

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY
FINANCIAL STATEMENTS
FOR THE ELEVEN MONTHS ENDED
MAY 31, 1977

COOPERS & LYBRAND

CHARTERED ACCOUNTANTS

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OFFICES THROUGHOUT CANADA
AND IN PRINCIPAL AREAS
OF THE WORLD

August 23, 1977

AUDITORS' REPORT

To the Acting Executive Director and Members,
The Students' Society of McGill University.

We have examined the balance sheet of The Students' Society of McGill University as at May 31, 1977 and the statements of revenue and expenditure and surplus for the eleven months then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances except that, our examination of cash receipts, because of their nature, was limited to comparisons of recorded receipts with bank deposits.

In our opinion, except for the effect of any adjustments which might have been required had we been able to fully verify cash receipts, these financial statements present fairly the financial position of the Society as at May 31, 1977 and the results of its operations for the eleven months then ended in accordance with generally accepted accounting principles which, except for the change in the basis of calculating depreciation of equipment referred to in note 3 to the financial statements, have been applied on a basis consistent with that of the preceding year.



CHARTERED ACCOUNTANTS

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

BALANCE SHEET AS AT MAY 31, 1977

	May 31, 1977 \$	June 30, 1976 \$
ASSETS		
CASH	20,824	26,000
ACCOUNTS RECEIVABLE	28,740	22,371
FUNDS ON DEPOSIT WITH MCGILL UNIVERSITY		
Investment reserve fund	107,230	100,255
Students' Society loan fund	6,873	2,725
PREPAID EXPENSES	<u>13,466</u>	<u>3,112</u>
	177,133	154,463
EQUIPMENT (notes 3 and 4)	<u>67,460</u>	<u>60,984</u>
	<u>244,593</u>	<u>215,447</u>
LIABILITIES		
ACCOUNTS PAYABLE		
McGill University	50,138	40,925
Other	<u>37,190</u>	<u>35,462</u>
	87,328	76,387
SOCIETY'S EQUITY		
SURPLUS	<u>157,265</u>	<u>139,060</u>
	<u>244,593</u>	<u>215,447</u>

SIGNED ON BEHALF OF THE COUNCIL

Acting Executive Director
(1976-77 University Appointed Trustee)

President

Executive Director

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF SURPLUS

FOR THE ELEVEN MONTHS ENDED MAY 31, 1977

	Eleven months ended May 31, 1977 \$	Year ended June 30, 1976 \$
BALANCE - BEGINNING OF PERIOD	139,060	200,364
Excess (deficiency) of revenue over expenditure for the period	<u>18,205</u>	<u>(61,304)</u>
BALANCE - END OF PERIOD	<u>157,265</u>	<u>139,060</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF REVENUE AND EXPENDITURE

FOR THE ELEVEN MONTHS ENDED MAY 31, 1977

	Eleven months ended May 31, 1977 \$	Year ended June 30, 1976 \$
REVENUE		
Students' fees	322,369	324,660
Interest on investment reserve fund	9,606	19,060
Other investment income	<u>112</u>	<u>1,540</u>
	<u>332,087</u>	<u>345,260</u>
EXPENDITURE (OTHER INCOME)		
Students' activities - net (Schedule I)	103,475	137,267
McGill Students' Union (Schedule 2)	146,559	186,189
Typesetting (Schedule 4)	(8,140)	13,134
Disco-Pub (Schedule 5)	7,489	(5,631)
Office and administrative (Schedule 6)	72,201	86,066
General (Schedule 6)	4,927	16,618
Income applicable to prior years	<u>(6,152)</u>	<u>(6,944)</u>
	<u>320,359</u>	<u>426,699</u>
	<u>11,728</u>	<u>(81,439)</u>
EQUIPMENT PURCHASES INCLUDED IN THE ABOVE	13,971	33,312
DEPRECIATION	<u>7,494</u>	<u>13,177</u>
	<u>6,477</u>	<u>20,135</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE PERIOD	<u>18,205</u>	<u>(61,304)</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF STUDENTS' ACTIVITIES

