

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

REPORT AND FINANCIAL STATEMENTS

MAY 31, 1981

AUDITORS' REPORT

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, 1981 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, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Society as at May 31, 1981 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Montreal, Quebec,  
December 2, 1981.

*Touche Ross Co.*

Chartered Accountants

## THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF REVENUE AND EXPENDITURE  
FOR THE YEAR ENDED MAY 31, 1981

	<u>1981</u>	<u>1980</u>
Revenue		
Students' fees	\$519,931	\$410,489
Interest on investments	21,574	27,124
Other income	58,106	6,477
	<u>599,611</u>	<u>444,090</u>
Expenditure (other income)		
Students' Activities, net (Schedule 1)	223,763	147,678
McGill Students' University Centre (Schedule 2)	217,392	172,879
University Centre Cafeteria (Schedule 3)	15,131	11,760
Typesetting (Schedule 4)	(9,726)	16,573
Gertrude's Pub & Pizzeria (Schedule 5)	(83,016)	(73,442)
Office and Administrative (Schedule 6)	188,652	191,607
General (Schedule 6)	22,355	33,405
Sadie's Tabagie (Schedule 10)	14,214	(1,094)
Vending operations (Schedule 11)	50,964	28,974
Items applicable to prior years	-	1,030
	<u>639,729</u>	<u>529,370</u>
Excess of expenditure over revenue	<u>\$ 40,118</u>	<u>\$ 85,280</u>

## THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

NOTES TO FINANCIAL STATEMENTS  
MAY 31, 1981

## 1. Accounting policies

The Society follows generally accepted accounting principles and their application is consistent with previous years.

## Expenditures

Expenses are recorded in the accounts on an accrual basis, and provisions are established for uncompleted purchase orders and services.

## Depreciation

Equipment is stated at cost less accumulated depreciation which is calculated on a declining balance basis at the rate of 20% per annum.

## Capitalization

All major acquisitions of fixed assets or additions which extend the useful lives of existing fixed assets are capitalized in the accounts.

## Inventories

Inventories are valued at the lower of cost and net realizable value.

## 2. Loan receivable

This loan represents the balance of proceeds on sale of the typesetting equipment and bears interest at the rate of 12% per annum. Repayment is to be effected in instalments up to January 1984.

## 3. Equipment and related accumulated depreciation

	1981			1980
	Cost	Accumulated depreciation	Net	Net
S.S.T. Typesetting	\$ -	\$ -	\$ -	\$ 40,636
Gertrude's Pub	84,484	37,855	46,629	49,483
Radio McGill	45,352	37,057	8,295	10,369
Amateur Radio	9,521	7,830	1,691	2,114
Film Society	7,222	4,886	2,336	2,920
Sadie's Tabagie	5,163	2,593	2,570	3,213
University Centre	118,057	55,076	62,981	56,257
Cafeteria	53,097	20,661	32,436	37,290
Administration	7,964	4,702	3,262	4,078
Vending machines	171,067	44,297	126,770	100,430
Micro-computer	12,621	2,524	10,097	-
	<u>\$514,548</u>	<u>\$217,481</u>	<u>\$297,067</u>	<u>\$306,790</u>

The Students' Society of McGill University  
 Notes to Financial Statements  
 May 31, 1981

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4. Loans payable

These loans were obtained from McGill University and are secured by vending machines stated in the balance sheet at \$126,770. The outstanding amounts and the terms of these loans are as follows:

<u>Date of loan</u>	<u>Outstanding May 31, 1981</u>	<u>Final repayment date</u>
June 1979	\$24,000	June 1, 1982
June 1980	46,820	June 1, 1983

Both loans are interest free if they are repaid on or before the final repayment dates. Interest on any balance owing beyond these dates will be charged at 1% per annum below the prime interest rate for the first loan and at the prime interest rate for the second loan.

5. Light, heating and air conditioning expense

Light, heating and air conditioning expense of \$175,173 for the University Centre have been paid by McGill University on behalf of the Society (1980 - \$157,284).

