

FIN P000 95/96 D-95

**STUDENT CENTER OF MCGILL UNIVERSITY /
CENTRE ÉTUDIANT DE L'UNIVERSITÉ MCGILL**

Financial statements

May 31, 1995

**STUDENT CENTER OF MCGILL UNIVERSITY /
CENTRE ÉTUDIANT DE L'UNIVERSITÉ MCGILL**
Operating fund
Balance sheet
as at May 31, 1995

	1995	1994
Current assets		
Cash	\$ 118,388	\$ 18,525
Short-term investments	104,631	501,397
Accounts receivable	142,693	171,746
Inventories <i>Sadies</i>	31,929	39,741
Prepaid expenses	24,530	20,280
Due from capital expenditures reserve fund	<u>-</u>	<u>25,203</u>
	\$ 422,171	\$ 776,892
Current liabilities		
Accounts payable		
McGill University	\$ 49,739	\$ 163,933
Student health insurance plan	-	402,302
Other	296,176	204,441
Due to awards of distinction reserve fund	889	6,216
Due to capital expenditures reserve fund	35,367	-
Current portion of long-term debt (Note 4)	<u>20,000</u>	<u>-</u>
	402,171	776,892
Long-term debt (Note 4)	<u>20,000</u>	<u>-</u>
	\$ 422,171	\$ 776,892

Approved on behalf of the Student Center

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**STUDENT CENTER OF MCGILL UNIVERSITY /
CENTRE ÉTUDIANT DE L'UNIVERSITÉ MCGILL**
Awards of distinction reserve fund
Balance sheet
as at May 31, 1995

	1995	1994
Assets		
Due from operating fund	\$ 889	\$ 6,216
Investment	119,358	115,000
Accrued interest receivable	<u>4,370</u>	<u>2,798</u>
	<u>\$ 124,617</u>	<u>\$ 124,014</u>
Capital		
Reserve fund for awards of distinction	<u>\$ 124,617</u>	<u>\$ 124,014</u>

**Statement of changes in the reserve fund for
awards of distinction
year ended May 31, 1995**

	1995	1994
Balance of fund, beginning of year	\$ <u>124,014</u>	\$ <u>118,836</u>
Add		
Contributions	10,000	10,000
Interest revenue	<u>6,603</u>	<u>5,178</u>
	<u>16,603</u>	<u>15,178</u>
Deduct		
Awards granted	6,000	10,000
Special grant to Player's Theatre	<u>10,000</u>	<u>-</u>
	<u>16,000</u>	<u>10,000</u>
Balance of fund, end of year	<u>\$ 124,617</u>	<u>\$ 124,014</u>

**STUDENT CENTER OF MCGILL UNIVERSITY /
CENTRE ÉTUDIANT DE L'UNIVERSITÉ MCGILL**
Notes to the financial statements
year ended May 31, 1995

1. Status of corporation

Student Center of McGill University / Centre étudiant de l'Université McGill is a non-profit entity, incorporated on August 19, 1992 under Part III of the Québec Companies Act.

2. Significant accounting policies

a. Fund accounting

The Center 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 Center.

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 capital 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 amortization. Amortization 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%
Incorporation expenses	20%
Computer equipment	20%
Computer software	50%

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Notes to the financial statements
year ended May 31, 1995

4. Long-term debt

	1995	1994
Capital expenditures reserve fund		
Loan from McGill University, bearing interest at 7%, capital and interest payable on October 15 of each year	\$ 240,000	\$ 310,000
Less current portion	<u>120,000</u>	<u>70,000</u>
	<u>\$ 120,000</u>	<u>\$ 240,000</u>
Operating fund		
Loan from McGill University, bearing interest at 7%, capital and interest payable on October 15 of each year	\$ 40,000	\$ -
Less current portion	<u>20,000</u>	<u>-</u>
	<u>\$ 20,000</u>	<u>\$ -</u>

5. Food and beverage operations

In 1995, the Center entered into an agreement with Services Alimentaires Miraval Inc. ("Miraval") for the management of the food and beverage services. Under the terms of the agreement terminating June 30, 2000, the Center is entitled to receive certain minimum monthly instalments. Either the Center or Miraval may terminate the agreement at any time during the term of the agreement or any renewed term by giving ninety days' written notice.

The Center is committed to pay rental fees based on gross sales to the various faculty undergraduate societies and several university departments where food services are provided through Miraval. In addition, the Center is committed to establish a restricted capital reserve fund (calculated at 0.5% of annual gross sales, where applicable) for the sole purpose of financing the purchase and/or replacement of furnishings and equipment required at these locations. As at May 31, 1995, \$44,249 has been set aside for this purpose and is included in Accounts Payable - Other on the balance sheet.