

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

REPORT AND FINANCIAL STATEMENTS

MAY 31, 1978

A U D I T O R S ' R E P O R T

To the 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, 1978 and the statements of revenue and expenditure and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, except for our examination of cash receipts which, because of their nature, was limited to comparisons of recorded receipts with bank deposits, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, except for the effect of any adjustments that 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, 1978 and the results of its operations for the year then ended in accordance with generally accepted accounting principles which, except for the change in the rate used to calculate the depreciation of equipment as referred to in Note 2 to the financial statements, have been applied on a basis consistent with that of the preceding period.

The accounts of the Society, for the period ended May 31, 1977, were audited by another firm of chartered accountants.

Touche Ross & Co.

Chartered Accountants

Montreal, Quebec
August 30, 1978

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

BALANCE SHEET AS AT MAY 31, 1978

ASSETS

	<u>1978</u>	<u>1977</u>
Cash	\$ 11,667	\$ 20,824
Accounts receivable	20,683	28,740
Funds on deposit with McGill University		
Investment reserve fund	107,611	107,230
Students' Society loan fund	8,191	6,873
Inventory, at the lower of cost and net realizable value	14,680	-
Prepaid expenses	<u>3,700</u>	<u>13,466</u>
	166,532	177,133
Equipment (Note 3)	<u>84,197</u>	<u>67,460</u>
	<u>\$250,729</u>	<u>\$244,593</u>

LIABILITIES

Accounts payable		
McGill University	\$ 40,631	\$ 50,138
Other	<u>51,449</u>	<u>37,190</u>
	92,080	87,328

SOCIETY'S EQUITY

Surplus	<u>158,649</u>	<u>157,265</u>
	<u>\$250,729</u>	<u>\$244,593</u>

Approved on behalf of the Society:

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THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF SURPLUS
FOR THE YEAR ENDED MAY 31, 1977

	<u>1978</u>	<u>Eleven Months Ended May 31, 1977</u>
Balance - beginning of year	\$157,265	\$139,060
Excess of revenue over expenditure for the year	<u>1,384</u>	<u>18,205</u>
Balance - end of year	<u>\$158,649</u>	<u>\$157,265</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED MAY 31, 1978

	<u>1978</u>	<u>Eleven Months Ended May 31, 1977</u>
Revenue		
Students' fees	\$384,164	\$322,369
Interest on investment reserve fund	9,712	9,606
Vending machine income	1,281	-
Rental of rooms	1,167	-
Other income	189	112
	<u>396,513</u>	<u>332,087</u>
Expenditure (Other Income)		
Students' Activities - net (Schedule 1)	120,520	102,288
McGill Students' University Center (Schedule 2)	135,427	112,824
University Centre Cafeteria (Schedule 3)	12,950	31,690
Typesetting (Schedule 4)	7,741	(9,626)
Gertrude's Pub & Pizzeria (Schedule 5)	(41,299)	6,340
Office and Administrative (Schedule 6)	144,723	71,901
General (Schedule 6)	3,665	4,617
Sadie's Tabagie and Information Booth (Schedule 10)	4,907	-
Items applicable prior years	6,495	(6,152)
	<u>395,129</u>	<u>313,882</u>
Excess of revenue over expenditure for the year	<u>\$ 1,384</u>	<u>\$ 18,205</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 31, 1978

1. Operations of the Society

The constitution of the Society was suspended during the prior period ending May 31, 1977 and a trustee was appointed to manage its affairs. On June 1, 1977 the trusteeship was terminated and the Society adopted a new constitution which was ratified by the McGill Senate. Subsequently on April 15, 1978 the Society's student body ratified certain changes to this constitution that became effective June 1, 1978.

2. Change in Rate of Depreciation

During the year the Society increased its rate of calculating depreciation on the declining balance method from 10% to 20% per annum on all fixed assets. Had this change not been made, the depreciation expense for the year would have been \$11,055 less than as shown, and excess of revenue over expenditure for the year would have been \$11,055 greater than as shown.

3. 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 20% per annum (10% per annum in 1977) and is classified as follows:

	-----1978-----			1977
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>	<u>Net</u>
Radio	\$ 52,373	\$35,993	\$16,380	\$18,092
Photographic and film	7,222	2,660	4,562	4,999
Typesetting	29,090	12,090	17,000	17,948
Pub	19,143	5,690	13,453	3,963
Council and others	<u>52,342</u>	<u>19,540</u>	<u>32,802</u>	<u>22,458</u>
	<u>\$160,170</u>	<u>\$75,973</u>	<u>\$84,197</u>	<u>\$67,460</u>

4. Light, Heating and Air Conditioning Expenses

Light, heating and air conditioning expenses of \$125,000 for the University Center have been paid by McGill University on behalf of the Society (1977 - \$118,000).