Schedule 1

## THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF STUDENTS' ACTIVITIES  
FOR THE YEAR ENDED MAY 31, 1981

	<u>1981</u>	<u>1980</u>
Net expenditure (revenue)		
Activities Night	\$ 823	\$ 1,027
Amateur Radio Club	1,361	2,656
Arab Student Association	491	816
Armenian Club	134	349
African Students' Association	387	476
Blood Donor Clinic	1,761	1,565
Camera Club	709	246
Campus Legal Aid	10,501	10,203
Caribbean Society	413	418
Chinese Students' Association	349	1,251
Communications	2,597	-
Community McGill	911	728
Councils and Committees	17,696	-
Debating Union Society (Schedule 9)	12,225	10,668
Educational Programming	1,618	-
Entertainment Committee	8,641	4,710
External Affairs	10,046	6,466
Film Society (Schedule 8)	13,877	9,512
Gay McGill	355	(398)
Greenpeace	616	426
Hellenic Club	389	(166)
I.S.A.	2,928	2,661
Italian Club	-	232
Latin American Students' Association	846	113
Malaysian Students' Association	560	410
McGill Annual (Schedule 8)	(5,167)	2,628
McGill Daily (Schedule 7)	77,961	50,629
Players' Club (Schedule 8)	4,910	5,292
Polish Students' Association	651	358
Radio McGill (Schedule 9)	10,774	9,165
Savoy Society	869	52
Second Hand Book Sale	-	(12)
Student Handbook	2,373	866
Student Society Liaison Project	(596)	1,412
South Asia Students' Association	517	185
Student Security	19,229	13,366
Tamil Cultural Society	-	136
Ukrainian Student Society	880	118
Vietnamese Student Society	482	342
Welcome Week	1,274	1,213
Winter Carnival	1,236	834
Women's Union	4,760	4,375
Miscellaneous Clubs	13,376	2,350
	<u>\$223,763</u>	<u>\$147,678</u>

Schedule 2

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY  
 STATEMENT OF MCGILL STUDENTS' UNIVERSITY CENTRE  
 FOR THE YEAR ENDED MAY 31, 1981

	<u>1981</u>	<u>1980</u>
Revenue		
Parking income	\$ 11,105	\$ 12,313
Room rentals	22,154	14,640
Miscellaneous	131	90
	<u>33,390</u>	<u>27,043</u>
Expenditure		
Salaries and wages	80,475	61,334
Cleaning and security	63,777	65,839
Repairs and alterations	47,960	28,699
Materials and supplies	32,347	17,637
Stationery and postage	2,340	571
Advertising	56	785
Insurance and taxes	132	5,667
Telephone	6,043	4,086
Miscellaneous expenses	1,907	1,240
Depreciation	15,745	14,064
	<u>250,782</u>	<u>199,922</u>
Net expenditure	<u>\$217,392</u>	<u>\$172,879</u>

Schedule 3

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY  
 STATEMENT OF UNIVERSITY CENTRE CAFETERIA OPERATIONS  
 FOR THE YEAR ENDED MAY 31, 1981

	<u>1981</u>	<u>1980</u>
Sales	\$295,172	\$248,087
Cost of sales	<u>129,509</u>	<u>116,847</u>
Gross profit	<u>165,663</u>	<u>131,240</u>
Expenditure		
Salaries and wages	107,694	80,318
Fringe benefits	6,370	4,831
Materials and supplies	30,298	16,409
Telephone	215	692
Repairs	12,503	12,942
Publicity	56	801
Miscellaneous	1,084	2,774
Depreciation	8,109	9,323
Contract services	<u>14,465</u>	<u>14,910</u>
	<u>180,794</u>	<u>143,000</u>
Net expenditure	<u>\$ 15,131</u>	<u>\$ 11,760</u>

Schedule 4

## THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF TYPESETTING OPERATIONS  
FOR THE YEAR ENDED MAY 31, 1981

	<u>1981</u>	<u>1980</u>
Revenue	<u>\$13,345</u>	<u>\$138,802</u>
Expenditure		
Salaries and wages	1,608	111,673
Fringe benefits	156	6,179
Equipment rental	-	10
Paper, printing and supplies	1,360	20,202
Repairs	-	3,047
Travel and car expense	-	1,508
Telephone	-	748
Depreciation	-	10,159
Miscellaneous	260	1,849
Bad debt expense	<u>235</u>	<u>-</u>
	<u>3,619</u>	<u>155,375</u>
Net (income) expenditure	<u>(\$ 9,726)</u>	<u>\$ 16,573</u>

Schedule 5

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY  
 STATEMENT OF GERTRUDE'S PUB & PIZZERIA OPERATIONS  
 FOR THE YEAR ENDED MAY 31, 1981