FOR THE ELEVEN MONTHS ENDED MAY 31, 1977

	Eleven months ended May 31, 1977 \$	Year ended June 30, 1976 \$
NET EXPENDITURE (REVENUE)		
AEFUM	177	1,172
Amateur Radio Club	619	2,488
Arab Students' Association		32
Black Students' Union		718
Blood Donor Clinic	1,245	956
Campus Legal Aid	7,747	10,821
Caribbean Society		642
Chinese Students' Association	1,048	1,723
Circle K		238
Community McGill	352	348
Community Festival		2,860
Debating Union Society (Schedule 9)	7,051	6,924
East Asian Students' Society	228	821
Entertainment Committee		4,768
Equestrian Club		473
External Affairs	141	3,828
Film Society (Schedule 8)	5,645	4,257
Fine Arts		20
Gay McGill		238
Grants to Students' Societies and Clubs		952
Hellenic Club	122	295
Indian Students' Association		325
Information Centre		5,321
Interaction McGill		295
I.S.A.	3,385	4,535
Islamic Students' Association	110	
Italian Club	254	201
Malaysian Students' Association	220	(14)
McGill Annual (Schedule 8)		5,721
McGill Christian Fellowship	170	
McGill Daily (Schedule 7)	50,396	40,088
Players' Club (Schedule 8)	8,599	10,419
Radio McGill (Schedule 9)	8,787	6,524
Sailing Club		10
Savoy Society	974	751
Shotokan Spanning Society		505
South Asia Peoples' Association		666
South Asia Students' Association	534	(74)
Women's Collective Press	5,379	4,728
Women's Union		11,828
Young Socialist		451
Miscellaneous Clubs	292	413
	<u>103,475</u>	<u>137,267</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY
 STATEMENT OF REVENUE AND EXPENDITURE
 FOR THE ELEVEN MONTHS ENDED MAY 31, 1977

	Eleven months ended May 31, 1977 \$	Year ended June 30, 1976 \$
McGILL STUDENTS' UNION		
Revenue	<u>2,994</u>	<u>7,550</u>
Expenditure -		
Salaries and wages	33,467	69,802
Light and heat (note 5)		25,253
Cleaning	38,035	11,189
Repairs and alterations	26,275	35,156
Telephone	1,050	10,890
Security	18,586	15,079
Laundry		370
Unemployment insurance		4,524
General	450	960
Xeroxing and duplicating		7,105
Equipment purchased		7,666
Postage, printing and publicity		<u>776</u>
	<u>117,863</u>	<u>188,770</u>
	114,869	181,220
Net expenditure of University Centre Cafeteria (Schedule 3) (note 6)	<u>31,690</u>	<u>4,969</u>
Net expenditure	<u>146,559</u>	<u>186,189</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF REVENUE AND EXPENDITURE

FOR THE ELEVEN MONTHS ENDED MAY 31, 1977

	Eleven months ended May 31, 1977 \$	Year ended June 30, 1976 \$
UNIVERSITY CENTRE CAFETERIA (note 6)		
Sales	125,407	
Cost of sales	<u>57,150</u>	
Gross profit	<u>68,257</u>	
Expenditure -		
Salaries and wages	74,679	
Fringe benefits	4,361	
Meal benefits	1,575	
Materials and supplies	5,755	
Telephone	388	
Repairs	3,885	
Publicity	775	
Laundry	1,686	
Miscellaneous	862	
Equipment	2,770	
Management fee	4,910	
U.S. exchange	2	
Overage	(1,750)	
Shortage	<u>49</u>	
	<u>99,947</u>	
MCGILL STUDENTS' UNION CAFETERIA		
Revenue -		
Vending machines and commission from caterer		<u>16,637</u>
Expenditure -		
Cutlery, dishes and kitchen utensils		4,011
Repairs		4,848
Miscellaneous		734
Loss on manual cafeteria operations		8,600
Purchase of equipment and rentals		<u>3,413</u>
		<u>21,606</u>
NET EXPENDITURE TRANSFERRED TO MCGILL STUDENTS' UNION (Schedule 2)	<u>31,690</u>	<u>4,969</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF REVENUE AND EXPENDITURE

FOR THE ELEVEN MONTHS ENDED MAY 31, 1977

	Eleven months ended May 31, 1977 \$	Year ended June 30, 1976 \$
TYPESETTING		
Revenue	<u>111,999</u>	<u>111,787</u>
Expenditure -		
Salaries and wages	80,646	85,891
Fringe benefits	3,628	910
Equipment rental	6,425	7,543
Photographic supplies	3,005	9,843
Paper and paste-up supplies	4,207	3,366
Equipment purchase and repairs	4,457	16,630
Miscellaneous	<u>1,491</u>	<u>738</u>
	<u>103,859</u>	<u>124,921</u>
Net expenditure (revenue)	<u>(8,140)</u>	<u>13,134</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF REVENUE AND EXPENDITURE