ADDITIONAL INFORMATION

In connection with our examination of the financial statements of The Students' Society of McGill University for the year ended May 31, 1978, we have also examined the additional information presented in the following pages. In our opinion, such information is fairly presented although it is not necessary for a fair presentation of financial position or results of operations.

Touche Ross Co.

Chartered Accountants

Montreal, Quebec
August 30, 1978

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF STUDENTS' ACTIVITIES
FOR THE YEAR ENDED MAY 31, 1978

	<u>1978</u>	Eleven Months Ended <u>May 31, 1977</u>
<u>Net Expenditure (Revenue)</u>		
AEFUM	\$ -	\$ 177
Amateur Radio Club	970	619
Armenian Club	57	-
Blood Donor Clinic	1,283	1,245
Camera Club	566	-
Campus Legal Aid	10,320	7,747
Caribbean Society	136	-
Chinese Students' Association	558	1,048
Community McGill	739	352
Debating Union Society (Schedule 9)	8,020	7,051
East Asian Students' Society	-	228
Entertainment Committee	1,581	-
External Affairs	765	141
Film Society (Schedule 8)	8,142	5,645
Greenpeace	181	-
Hellenic Club	16	122
I.S.A.	1,016	3,385
Islamic Students' Association	-	110
Italian Club	398	254
Malaysian Students' Association	175	220
McGill Annual (Schedule 8)	(921)	-
McGill Christian Fellowship	-	170
McGill Daily (Schedule 7)	59,016	50,396
Players' Club (Schedule 8)	5,289	8,599
Radio McGill (Schedule 9)	9,987	7,600
Savoy Society	449	974
Second Hand Book Sale	460	-
Student Handbook	6,618	-
South Asia Students' Association	10	534
Student Security	935	-
Women's Collective Press	2,727	5,379
Miscellaneous Clubs	<u>1,027</u>	<u>292</u>
	<u>\$120,520</u>	<u>\$102,288</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITYSTATEMENT OF MCGILL STUDENTS' UNIVERSITY CENTER
FOR THE YEAR ENDED MAY 31, 1978

	<u>1978</u>	<u>Eleven Months Ended May 31, 1977</u>
Revenue		
Parking income	\$ 8,749	\$ -
Vending machines	1,332	1,500
Room rentals	5,403	1,000
Miscellaneous	<u>8</u>	<u>494</u>
	<u>15,492</u>	<u>2,994</u>
Expenditures		
Salaries and wages	28,589	33,467
Cleaning and security	62,099	56,621
Repairs and alterations	35,942	21,804
Materials and supplies	12,417	-
Stationery and postage	465	-
Advertising	230	-
Insurance and taxes	2,997	-
Telephone	1,504	1,050
Gaz	371	-
Miscellaneous expenses	335	450
Depreciation	<u>5,970</u>	<u>2,426</u>
	<u>150,919</u>	<u>115,818</u>
Net expenditure	<u>\$135,427</u>	<u>\$112,824</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF UNIVERSITY CENTRE CAFETERIA OPERATIONS
FOR THE YEAR ENDED MAY 31, 1978

	<u>1978</u>	<u>Eleven Months Ended May 31, 1977</u>
Sales	\$183,510	\$125,407
Cost of sales	<u>79,501</u>	<u>57,150</u>
Gross profit	<u>104,009</u>	<u>68,257</u>
Expenditure		
Salaries and wages	94,717	74,679
Fringe benefits	5,254	4,361
Meal benefits	2,292	1,575
Materials and supplies	8,338	5,755
Telephone	381	388
Repairs	2,128	3,885
Publicity	670	775
Laundry	450	1,686
Miscellaneous	552	862
Management fee	-	4,910
U.S. exchange	(53)	2
Overage	(798)	(1,750)
Shortage	-	49
Dishes and cutlery	-	2,770
Depreciation	<u>3,028</u>	<u>-</u>
	<u>116,959</u>	<u>99,947</u>
Net expenditure	<u>\$ 12,950</u>	<u>\$ 31,690</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITYSTATEMENT OF TYPESETTING OPERATIONS
FOR THE YEAR ENDED MAY 31, 1978

