year	\$ <u>-</u>	\$ <u>-</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY
OPERATING FUND
BALANCE SHEET
as at May 31, 1991

	1 9 9 1	1 9 9 0
CURRENT ASSETS		
Cash	\$ 23,036	\$ 7,336
Accounts receivable	45,479	150,987
Inventories	58,712	58,465
Prepaid expense	34,269	6,185
Due from capital expenditures reserve fund	<u>740,581</u>	<u>210,187</u>
	<u>\$ 602,077</u>	<u>\$ 433,160</u>
CURRENT LIABILITIES		
Accounts payable		
McGill University	\$ 504,953	\$ 302,902
Other	97,124	129,458
Due to debt repayment fund	<u>-</u>	<u>800</u>
	<u>\$ 602,077</u>	<u>\$ 433,160</u>

APPROVED ON BEHALF OF THE SOCIETY

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THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY
DEBT REPAYMENT FUND
BALANCE SHEET
as at May 31, 1991

	1 9 9 1	1 9 9 0
ASSETS		
Due from operating fund	\$ -	\$ 800
Fixed assets (Note 2)	<u>-</u>	<u>31,945</u>
	<u>\$ -</u>	<u>\$ 32,745</u>
LIABILITY AND DEFICIT		
Loan payable to McGill University	\$ -	\$ 85,028
Deficit	<u>-</u>	<u>(52,283)</u>
	<u>\$ -</u>	<u>\$ 32,745</u>

STATEMENT OF CHANGES IN THE DEFICIT
year ended May 31, 1991

	1 9 9 1 (12 months)	1 9 9 0 (13 months)
Deficit, beginning of year	\$ 52,283	\$ 136,320
Add		
Write-off of fixed assets	<u>31,945</u>	<u>50,620</u>
	84,228	186,940
Deduct		
Transfer from operating fund of students' contributions for debt repayment	<u>84,228</u>	<u>134,657</u>
Deficit, end of year	<u>\$ -</u>	<u>\$ 52,283</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY
CAPITAL EXPENDITURES RESERVE FUND
BALANCE SHEET
as at May 31, 1991

	1 9 9 1	1 9 9 0
ASSETS		
Investments (market value 1991 - \$519,162; 1990 - \$477,398)	\$ 511,474	\$ 471,906
Fixed assets (Note 3)	<u>360,013</u>	<u>353,910</u>
	<u>\$ 871,487</u>	<u>\$ 825,816</u>
LIABILITY AND CAPITAL		
Due to operating fund	→ \$ 440,581	\$ 210,187
Reserve fund for capital expenditures	<u>430,906</u>	<u>615,629</u>
	<u>\$ 871,487</u>	<u>\$ 825,816</u>

STATEMENT OF CHANGES IN THE RESERVE FUND FOR CAPITAL EXPENDITURES
year ended May 31, 1991

	1 9 9 1 (12 months)	1 9 9 0 (13 months)
Balance of fund, beginning of year	\$ 615,629	\$ 794,241
Add		
Interest revenue	<u>37,075</u>	<u>43,931</u>
	652,704	838,172
Deduct		
Transfer to operating fund	162,756	148,604
Depreciation of fixed assets	<u>59,042</u>	<u>73,939</u>
Balance of fund, end of year	<u>\$ 430,906</u>	<u>\$ 615,629</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY
AWARDS OF DISTINCTION FUND
BALANCE SHEET
as at May 31, 1991

	1 9 9 1	1 9 9 0
ASSETS		
Investments (market value 1991 - \$106,740; 1990 - Nil)	\$ <u>108,185</u>	\$ <u>-</u>
CAPITAL		
Reserve fund for Awards of Distinction	\$ <u>108,185</u>	\$ <u>-</u>

STATEMENT OF CHANGES IN THE RESERVE FUND FOR
AWARDS OF DISTINCTION
year ended May 31, 1991

	1 9 9 1 (12 months)	1 9 9 0 (13 months)
Balance of fund, beginning of year	\$ -	\$ -
Add		
Contributions	100,000	-
Interest revenue	<u>8,185</u>	<u>-</u>
Balance of fund, end of year	\$ <u>108,185</u>	\$ <u>-</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
year ended May 31, 1991

1. SIGNIFICANT ACCOUNTING POLICIES

a. Fund accounting

The Society accounts for each fund separately. The purpose of each fund is as follows:

Operating fund

The resources available are used for the general operations of the Society.