	<u>1981</u>	<u>1980</u>
Revenue		
Sales		
Beer and liquor	\$392,922	\$310,454
Food	<u>248,732</u>	<u>263,272</u>
	<u>641,654</u>	<u>573,726</u>
Cost of sales		
Beer and liquor	155,172	156,066
Food	<u>125,732</u>	<u>109,684</u>
	<u>280,904</u>	<u>265,750</u>
Gross profit	360,750	307,976
Games machine income	<u>30,919</u>	<u>20,718</u>
Income before expenditure	<u>391,669</u>	<u>328,694</u>
Expenditure		
Material and supplies	51,365	27,100
Repairs	16,151	11,966
Printing and stationery	1,654	665
Postage and miscellaneous	8,165	2,666
Advertising	5,170	3,677
Entertainment	15,745	12,504
Telephone	2,225	457
Insurance	387	129
Gaz	1,052	-
Salaries and wages	195,082	183,717
Depreciation	<u>11,657</u>	<u>12,371</u>
	<u>308,653</u>	<u>255,252</u>
Net income	<u>(\$ 83,016)</u>	<u>(\$ 73,442)</u>

Schedule 6

## THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF EXPENDITURE  
FOR THE YEAR ENDED MAY 31, 1981

	<u>1981</u>	<u>1980</u>
Office and Administrative		
Salaries and benefits	\$154,680	\$135,572
Casual wages	46,567	52,331
Postage, stationery and printing	11,931	10,708
Xerox expense, net	102	6,272
Telephone and telegraph	5,948	3,180
Legal and audit fees	6,762	5,922
Supplies	7,592	1,044
Advertising	2,290	7,819
Insurance	9,388	9,500
Overhead recoveries	<u>(56,608)</u>	<u>(40,741)</u>
	<u>\$188,652</u>	<u>\$191,607</u>
General		
Travelling	\$ 1,881	\$ 1,970
Election	5,784	2,532
Bad debts	6,713	3,323
Depreciation	3,340	1,019
Miscellaneous	4,637	12,021
Computer charges	-	5,000
Honoraria	<u>-</u>	<u>7,540</u>
	<u>\$ 22,355</u>	<u>\$ 33,405</u>

## THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF MCGILL DAILY OPERATIONS  
FOR THE YEAR ENDED MAY 31, 1981

	<u>1981</u>	<u>1980</u>
Revenue - advertising	<u>\$119,778</u>	<u>\$125,137</u>
Expenditure		
Publishing cost	54,949	68,045
Typesetting	58,245	45,394
Salaries and wages	45,666	39,617
Fringe benefits	1,971	1,349
Travelling	2,457	1,785
Postage and miscellaneous	1,265	1,478
Printing and stationery	2,693	1,151
Rental and maintenance of typewriters	2,818	825
Telephone and telegraph	3,979	3,103
Dinners	400	758
Photographs and supplies	797	660
Subscriptions to periodicals	68	230
C.U.P. Conference	10,826	8,744
Bad debts	345	2,627
Binding	753	-
Contract services	378	-
Legal expenses	1,536	-
	<u>189,146</u>	<u>175,766</u>
	69,368	50,629
Guaranteed subsidy	<u>8,593</u>	<u>-</u>
Net expenditure transferred to Schedule 1	<u>\$ 77,961</u>	<u>\$ 50,629</u>

## THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF REVENUE AND EXPENDITURE  
FOR THE YEAR ENDED MAY 31, 1981

	<u>McGill Annual</u>		<u>Film Society</u>		<u>Players' Club</u>	
	<u>1981</u>	<u>1980</u>	<u>1981</u>	<u>1980</u>	<u>1981</u>	<u>1980</u>
Revenue						
Admissions	\$ -	\$ -	\$17,441	\$14,115	\$ 6,211	\$ 5,947
Advertising	2,085	1,030	-	-	-	-
Sundry	12,968	8,854	-	-	262	585
Photography	<u>13,986</u>	<u>9,354</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>29,039</u>	<u>19,238</u>	<u>17,441</u>	<u>14,115</u>	<u>6,473</u>	<u>6,532</u>
Expenditure						
Amusement tax	-	-	1,623	1,357	569	558
Printing and publicity	14,251	19,411	2,565	2,456	949	2,793
Rentals	-	-	25,051	16,802	191	-
Honorariums	738	720	640	912	1,540	1,630
Scenery and properties	-	-	-	-	2,296	2,168
Costumes and make-up	-	-	-	-	901	890
Lighting	-	-	-	-	891	224
Telephone	-	-	419	212	399	227
Script and royalties	-	-	-	-	1,182	1,583
Photography	352	1,231	-	-	5	28
Postage and miscellaneous	4,082	321	213	153	1,151	627
Materials and supplies	945	393	55	109	1,266	854
Travel and taxi expense	58	-	168	678	43	234
Subscription	-	-	-	218	-	8
Depreciation	-	-	584	730	-	-
Year book	<u>3,446</u>	<u>(210)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>23,872</u>	<u>21,866</u>	<u>31,318</u>	<u>23,627</u>	<u>11,383</u>	<u>11,824</u>
Net expenditure (income) transferred to Schedule 1	<u>(\$ 5,167)</u>	<u>\$ 2,628</u>	<u>\$13,877</u>	<u>\$ 9,512</u>	<u>\$ 4,910</u>	<u>\$ 5,292</u>

## THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF REVENUE AND EXPENDITURE  
FOR THE YEAR ENDED MAY 31, 1981

	Debating Union Society		Radio McGill	
	1981	1980	1981	1980
Revenue				
Advertising	\$ -	\$ -	\$ 165	\$ 537
Admissions	<u>8,167</u>	<u>2,070</u>	<u>-</u>	<u>-</u>
	<u>8,167</u>	<u>2,070</u>	<u>165</u>	<u>537</u>
Expenditure				
Printing, postage, stationery and publicity	2,059	4,246	1,071	1,118
Rentals	2,091	575	1,291	1,110
Telephone and telegraph	528	188	2,820	1,833
Repairs	-	-	2,461	1,855
Away debates	1,449	998	-	-
Speakers' programme (Honoraria)	1,455	3,700	-	-
High school debate	6,471	2,402	-	-
Miscellaneous	852	629	875	222
Depreciation	-	-	2,074	2,592
Records	-	-	347	972
Food	<u>5,487</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>20,392</u>	<u>12,738</u>	<u>10,939</u>	<u>9,702</u>
Net expenditure transferred to Schedule 1	<u>\$12,225</u>	<u>\$10,668</u>	<u>\$10,774</u>	<u>\$9,165</u>

## THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF SADIE'S TABAGIE OPERATIONS  
FOR THE YEAR ENDED MAY 31, 1981

	McConnell		University Centre		Total	
	Engineering 1981 (8 months)	1981	1980	1981	1980	
Revenue						
Sales						
Metro tickets and stamps	\$ 8,791	\$ 32,385	\$16,858	\$ 41,176	\$16,858	
Tobacco products	-	33,999	37,184	33,999	37,184	
Confectionery	1,412	16,794	11,779	18,206	11,779	
Miscellaneous	14,210	42,055	25,892	56,265	25,892	
	<u>24,413</u>	<u>125,233</u>	<u>91,713</u>	<u>149,646</u>	<u>91,713</u>	
Cost of sales						
Metro tickets and stamps	8,501	32,035	17,529	40,536	17,529	
Tobacco products	-	21,573	25,582	21,573	25,582	
Confectionery	1,727	12,399	7,982	14,126	7,982	
Miscellaneous	10,830	41,007	27,372	51,837	27,372	
	<u>21,058</u>	<u>107,014</u>	<u>78,465</u>	<u>128,072</u>	<u>78,465</u>	
Gross profit	3,355	18,219	13,248	21,574	13,248	
Commission income	96	811	3,451	907	3,451	
	<u>3,451</u>	<u>19,030</u>	<u>16,699</u>	<u>22,481</u>	<u>16,699</u>	
Expenditure						
Material and supplies	121	8,935	2,538	9,056	2,538	
Printing and stationery	12	30	85	42	85	
Postage and miscellaneous	210	928	612	1,138	612	
Advertising	154	924	1,118	1,078	1,118	
Salaries	4,235	7,353	5,824	11,588	5,824	
Casual wages	5,862	5,872	4,041	11,734	4,041	
Fringe benefits	567	850	584	1,417	584	
Depreciation	-	642	803	642	803	
	<u>11,161</u>	<u>25,534</u>	<u>15,605</u>	<u>36,695</u>	<u>15,605</u>	
Net expenditure (income)	\$ 7,710	\$ 6,504	(\$ 1,094)	\$ 14,214	(\$ 1,094)	

## THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

BALANCE SHEET AS AT MAY 31, 1981

	<u>1981</u>	<u>1980</u>
<u>ASSETS</u>		
Cash	\$ 28,955	\$ 21,167
Accounts receivable	19,369	46,911
Funds on deposit with McGill University		
Investment reserve fund	107,611	107,611
Short-term investments	18,982	133,400
Inventories	85,911	161,801
Prepaid expenses	17,000	10,333
Loan receivable (Note 2)	28,716	-
	<u>306,544</u>	<u>481,223</u>
Equipment (Note 3)	<u>297,067</u>	<u>306,790</u>
	<u>\$603,611</u>	<u>\$788,013</u>
<u>LIABILITIES</u>		
Accounts payable		
McGill University	\$416,530	\$591,135
Other	27,218	25,090
Current portion of loans payable	<u>62,229</u>	<u>56,856</u>
	505,977	673,081
Loans payable (Note 4)	<u>70,820</u>	<u>48,000</u>
	576,797	721,081
<u>SOCIETY'S EQUITY</u>		
Surplus	<u>26,814</u>	<u>66,932</u>
	<u>\$603,611</u>	<u>\$788,013</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, 1981