	<u>1978</u>	Eleven Months Ended <u>May 31, 1977</u>
Revenue	<u>\$121,463</u>	<u>\$111,999</u>
Expenditure		
Salaries and wages	97,997	80,646
Fringe benefits	5,278	3,628
Equipment rental	7,062	6,425
Paper, printing and supplies	\$16,304	
Less: Inventory, May 31, 1978	<u>4,442</u>	7,212
Repairs	1,239	1,244
Travel and car expense	370	-
Telephone	559	-
Bad debt expense	280	-
Depreciation	4,250	1,727
Miscellaneous	<u>307</u>	<u>1,491</u>
	<u>129,204</u>	<u>102,373</u>
Net expenditure (revenue)	<u>\$ 7,741</u>	<u>\$ (9,626)</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITYSTATEMENT OF GERTRUDE'S PUB & PIZZERIA OPERATIONS
FOR THE YEAR ENDED MAY 31, 1978

	<u>1978</u>	Eleven Months Ended May 31, 1977
Revenue		
Sales		
Beer and liquor	\$117,728	\$12,045
Mixes	4,722	-
Food	<u>44,047</u>	<u>-</u>
	<u>166,497</u>	<u>12,045</u>
Purchases		
Beer and liquor	36,452	4,689
Mixes	2,568	-
Food	<u>24,191</u>	<u>696</u>
	63,211	5,385
Less: Inventory May 31, 1978	<u>8,944</u>	<u>-</u>
	<u>54,267</u>	<u>5,385</u>
Gross profit	112,230	6,660
Games machine income	5,234	-
Miscellaneous sales	<u>1,097</u>	<u>3,845</u>
Income before expenditures	<u>118,561</u>	<u>10,505</u>
Expenditures		
Material and supplies	4,815	218
Repairs	4,107	208
Printing and stationery	188	-
Postage and miscellaneous	959	268
Advertising	2,336	782
Entertainment	2,269	3,657
Telephone	335	-
Insurance	40	353
Gaz	42	-
Salaries and wages	58,808	9,993
Depreciation	<u>3,363</u>	<u>1,366</u>
	<u>77,262</u>	<u>16,845</u>
Net (income) expenditure	<u><u>\$ (41,299)</u></u>	<u><u>\$ 6,340</u></u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF EXPENDITURE
FOR THE YEAR ENDED MAY 31, 1978

	<u>1978</u>	<u>Eleven Months Ended May 31, 1977</u>
<u>Office and Administrative</u>		
Salaries and benefits	\$118,995	\$ 54,517
Postage, stationery and printing	4,612	3,076
Telephone and telegraph	3,939	1,730
Legal and audit fees	6,612	4,950
Supplies	1,968	17
Advertising	3,604	2,688
Insurance	4,695	4,897
Miscellaneous	<u>298</u>	<u>26</u>
	<u>\$144,723</u>	<u>\$ 71,901</u>
 <u>General</u>		
Travelling	\$ 541	\$ 211
Election	75	1,390
Interest and bank charges	94	-
Bad debts	555	2,304
Promotion	125	-
Depreciation	1,593	647
Miscellaneous	<u>682</u>	<u>65</u>
	<u>\$ 3,665</u>	<u>\$ 4,617</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITYSTATEMENT OF MCGILL DAILY OPERATIONS
FOR THE YEAR ENDED MAY 31, 1978

	<u>1978</u>	<u>Eleven Months Ended May 31, 1977</u>
Revenue - advertising	\$ <u>97,938</u>	\$ <u>85,895</u>
Expenditure		
Publishing cost	64,030	88,857
Typesetting	37,249	-
Salaries and wages	33,713	29,624
Travelling	2,255	1,179
Postage and stationery	1,520	1,209
Rental and maintenance of typewriters	2,511	983
Telephone and telegraph	1,832	3,800
Dinners	963	2,683
Photographs and supplies	861	799
Subscriptions to periodicals	63	645
Miscellaneous	-	1,199
C.U.P. Conference	10,010	5,313
Bad debts	1,172	-
Binding	<u>775</u>	<u>-</u>
	<u>156,954</u>	<u>136,291</u>
Net expenditure transferred to Schedule 1	<u>\$ 59,016</u>	<u>\$ 50,396</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED MAY 31, 1978