Debt repayment fund

This fund was established to facilitate the repayment of the debt owed to McGill University as of May 31, 1985. Accordingly, the amount of the debt outstanding to McGill University as of May 31, 1985, and the portion of fixed assets and accumulated deficit represented by such debt, were transferred to the debt repayment fund as of June 1, 1985. Debt repayment was made from a special fee per semester which was collected from all members of the Society from January 1986 to May 1991. The fixed assets transferred to the debt repayment fund were written off to the deficit of the fund at a rate corresponding to the debt repayment.

Capital expenditures reserve fund

This fund was established on June 1, 1985 for the purpose of defraying the cost of certain significant capital expenditures. The capital of this fund is derived from transfers made from the operating fund as deemed necessary to ensure the maintenance of an appropriate fixed asset base.

The maximum expenditure in any given fiscal year will not exceed 30% of the current fiscal year's beginning balance in the capital expenditures reserve fund.

Significant capital expenditures made by the capital expenditures reserve fund are recorded at cost less accumulated depreciation. Depreciation is calculated based on the estimated useful lives of the assets and computed on a straight-line basis using the following rates:

Building improvements	10%
Equipment	20%
Furniture and fixtures	20%

Other capital expenditures are fully depreciated in the year of acquisition.

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
year ended May 31, 1991

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Awards of Distinction fund

This fund was established on June 1, 1990 for the purpose of generating income to provide for the Students' Society Awards of Distinction.

b. Investments are carried at cost. Investment income is accounted for on an accrual basis.

c. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method.

2. FIXED ASSETS - DEBT REPAYMENT FUND

Fixed assets in the debt repayment fund comprise the following:

			1991	1990
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	
Equipment - debt repayment fund	\$ 705,350	\$ 705,350	\$ -	\$ 31,945

3. FIXED ASSETS - CAPITAL EXPENDITURES RESERVE FUND

Fixed assets in the capital expenditures reserve fund comprise the following:

			1991	1990
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	
Building improvements	\$ 286,634	\$ 53,612	\$ 233,022	\$ 235,686
Equipment	99,351	35,905	63,446	75,919
Furniture and fixtures	88,232	24,687	63,545	42,305
Other	<u>18,776</u>	<u>18,776</u>	<u>-</u>	<u>-</u>
	\$ 492,993	\$ 132,980	\$ 360,013	\$ 353,910

4. FOOD AND BEVERAGE OPERATIONS

Starting June 1, 1990, the food and beverage services have been managed by Capital Food Services Ltd. (Scott's).

Under the terms of the agreement terminating May 31, 1995, the Society is entitled to receive the following consideration by way of monthly instalments:

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
year ended May 31, 1991

4. FOOD AND BEVERAGE OPERATIONS (continued)

For the year ending:

May 31, 1991, the greater of \$400,000 or 12.5% of gross sales
May 31, 1992, the greater of \$440,000 or 12.5% of gross sales
May 31, 1993, the greater of \$475,000 or 12.5% of gross sales
May 31, 1994, the greater of \$500,000 or 12.5% of gross sales
May 31, 1995, the greater of \$525,000 or 12.5% of gross sales

Either the Society, or Capital Food Services Ltd., may terminate the agreement at any time during the term of the agreement or any renewed term by giving ninety days' written notice.

The Society is committed to pay rental fees of 11% of gross sales to the various faculty undergraduate societies and several university departments where food services are provided through Capital Food Services Ltd. In addition, the Society is committed to establish a restricted capital reserve fund (calculated at 0.5% of annual gross sales) for the sole purpose of financing the purchase and/or replacement of furnishings and equipment required at these locations.

5. HEAT, ELECTRICITY AND AIR CONDITIONING EXPENSE

The heat, electricity and air conditioning expense of \$279,900 for the University Centre has been paid by McGill University (1990 - \$297,040).

