

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 1973

COOPERS & LYBRAND

CHARTERED ACCOUNTANTS

COOPERS & LYBRAND  
CHARTERED ACCOUNTANTS

OFFICES THROUGHOUT CANADA  
AND IN PRINCIPAL AREAS  
OF THE WORLD

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September 24, 1973

AUDITORS' REPORT

To the Council and Members,  
The Students' Society of McGill University.

We have examined the balance sheet of The Students' Society of McGill University as at June 30, 1973 and the statements of revenue and expenditure and surplus for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Our examination of cash receipts, because of their nature, was limited to comparisons of recorded receipts with bank deposits.

In our opinion these financial statements present fairly the financial position of the Society as at June 30, 1973 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied, after giving retroactive effect to the change in the method of accounting for fixed assets referred to in note 1 to the financial statements, on a basis consistent with that of the preceding year.

*Coopers & Lybrand*

CHARTERED ACCOUNTANTS

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

BALANCE SHEET AS AT JUNE 30, 1973

	1973 \$	1972 \$
ASSETS		
CASH	29,676	39,552
ACCOUNTS RECEIVABLE	11,852	11,865
FUNDS ON DEPOSIT WITH MCGILL UNIVERSITY -		
Investment reserve fund	183,803	205,727
Students' Society loan fund	2,731	1,092
NON-INTEREST BEARING LOANS		8,925
PREPAID EXPENSES	<u>1,419</u>	<u>1,735</u>
	229,481	268,896
EQUIPMENT (notes 1 and 2)	<u>34,157</u>	<u>23,978</u>
	<u>263,638</u>	<u>292,874</u>
LIABILITIES		
ACCOUNTS PAYABLE -		
McGill University	17,687	29,979
Other	27,555	20,872
AMOUNT DUE TO MCGILL UNIVERSITY (note 3)	<u>41,308</u>	<u>55,078</u>
	86,550	105,929
SOCIETY'S EQUITY		
SURPLUS	<u>177,088</u>	<u>186,945</u>
	<u>263,638</u>	<u>292,874</u>

SIGNED ON BEHALF OF THE COUNCIL

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary-Treasurer

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED JUNE 30, 1973

	1973 \$	1972 \$
REVENUE		
Students' fees	300,741	278,497
Interest on investment reserve fund	16,105	14,994
Other income	<u>2,282</u>	<u>48</u>
	<u>319,128</u>	<u>293,539</u>
EXPENDITURE		
Students' activities - net (schedule 1)	132,034	48,042
McGill Students' Union (schedule 2)	122,707	94,143
Office and administrative (schedule 4)	48,611	49,584
General (schedule 4)	32,789	16,068
Expenditure applicable to prior years	<u>3,023</u>	<u>19</u>
	<u>339,164</u>	<u>207,856</u>
	(20,036)	85,683
Equipment purchases included in the above	15,480	1,700
Depreciation	<u>(5,301)</u>	<u>(3,878)</u>
EXCESS OF REVENUE (EXPENDITURE) BEFORE EXTRAORDINARY ITEM	(9,857)	83,505
EXTRAORDINARY ITEM		
Loss on guarantee of McGill Students' Housing Corporation loan (note 3)	<u>          </u>	<u>73,223</u>
EXCESS OF REVENUE (EXPENDITURE) FOR THE YEAR	<u>(9,857)</u>	<u>10,282</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF SURPLUS

FOR THE YEAR ENDED JUNE 30, 1973

	1973 \$	1972 \$
BALANCE - BEGINNING OF YEAR as previously reported	162,967	148,578
Inclusion of prior years' fixed assets (note 1)	<u>23,978</u>	<u>26,156</u>
As restated	186,945	174,734
Reserve for lending library no longer required		1,929
Excess of revenue (expenditure) for the year	<u>9,857</u>	<u>10,282</u>
BALANCE - END OF YEAR	<u>177,088</u>	<u>186,945</u>

## THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

## STATEMENT OF STUDENTS' ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 1973

	Net expenditure	
	(net revenue)	
	1973	1972
	\$	\$
Activities Night	105	
African Students' Association	25	27
Amateur Radio Club	1,396	476
Arab Students' Association	142	
Armenian Students' Association	46	
Black Students' Union	1,243	
Blood Donor Clinic	1,090	842
Camera Club	(78)	(53)
Campus Legal Aid	563	
Chess Club	780	
Chinese Students' Association	629	(136)
Choral Society		272
Community Programme	971	396
Debating Union Society (schedule 8)	16,775	8,942
External Affairs	1,952	552
Film Society (schedule 7)	2,475	3,929
Fine Arts	330	
Freshmen Reception Committee		269
Gay Society	(2,339)	
Grants to Student Societies and Clubs (schedule 5)	43,546	
Handbook	1,101	(3,325)
Hellenic Club	(46)	
Indian Students' Association	90	136
International Students' Association	448	778
Italian Club	2	(64)
Latin American Students' Association	(9)	(34)
Malaysian Students' Association	139	(23)
McGill Annual (schedule 7)	8,443	(4,742)
McGill Daily (schedule 6)	37,807	36,603
Players Club (schedule 7)	1,411	(259)
Radio McGill (schedule 8)	6,694	2,756
Red & White Revue (schedule 7)	4,249	260
Savoy Society	(516)	440
Stamp Club	97	
Students' Directory	1,581	
U.S. Students' Association	16	
West Indian Students' Association	876	
	<u>132,034</u>	<u>48,042</u>

## THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

## STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED JUNE 30, 1973

	1973 \$	1972 \$
MCGILL STUDENTS' UNION		
Revenue -		
Rent (McGill Bookstore)	12,000	12,000
Vending machines		546
Miscellaneous	1,571	335
Poster press		247
	<u>13,571</u>	<u>13,128</u>
Expenditure -		
Salaries and wages	42,332	39,074
Light and heat	11,827	11,019
Cleaning	20,959	23,060
Repairs and alterations	26,489	22,314
Taxes	4,102	4,619
Telephone	10,112	9,117
Security	10,032	2,000
Laundry	1,027	822
Unemployment insurance	740	530
General	1,728	1,098
Xeroxing and duplicating	2,009	(809)
Social committee	<u>4,072</u>	<u>1,550</u>
	<u>135,429</u>	<u>114,394</u>
	121,858	101,266
Excess of expenditure (revenue) transferred from cafeteria (schedule 3)	<u>849</u>	<u>(7,123)</u>
Net expenditure	<u>122,707</u>	<u>94,143</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY  
 STATEMENT OF REVENUE AND EXPENDITURE  
 FOR THE YEAR ENDED JUNE 30, 1973

	1973	1972
	\$	\$
MCGILL STUDENTS' UNION CAFETERIA		
Revenue -		
Vending machines and commission from caterer	<u>14,425</u>	<u>16,500</u>
Expenditure -		
Cutlery, dishes and kitchen utensils	7,943	5,406
Repairs	5,910	3,230
Miscellaneous	<u>1,421</u>	<u>741</u>
	<u>15,274</u>	<u>9,377</u>
Net revenue (expenditure) transferred to Union	<u>(849)</u>	<u>7,123</u>

## THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

## STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED JUNE 30, 1973

	1973	1972
	\$	\$
OFFICE AND ADMINISTRATIVE		
Salaries and benefits	35,704	35,036
Postage, stationery and printing	1,081	1,176
Telephone and telegraph	740	97
Audit fees	1,450	1,250
Legal fees	1,008	3,884
Supplies	1,114	270
Advertising	1,731	2,151
Insurance	2,725	4,136
Miscellaneous	<u>3,058</u>	<u>1,584</u>
	<u>48,611</u>	<u>49,584</u>
GENERAL		
Meal allowance and other		
Society directors' expenses	1,850	2,014
Travelling	727	465
Election	5,393	4,839
Meetings	951	1,118
Bad debts	13,572	2,822
Interest - McGill University (note 3)	3,173	3,452
Retirement and other gifts	3,376	956
Typesetting	3,747	
Miscellaneous		<u>402</u>
	<u>32,789</u>	<u>16,068</u>

## THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

## STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED JUNE 30, 1973

## GRANTS TO STUDENT SOCIETIES AND CLUBS

Arts and Science Undergraduates' Society	12,555
Cheerleaders	170
China Tour	700
Day-Care Centre	500
Dental Students' Society	1,850
Drop in the Bucket Programme	200
Education Undergraduates' Society	4,068
Engineering Undergraduates' Society	3,567
Inter-Residence Council	1,508
Law Undergraduates' Society	5,520
Management Undergraduates' Society	3,000
McGill Community and Family Centre	1,500
Medical Students' Society	2,750
Music Undergraduates' Society	1,500
Physical and Occupational Therapy Society	581
Project Anti-War	1,170
10,5 School of Nursing	462
33 School of Social Work	600
10 Troupe Canada	500
Women's Symposium	500
Miscellaneous	345
	<u>\$43,546</u>

## SCHEDULE 6

## THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

## STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED JUNE 30, 1973

	1973 \$	1972 \$
McGILL DAILY		
Revenue -		
Advertising	56,949	55,893
Subscriptions	<u>50</u>	<u>147</u>
	<u>56,999</u>	<u>56,040</u>
Expenditure -		
Publishing cost	71,173	64,087
Proof-reading	4,000	4,040
Salaries and wages	9,979	10,654
Travelling	1,979	4,671
Postage and stationery	931	1,555
Rental and maintenance of typewriters	987	693
Telephone and telegraph	1,502	1,428
Dinners	1,797	2,491
Photographs and supplies	1,108	1,243
Canadian University Press fees		805
Subscriptions to periodicals	474	535
Miscellaneous	<u>876</u>	<u>441</u>
	<u>94,806</u>	<u>92,643</u>
Net expenditure	<u>37,807</u>	<u>36,603</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED JUNE 30, 1973