	<u>McGill Annual</u>		<u>Film Society</u>		<u>Players Club</u>	
		<u>Eleven</u>		<u>Eleven</u>		<u>Eleven</u>
	<u>1978</u>	<u>Months Ended</u>	<u>1978</u>	<u>Months Ended</u>	<u>1978</u>	<u>Months Ended</u>
		<u>May 31, 1977</u>		<u>May 31, 1977</u>		<u>May 31, 1977</u>
Revenue						
Admissions	\$ -	\$ -	\$16,088	\$17,010	\$ 5,852	\$ 6,120
Advertising	775	-	-	-	-	-
Sundry	3,549	-	-	-	-	100
Photography	<u>10,416</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>14,740</u>	<u>-</u>	<u>16,088</u>	<u>17,010</u>	<u>5,852</u>	<u>6,220</u>
Expenditure						
Amusement tax	-	-	1,541	1,601	529	594
Printing and publicity	11,853	-	1,896	4,774	2,558	2,514
Rentals	-	-	18,229	15,238	290	520
Honorariums	900	-	240	-	2,660	1,070
Dinners	-	-	203	207	-	-
Scenery and properties	-	-	-	-	1,512	2,442
Costumes and make-up	-	-	-	-	1,436	923
Lighting	-	-	-	-	304	264
Telephone	-	-	238	277	291	-
Script and royalties	-	-	-	-	810	972
Photography	624	-	-	-	-	-
Postage and miscellaneous	167	-	30	65	407	561
Materials and supplies	275	-	501	108	297	4,959
Travel and taxi expense	-	-	1,284	349	47	-
Subscription	<u>-</u>	<u>-</u>	<u>68</u>	<u>36</u>	<u>-</u>	<u>-</u>
	<u>13,819</u>	<u>-</u>	<u>24,230</u>	<u>22,655</u>	<u>11,141</u>	<u>14,819</u>
Net (income) expenditure transferred to Schedule 1	<u>\$ (921)</u>	<u>\$ -</u>	<u>\$ 8,142</u>	<u>\$ 5,645</u>	<u>\$ 5,289</u>	<u>\$ 8,599</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITYSTATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED MAY 31, 1978

	<u>Debating Union Society</u>		<u>Radio McGill</u>	
	<u>1978</u>	<u>Eleven Months Ended May 31, 1977</u>	<u>1978</u>	<u>Eleven Months Ended May 31, 1977</u>
Revenue				
Advertising	\$ -	\$ -	\$ -	\$ 250
Admissions	<u>3,582</u>	<u>1,640</u>	<u>-</u>	<u>-</u>
	<u>3,582</u>	<u>1,640</u>	<u>-</u>	<u>250</u>
Expenditure				
Printing, postage, stationery and publicity	1,632	830	766	598
Rentals	2,209	636	754	525
Telephone and telegraph	272	251	1,914	1,439
Repairs	510	-	1,519	1,918
Away debates	1,697	1,852	-	-
Speakers' programme (Honoraria)	4,242	4,017	500	-
High school debate	824	697	-	-
Miscellaneous	216	408	112	631
Depreciation	-	-	3,269	1,328
Records	<u>-</u>	<u>-</u>	<u>1,153</u>	<u>1,411</u>
	<u>11,602</u>	<u>8,691</u>	<u>9,987</u>	<u>7,850</u>
Net expenditure transferred to Schedule 1	<u>\$ 8,020</u>	<u>\$7,051</u>	<u>\$9,987</u>	<u>\$7,600</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITYSTATEMENT OF TABAGIE OPERATIONS
FOR THE YEAR ENDED MAY 31, 1978

	<u>1978</u>	<u>Eleven Months Ended May 31, 1977</u>
Revenue		
Sales		
Metro tickets and stamps	\$13,455	\$ -
Tabacco products	13,300	-
Confectionery	2,600	-
Miscellaneous	<u>3,785</u>	<u>-</u>
	<u>33,140</u>	<u>-</u>
Purchases		
Metro tickets and stamps	13,571	-
Tabacco products	10,952	-
Confectionery	1,858	-
Miscellaneous	<u>2,684</u>	<u>-</u>
	29,065	-
Less: Inventory May 31, 1978	<u>1,294</u>	<u>-</u>
	<u>27,771</u>	<u>-</u>
Gross profit	5,369	-
Commission income	<u>1,053</u>	<u>-</u>
	<u>6,422</u>	<u>-</u>
Expenditures		
Material and supplies	492	-
Printing and stationery	244	-
Postage and miscellaneous	201	-
Advertising	503	-
Salaries	3,357	-
Casual wages	5,452	-
Fringe benefits	443	-
Depreciation	<u>637</u>	<u>-</u>
	<u>11,329</u>	<u>-</u>
Net expenditure	<u>\$ 4,907</u>	<u>\$ -</u>