6. STATEMENT OF CHANGES IN FINANCIAL POSITION

A statement of changes in financial position has not been presented as it would not provide additional meaningful information.

7. COMPARATIVE FIGURES

Certain 1990 figures have been modified in order to conform with the presentation adopted in 1991.

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY
SUPPLEMENTARY INFORMATION RELATED TO THE OPERATING FUND
May 31, 1991



**AUDITORS' REPORT
SUPPLEMENTARY INFORMATION RELATED TO THE OPERATING FUND**

Our examination of the financial statements of The Students' Society of McGill University for the year ended May 31, 1991 was made primarily in order to express an opinion on the basic financial statements as a whole. The supplementary information related to the operating fund which is contained in the accompanying schedules is drawn principally from accounting records and other documents of the Society. In our opinion, this information is not necessary for a fair presentation of the financial position of the Society and the results of its operations and the changes in its financial position. We have not carried out sufficient tests and other audit procedures in connection with this information to be able to express an opinion on the fairness of each item contained in these schedules and, consequently, do not express an opinion on this supplementary information.

Samson Bélair
Deloitte & Touche
Chartered Accountants

September 25, 1991

Schedule 1

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY
STATEMENT OF FOOD AND BEVERAGE OPERATIONS
year ended May 31, 1991
(Unaudited)

	1 9 9 1 (12 months)	1 9 9 0 (13 months)
Revenue		
Contribution received on food and beverage operations (Note 4)	\$ 406,888	\$ 322,981
Other revenue	<u>-</u>	<u>1,347</u>
	<u>406,888</u>	<u>324,328</u>
Expenses		
Rental fees - vending agreements (Note 4)	143,787	123,497
Food and beverage consulting report	-	20,350
Salaries	5,937	-
Other	<u>21,726</u>	<u>17,055</u>
	<u>171,450</u>	<u>160,902</u>
Excess of revenue over expenses	\$ <u>235,438</u>	\$ <u>163,426</u>

Schedule 2

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY
STATEMENT OF SADIE'S TABAGIE OPERATIONS
year ended May 31, 1991
(Unaudited)

	University Centre		McConnell Engineering		Chancellor Day		Total	
	1991	1990	1991	1990	1991	1990	1991	1990
	(12 months)	(13 months)	(12 months)	(13 months)	(12 months)	(13 months)	(12 months)	(13 months)
Revenue								
Sales								
Metro tickets and stamps	\$ 59,843	\$ 54,036	\$ 17,409	\$ 13,015	\$ 2,662	\$ 2,486	\$ 79,914	\$ 69,537
Debit cards	137,273	127,502	30,024	38,177	4,332	5,259	171,629	170,938
Confectionery	75,122	86,080	23,502	23,696	3,091	5,590	101,715	115,366
Tobacco products	91,653	100,860	22,237	18,940	3,966	2,378	117,856	122,178
Calculators	15,652	36,020	75	7,362	-	-	15,727	43,382
Miscellaneous	<u>73,316</u>	<u>83,983</u>	<u>13,542</u>	<u>25,273</u>	<u>5,022</u>	<u>7,813</u>	<u>91,800</u>	<u>117,069</u>
	<u>452,859</u>	<u>488,481</u>	<u>106,789</u>	<u>126,463</u>	<u>19,073</u>	<u>23,526</u>	<u>578,721</u>	<u>638,470</u>
Cost of sales								
Metro tickets and stamps	55,849	52,144	16,274	12,560	2,490	2,401	74,613	67,105
Debit cards	127,609	118,577	27,922	35,504	4,029	4,926	159,560	159,007
Confectionery	60,728	72,225	19,235	20,251	2,537	4,745	82,500	97,221
Tobacco products	78,334	85,732	19,091	16,479	3,393	2,069	100,818	104,280
Calculators	13,492	30,976	63	6,331	-	-	13,555	37,307
Miscellaneous	<u>56,175</u>	<u>71,295</u>	<u>10,600</u>	<u>21,444</u>	<u>3,986</u>	<u>6,327</u>	<u>70,761</u>	<u>99,066</u>
	<u>392,187</u>	<u>430,949</u>	<u>93,185</u>	<u>112,569</u>	<u>16,435</u>	<u>20,468</u>	<u>501,807</u>	<u>563,986</u>
Gross profit	<u>60,672</u>	<u>57,532</u>	<u>13,604</u>	<u>13,894</u>	<u>2,638</u>	<u>3,058</u>	<u>76,914</u>	<u>74,484</u>
Expenses								
Material and supplies	3,888	3,729	53	9	-	-	3,941	3,738
Postage and miscellaneous	2,526	1,827	1,099	709	258	635	3,883	3,171
Advertising	1,894	2,823	593	-	-	-	2,487	2,823
Salaries	19,707	26,647	8,445	1,913	-	-	28,152	28,560
Casual wages	38,397	29,947	10,494	10,305	2,934	3,366	51,825	43,618
Fringe benefits	5,616	5,659	2,144	1,272	98	139	7,858	7,070
New equipment	<u>8,251</u>	<u>897</u>	<u>2,400</u>	<u>425</u>	<u>-</u>	<u>125</u>	<u>10,651</u>	<u>1,447</u>
	<u>80,279</u>	<u>71,529</u>	<u>25,228</u>	<u>14,633</u>	<u>3,290</u>	<u>4,265</u>	<u>108,797</u>	<u>90,427</u>
Excess of expenses over revenue	\$ (19,607)	\$ (13,997)	\$ (11,624)	\$ (739)	\$ (652)	\$ (1,207)	\$ (31,883)	\$ (15,943)