	McGill Annual	Film Society	Red & White Revue	Players Club
<b>Revenue -</b>				
Sales	2,634	9,985	2,479	2,864
Advertising	5,716		854	
Membership fees		2,969		
Photography	1,200			
Sundry		<u>1,883</u>	<u>84</u>	<u>167</u>
	<u>9,550</u>	<u>14,837</u>	<u>3,417</u>	<u>3,031</u>
<b>Expenditure -</b>				
Music and orchestra			1,000	
Amusement tax		1,722	241	280
Printing and publicity	16,637	2,489	2,035	409
Rentals	15	7,455	49	139
Wages		2,126	1,225	
Dinners	165	324		
Scenery and properties			835	1,928
Costumes and make-up			497	681
Lighting			995	80
Script and royalties			80	537
Directors' and guest artists' fees			400	
Photographs and drawings	1,156			
Miscellaneous	20	666	309	388
Equipment and repairs		<u>2,530</u>		
	<u>17,993</u>	<u>17,312</u>	<u>7,666</u>	<u>4,442</u>
Net expenditure	<u>\$ 8,443</u>	<u>2,475</u>	<u>4,249</u>	<u>1,411</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY  
 STATEMENT OF REVENUE AND EXPENDITURE  
 FOR THE YEAR ENDED JUNE 30, 1973

	Debating Union Society	Radio McGill
Revenue -		
Advertising	<u>-</u>	<u>3,353</u>
Expenditure -		
Printing, postage, stationery and publicity	1,508	321
Refreshments		779
Rentals	65	110
Telephone and telegraph	124	884
Equipment including repairs		6,826
Away debates	1,398	
Speakers' programme	13,453	
High school debate	(104)	
Transportation and accommodation	53	347
Miscellaneous	<u>278</u>	<u>780</u>
	<u>16,775</u>	<u>10,047</u>
Net expenditure	<u>\$16,775</u>	<u>6,694</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 1973

1. RETROACTIVE CHANGE IN ACCOUNTING FOR FIXED ASSETS

In prior years, the society followed a policy of writing off fixed assets in the year in which they were acquired. During the current year, the society changed to a policy of capitalizing fixed assets and depreciating them on a straight line basis over their estimated useful life.

Accordingly, the surplus as at June 30, 1971 has been restated to give effect to the recording of fixed assets at a cost of \$26,156 less accumulated depreciation of \$11,776. The statement of revenue and expenditure for 1972 reflects the capitalizing of fixed assets, purchases of \$1,700 and depreciation of all fixed assets of \$3,878.

As a result of this change, the excess of expenditure for the current year has been reduced by \$10,179.

2. EQUIPMENT AND RELATED ACCUMULATED DEPRECIATION

Equipment and related accumulated depreciation are classified as follows:

	June 30, 1973		June 30, 1972	
	Cost	Accumulated depreciation	Net	Net
	\$	\$	\$	\$
Radio	38,410	18,716	19,694	20,660
Photographic and film	5,405	1,110	4,295	3,318
Typesetting	5,172	517	4,655	
Other	<u>6,126</u>	<u>613</u>	<u>5,513</u>	
	<u>55,113</u>	<u>20,956</u>	<u>34,157</u>	<u>23,978</u>

3. MCGILL STUDENTS' HOUSING CORPORATION LOAN

In 1969 the McGill Students' Housing Corporation entered into an agreement with McGill University whereby the University agreed to lend the sum of \$500,000 to the McGill Students' Housing Corporation for the purpose of interim financing of construction of a students' residence. The Students' Society of McGill University, as a party to the agreement, guaranteed all obligations incurred therein by the corporation.

Funds of approximately \$312,350 were advanced to the corporation before plans to construct the residence were abandoned. McGill University assumed title to the property and credited the corporation with \$210,000 leaving a balance due of \$102,350. The property was subsequently sold by McGill University for approximately \$175,000.

1942

1943

1944

1945

1946

1947

1948

1949

1950

1951

1952

THE STUDENTS SOCIETY OF MCGILL UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 1973

3. MCGILL STUDENTS' HOUSING CORPORATION  
LOAN (cont'd)

To date no formal agreement has been negotiated between the Students' Society and McGill University, but the parties have agreed by letter that the loss to be absorbed by the Society amounts to \$73,223 and is payable in annual instalments of \$13,770 terminating in 1976, with interest at 5 $\frac{3}{4}$ %. The instalments will be deducted at source from students' activity fees collected by McGill University for the Society.

4. CONTINGENT LIABILITIES AND LONG-TERM COMMITMENTS

- (i) The Students' Society has agreed to pay Radio McGill Inc. \$76,000 to cover the cost of operating a fully licensed F.M. radio outlet. This amount is payable in equal instalments over four years from the date Radio McGill Inc. is granted a broadcast licence.

The application for a licence is currently under review by the Canadian Radio and Television Commission.

- (ii) Equipment rentals totalling approximately \$6,500 per annum are payable under long-term leases expiring in June 1978.
- (iii) The Students' Society is the defendant in a law suit 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.

5. COMPARATIVE FIGURES

Certain 1972 figures have been reclassified for purposes of comparison.