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	<u>1981</u>	<u>1980</u>
Balance, beginning of year	\$ 66,932	\$152,212
Excess of expenditure over revenue	<u>40,118</u>	<u>85,280</u>
Balance, end of year	<u>\$ 26,814</u>	<u>\$ 66,932</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

ADDITIONAL INFORMATION

MAY 31, 1981

ADDITIONAL INFORMATION

In connection with our examination of the financial statements of The Students' Society of McGill University for the year ended May 31, 1981, we have reviewed the additional information presented in the following pages which has been taken primarily from accounting and other records of the Society but which is not, in our opinion, necessary for a fair presentation of its financial position or the results of its operations for the year then ended.

Our examination of the financial statements of The Students' Society of McGill University was intended primarily for the purpose of formulating an opinion on the basic financial statements taken as a whole and not to enable us to express an opinion as to the fairness of all the information in the attached schedules.

*Touche Ross Co*

Montreal, Quebec,  
December 2, 1981.

Chartered Accountants

## THE STUDENTS' SOCIETY

STATEMENT OF REVENUE AND EXPENDITURE  
FOR THE YEAR ENDING

	University Centre		1981
	1981	1980 (8 months)	
Revenue			
Vending income	\$14,675	\$14,207	\$ 69,639
Deli income	-	-	31,337
Total sales	14,675	14,207	100,976
Cost of sales	10,347	7,388	61,205
Gross profit	4,328	6,819	39,771
Expenses			
Salaries	-	-	11,951
Licences and Miscellaneous	600	456	1,585
Depreciation	1,822	1,010	6,959
Material and supplies	3,000	602	3,977
Repairs and maintenance	163	1,611	1,197
Overhead charge	2,443	2,486	17,566
Total expenditure	8,028	6,165	43,235
Loss (profit) before guarantee	(3,700)	654	(3,464)
Guarantee payments	-	-	13,000
Net expenditure (income)	(\$ 3,700)	\$ 654	(\$ 16,464)

## THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF VENDING OPERATIONS  
FOR THE YEAR ENDED MAY 31, 1981

	University Centre		Arts		Bronfman		Redpath	Total	
	1981	1980 (8 months)	1981	1980 (8 months)	1981	1980 (8 months)	1981 (8 months)	1981	1980
Revenue									
Vending income	\$14,675	\$14,207	\$ 69,639	\$67,627	\$101,393	\$ 96,487	\$135,785	\$321,492	\$178,321
Deli income	-	-	31,337	23,669	42,715	30,810	-	74,052	54,479
Total sales	14,675	14,207	100,976	91,296	144,108	127,297	135,785	395,544	232,800
Cost of sales	10,347	7,388	61,205	43,822	80,673	58,556	79,859	232,084	109,766
Gross profit	4,328	6,819	39,771	47,474	63,435	68,741	55,926	163,460	123,034
Expenses									
Salaries	-	-	11,951	24,663	20,309	28,692	15,744	48,004	53,355
Licences and Miscellaneous	600	456	1,585	1,616	1,915	2,778	2,667	6,767	4,850
Depreciation	1,822	1,010	6,959	5,909	9,861	8,883	9,852	28,494	15,802
Material and supplies	3,000	602	3,977	5,428	5,465	5,994	2,010	14,452	12,024
Repairs and maintenance	163	1,611	1,197	1,436	1,355	1,522	1,052	3,767	4,569
Overhead charge	2,443	2,486	17,566	15,977	24,986	22,278	23,612	68,607	40,741
Total expenditure	8,028	6,165	43,235	55,029	63,891	70,147	54,937	170,091	131,341
Loss (profit) before guarantee	(3,700)	654	(3,464)	(7,555)	(456)	(1,406)	989	(6,631)	(8,307)
Guarantee payments	-	-	13,000	8,667	18,000	12,000	13,333	44,333	20,667
Net expenditure (income)	(\$ 3,700)	\$ 654	(\$ 16,464)	(\$16,222)	(\$ 18,456)	(\$ 13,406)	(\$ 12,344)	(\$ 50,964)	(\$ 28,974)