Schedule 3

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY
STATEMENT OF UNIVERSITY CENTRE BUILDING OPERATIONS
year ended May 31, 1991
(Unaudited)

	1 9 9 1 (12 months)	1 9 9 0 (13 months)
Revenue		
Parking revenue	\$ 9,250	\$ 18,504
Room rentals	<u>36,008</u>	<u>27,639</u>
	<u>45,258</u>	<u>46,143</u>
Expenses		
Salaries and wages	206,275	218,079
Cleaning and security	112,033	104,554
Repairs and alterations	48,456	42,592
Materials and supplies	41,286	44,641
Stationery and postage	95	2,087
Telephone	2,417	2,008
Miscellaneous	2,953	9,020
New equipment	<u>7,300</u>	<u>7,940</u>
	<u>420,815</u>	<u>430,921</u>
Excess of expenses over revenue	\$ <u>375,557</u>	\$ <u>384,778</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY
 STATEMENT OF GENERAL OFFICE AND ADMINISTRATIVE EXPENSES
 year ended May 31, 1991
 (Unaudited)

	1 9 9 1 (12 months)	1 9 9 0 (13 months)
Salaries and benefits	\$ 297,335	\$ 271,010
Casual wages	46,425	55,995
Postage, stationery and printing	3,706	9,742
Telephone and telegraph	18,056	11,422
Legal and audit fees	46,702	47,338
Supplies	9,132	7,141
Advertising	90	434
Insurance	12,429	10,372
Computer charges	10,330	9,500
Miscellaneous	<u>8,372</u>	<u>22,231</u>
	<u>\$ 452,577</u>	<u>\$ 445,185</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY
STATEMENT OF COUNCIL SERVICES EXPENSES
year ended May 31, 1991
(Unaudited)

	1 9 9 1 (12 months)	1 9 9 0 (13 months)
Council and Committees	\$ 72,683	\$ 72,189
Communications	21,182	23,139
Elections	24,337	29,176
External Affairs - General	47,667	23,086
External Affairs - South Africa Committee	1,222	2,244
Internal Affairs - General	10,247	4,802
University Affairs	<u>13,158</u>	<u>6,330</u>
	\$ <u>190,496</u>	\$ <u>160,966</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY
STATEMENT OF SOCIETY ACTIVITIES AND SERVICES EXPENSES (NET)
year ended May 31, 1991
(Unaudited)