FOR THE ELEVEN MONTHS ENDED MAY 31, 1977

	Eleven months ended May 31, 1977 \$	Year ended June 30, 1976 \$
DISCO-PUB		
Revenue -		
Admission	3,664	2,264
Liquor	12,045	45,812
Other	<u>181</u>	<u>556</u>
	<u>15,890</u>	<u>48,632</u>
Expenditure -		
Entertainment	3,657	2,025
Equipment purchased and repairs	1,023	1,500
Operating supplies	718	425
Beer, liquor, soft drinks and mixes	4,689	18,744
Food and ice	696	71
Permits	700	1,480
Insurance and taxes	353	632
Publicity	782	575
Laundry		459
Wages	9,993	16,023
Miscellaneous	<u>768</u>	<u>1,067</u>
	<u>23,379</u>	<u>43,001</u>
Net expenditure (revenue)	<u>7,489</u>	<u>(5,631)</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF EXPENDITURE

FOR THE ELEVEN MONTHS ENDED MAY 31, 1977

	Eleven months ended May 31, 1977 \$	Year ended June 30, 1976 \$
OFFICE AND ADMINISTRATIVE		
Salaries and benefits	54,517	62,111
Postage, stationery and printing	3,076	3,282
Telephone and telegraph	1,730	163
Audit fees	2,500	3,100
Legal fees	2,450	2,000
Supplies	117	2,392
Advertising	2,688	2,872
Insurance	4,897	5,828
Miscellaneous	<u>226</u>	<u>4,318</u>
	<u>72,201</u>	<u>86,066</u>
GENERAL		
Meal allowance and other - Society directors' expense		8,099
Travelling	211	
Election	2,047	3,016
Meetings	4	871
Bad debts	2,304	3,870
Interest - McGill University		543
Miscellaneous	<u>361</u>	<u>219</u>
	<u>4,927</u>	<u>16,618</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF REVENUE AND EXPENDITURE

FOR THE ELEVEN MONTHS ENDED MAY 31, 1977

	Eleven months ended May 31, 1977 \$	Year ended June 30, 1976 \$
MCGILL DAILY		
Revenue - advertising	<u>85,895</u>	<u>74,024</u>
Expenditure -		
Publishing cost	88,857	75,360
Proofreading		4,000
Salaries and wages	29,624	18,051
Travelling	1,179	1,019
Postage and stationery	1,209	578
Rental and maintenance of typewriters	983	963
Telephone and telegraph	3,800	1,918
Dinners	2,683	3,409
Photographs and supplies	799	854
Subscriptions to periodicals	645	342
Miscellaneous	1,199	2,618
C.U.P. Conference	<u>5,313</u>	<u>5,000</u>
	<u>136,291</u>	<u>114,112</u>
Net expenditure transferred to Schedule I	<u>50,396</u>	<u>40,088</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF REVENUE AND EXPENDITURE

FOR THE ELEVEN MONTHS ENDED MAY 31, 1977

	McGill Annual		Film Society		Players Club	
	1977 11 months \$	1976 12 months \$	1977 11 months \$	1976 12 months \$	1977 11 months \$	1976 12 months \$
Revenue -						
Sales		4,327	17,010	20,548	6,120	2,421
Advertising		3,000				
Membership fees				771		
Sundry					100	
Photography commission		8,166				
	<u>-</u>	<u>15,493</u>	<u>17,010</u>	<u>21,319</u>	<u>6,220</u>	<u>2,421</u>
Expenditure -						
Music and orchestra						5
Amusement tax			1,601	1,839	594	225
Printing and publicity		15,552	4,774	3,233	2,514	1,778
Rentals		194	15,238	17,193	520	425
Wages		1,500		78	1,070	3,090
Dinners			207	238		185
Scenery and properties					2,442	2,460
Costumes and make-up					923	735
Lighting and telephone			277	56	264	2,405
Script and royalties					972	310
Photographs and drawings		1,505		479		20
Miscellaneous		375	65	802	561	465
Prior years		1,488				
Purchase of equipment and repairs		600	108	175	4,959	737
Film workshop				835		
Express charges			349	428		
Subscription			36	220		
	<u>-</u>	<u>21,214</u>	<u>22,655</u>	<u>25,576</u>	<u>14,819</u>	<u>12,840</u>
Net expenditure transferred to Schedule I	<u>-</u>	<u>5,721</u>	<u>5,645</u>	<u>4,257</u>	<u>8,599</u>	<u>10,419</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF REVENUE AND EXPENDITURE