	1 9 9 1 (12 months)	1 9 9 0 (13 months)
Activities Night	\$ 1,407	\$ 2,034
Advertising Office	5,382	1,340
Blood Donor Clinic	9,629	3,641
Educational Programming	4,590	556
→ Friends of First Nation	737	-
Group Leader Program	1,737	1,065
McGill Annual	2,911	15,862
Multicultural Society Fiesta	17,030	9,646
Network - Alternative Programming	12,317	5,361
Network - Concerts and Events	31,519	11,275
Network - General	1,323	5,976
Network - Volunteers	392	1,023
Network - Speakers	3	9,731
Network - Performing Arts	-	6,783
Network - Winter Carnival	21,278	21,066
Red Herring	8,546	5,327
Social Awareness Projects	12,262	-
Student Directory	27	485
Student Handbook	8,809	12,004
Student Security	7,531	4,153
Tribune Newspaper	32,474	836
User's Guide	-	520
Welcome Week	12,690	19,263
Second Hand Text Book Sale	(879)	103
	<u>\$ 191,715</u>	<u>\$ 138,050</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY
STATEMENT OF FUNCTIONAL GROUPS EXPENSES (NET)
year ended May 31, 1991
(Unaudited)

	1 9 9 1 (12 months)	1 9 9 0 (13 months)
James McGill Production	\$ 1,854	\$ 6,499
Choral Society	4,429	1,590
Debating Union Society	9,405	6,090
Film Society	10,330	4,607
International Relations Society	8,421	2,225
McGill Volunteer Bureau	64	858
Multicultural Society	8,670	2,649
Players' Club	3,249	(8,800)
Savoy Society	8,258	6,124
Women's Union	<u>2,883</u>	<u>4,974</u>
	\$ <u>57,563</u>	\$ <u>26,816</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY
STATEMENT OF INTEREST GROUPS EXPENSES (NET)
year ended May 31, 1991
(Unaudited)

	1 9 9 1 (12 months)	1 9 9 0 (13 months)
Access McGill	\$ 573	\$ 830
Amnesty International	117	954
Arab Students' Association	428	2,710
Armenian Club	488	1,045
Black Students' Network	2,363	1,368
Caribbean Students' Association	(81)	1,751
Spanish & Latin American Student Association	716	178
Latin America Group	586	612
Chess Association	-	99
Students for Global Responsibility	106	500
Folk Music Society	477	401
Foster Parents' Association	320	888
Galom	1,433	220
Go Club	-	86
Hellenic Club	608	195
Islamic Culture Network	722	405
Iranian Students' Association	636	715
Literacy Council	(1,024)	-
Mature Students' Association	-	94
McGill for the Ethical Treatment of Animals	(248)	139
McGill Quebec	533	1,143
Pakistan Students' Association	764	682
Personal Finance Club	842	515
Project Ploughshares	-	87
Simulation Gamers Guild	614	774
Southeast Asian Students' Association	6	436
Student Pugwash	357	(52)
Croquet & Cribbage Club	15	394
Ukrainian Students' Association	215	471
Vietnamese Students' Association	957	623
W.U.S.C. McGill	(87)	978
Youth Parliament	168	565
Miscellaneous Clubs	<u>1,164</u>	<u>3,640</u>
	<u>\$ 13,768</u>	<u>\$ 23,446</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY
 STATEMENT OF SPECIAL PROJECTS EXPENSES
 year ended May 31, 1991
 (Unaudited)

	1 9 9 1 (12 months)	1 9 9 0 (13 months)
Sexual Assault Awareness	\$ 92	\$ -
États Généraux	-	3,500
Aids Awareness Week	-	2,000
McGill International Relations	-	1,350
National Engineering Week Scholarship	1,000	1,000
Spike Lee	-	1,000
Lou Gehrig Foundation - Choral Society	-	750
Drug Awareness Program	4,322	-
Reach	1,230	-
Athletics	3,366	-
Environmental Law Association	1,000	-
Room Bookings Project	5,506	-
Théâtre du Silence	900	-
International Students' Forum	704	-
Atelier Big City	1,000	-
Medical Students' Society	575	-
Information Kiosk	5,248	-
Miscellaneous	<u>4,367</u>	<u>1,152</u>
	<u>\$ 29,310</u>	<u>\$ 10,752</u>