FOR THE ELEVEN MONTHS ENDED MAY 31, 1977

	Debating Union Society		Radio McGill	
	1977 11 months \$	1976 12 months \$	1977 11 months \$	1976 12 months \$
Revenue -				
Advertising			250	258
Winter Carnival		1,645		
Miscellaneous	<u>1,640</u>	—	—	—
	<u>1,640</u>	<u>1,645</u>	<u>250</u>	<u>258</u>
Expenditure -				
Printing, postage, stationery and publicity	830	572	598	287
Rentals	636	721	525	19
Telephone and telegraph	251	84	1,439	367
Equipment including repairs			4,433	3,808
Away debates	1,852	1,636		
Speakers' programme	4,017	3,858		
High school debate	697	44		
Miscellaneous	408	66	631	225
Special charges		1,588		
Wages				1,482
Records	—	—	<u>1,411</u>	<u>594</u>
	<u>8,691</u>	<u>8,569</u>	<u>9,037</u>	<u>6,782</u>
Net expenditure transferred to Schedule I	<u>7,051</u>	<u>6,924</u>	<u>8,787</u>	<u>6,524</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

FOR THE ELEVEN MONTHS ENDED MAY 31, 1977

1. OPERATIONS OF THE SOCIETY

The constitution of the Society was suspended during the year and a trustee appointed to manage its affairs. Subsequent to May 31, 1977 a new constitution has been adopted and the trusteeship terminated.

2. CHANGE IN YEAR END

The Society changed its year end from June 30 to May 31 effective May 31, 1977 so as to conform with the year end of McGill University.

3. CHANGE IN DEPRECIATION METHOD

During the period the Society changed its method of providing for depreciation on fixed assets from the straight line basis to the declining balance basis. Had this change not been made depreciation expense for the year would have been \$9,458 greater than as shown and excess of revenue over expenditure for the period would have been \$9,458 less than as shown.

4. EQUIPMENT AND RELATED ACCUMULATED DEPRECIATION

Equipment is stated at cost less accumulated depreciation which is calculated on the declining balance basis at the rate of 10% per annum and is classified as follows:

	1977			1976
	Cost	Accumulated depreciation	Net	Net
	\$	\$	\$	\$
Radio	50,816	32,724	18,092	15,742
Photographic and film	8,021	3,022	4,999	4,755
Pub	6,290	2,327	3,963	4,403
Typesetting	25,787	7,839	17,948	15,951
Other	<u>33,437</u>	<u>10,979</u>	<u>22,458</u>	<u>20,133</u>
	<u>124,351</u>	<u>56,891</u>	<u>67,460</u>	<u>60,984</u>

5. REDUCTION IN LIGHT AND HEATING EXPENSE

Light and heating expenses of \$118,900 have been paid by McGill University on behalf of the Society. In prior years McGill University paid only a portion of the light and heating expenses.

6. CAFETERIA OPERATIONS

During the period ended May 31, 1977 the cafeteria was operated on a contractual basis by McGill University whereas in prior years the cafeteria had been operated by a caterer on a commission basis.

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

FOR THE ELEVEN MONTHS ENDED MAY 31, 1977

7. CONTINGENT LIABILITIES AND LONG-TERM COMMITMENTS

- (i) Equipment rentals totalling approximately \$6,800 per annum are payable under long-term leases expiring in June 1978.
- (ii) The Students' Society is the defendant in a lawsuit by Lyons Food Caterers Ltd. in the amount of \$42,000. In the opinion of legal counsel for the Society no provision for the payment of this amount is required.
- (iii) Prepaid expenses include \$11,497 of open work orders relating to expenditures which will be charged to operations in 1977-78. These expenditures are not included in the 1977-78 budget and therefore represent a commitment against the Society's surplus.