

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

REPORT AND FINANCIAL STATEMENTS

MAY 31, 1985

*Charette, Fortier, Hawey
Touche Ross*

AUDITORS' REPORT

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, 1985 and the statement of income and deficit 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, 1985 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,
September 5, 1985.

Touche Ross Co.
Chartered Accountants

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

BALANCE SHEET AS AT MAY 31, 1985

	<u>1985</u>	<u>1984</u>
<u>ASSETS</u>		
Current		
Cash	\$ 2,500	\$ 14,800
Short-term investments	43,137	39,790
Accounts receivable	66,582	47,978
Inventories	48,002	68,491
Prepaid expense	<u>18,595</u>	<u>11,250</u>
	178,816	182,309
Fixed		
Equipment (Note 2)	<u>367,303</u>	<u>294,228</u>
	<u>\$546,119</u>	<u>\$476,537</u>
<u>LIABILITIES AND DEFICIT</u>		
Current		
Bank loan	\$ 10,000	\$ -
Accounts payable		
McGill University	522,135	490,471
Other	53,892	150,654
Current portion of loans payable (Note 3)	<u>249,702</u>	<u>174,689</u>
	835,729	815,814
Loans payable (Note 3)	<u>106,270</u>	<u>86,883</u>
	941,999	902,697
Deficit	<u>(395,880)</u>	<u>(426,160)</u>
	<u>\$546,119</u>	<u>\$476,537</u>

Approved on behalf of the Society

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THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF INCOME AND DEFICIT
FOR THE YEAR ENDED MAY 31, 1985

	<u>1985</u>	<u>1984</u>
Income		
Students' fees	\$746,237	\$479,755
Interest on short-term investments	3,563	2,223
Games machine	19,609	22,971
Other income	<u>31,801</u>	<u>60,796</u>
	<u>801,210</u>	<u>565,745</u>
Expenditure		
Food and beverage operations (Schedule 1) (Note 4)	578	89,400
Office and administrative (Schedule 2)	300,914	105,095
General (Schedule 2)	19,298	21,824
Students' activities (Schedule 3)	219,973	143,550
McGill Students' University Centre (Schedule 4) (Note 5)	230,114	284,093
Sadie's Tabagie (Schedule 7)	<u>53</u>	<u>3,061</u>
	<u>770,930</u>	<u>647,023</u>
Excess of income over expenditure (expenditure over income) for the year	30,280	(81,278)
Deficit, beginning of year	<u>426,160</u>	<u>344,882</u>
Deficit, end of year	<u>\$395,880</u>	<u>\$426,160</u>

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

NOTES TO FINANCIAL STATEMENTS
MAY 31, 1985

1. Significant accounting policies

Basis of reporting

These financial statements, which have been prepared by management on a historical cost basis, conform with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Fixed assets

Acquisitions of fixed assets and improvements of a capital nature are capitalized as equipment in the accounts.

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

Inventories

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

2. Fixed assets

These comprise the following equipment and related accumulated depreciation:

	1985			1984
	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net</u>	<u>Net</u>
Gertrude's Pub	\$ 92,487	\$ 69,213	\$ 23,274	\$ 29,093
The Alley	134,400	15,680	118,720	-
Cafeteria	64,100	44,908	19,192	23,990
Vending machines	341,094	193,366	147,728	184,660
Sadie's Tabagie	6,254	4,625	1,629	2,036
University Centre	114,401	90,207	24,194	30,092
Administration	12,600	8,456	4,144	5,330
Micro-computer	16,896	10,127	6,769	8,462
Radio McGill	65,214	45,624	19,590	7,986
Amateur Radio	10,296	9,190	1,106	1,383
Film Society	7,222	6,265	957	1,196
	<u>\$864,964</u>	<u>\$497,661</u>	<u>\$367,303</u>	<u>\$294,228</u>

The Students' Society of McGill University
Notes to financial statements
May 31, 1985

3. Loans payable

	<u>1985</u>	<u>1984</u>
Loans obtained from McGill University for the purchase of vending machines which have been given as security for the loans. The terms of these loans are as follows:		
Loan repayable before June 1, 1982 bearing interest at the bank prime rate of interest less 1%	\$ 48,000	\$ 48,000
Loan repayable before June 1, 1983 bearing interest at the bank prime rate of interest	70,230	70,230
Loan repayable in equal annual instalments of \$5,000 starting in June 1982 bearing interest at 10% per annum	25,000	25,000
Loan repayable in equal annual instalments of \$1,425 starting in September 1982 bearing interest at 10% per annum	4,275	4,275
Loan repayable in equal annual instalments of \$9,370 starting in November 1983 bearing interest at 10% per annum	46,848	46,848
Loan repayable in equal annual instalments of \$13,444 starting in June 1984 bearing interest at 10% per annum	67,219	67,219
Loan from Les Services Alimentaires C.V.C. Inc. repayable in equal annual instalments of \$47,200 on May 31, 1986 and May 31, 1987	<u>94,400</u>	<u>-</u>
	<u>355,972</u>	<u>261,572</u>
Deduct past due portion on loans from McGill University included in current liabilities	174,688	145,450
Deduct current portion of loans included in current liabilities	<u>75,014</u>	<u>29,239</u>
	<u>249,702</u>	<u>174,689</u>
	<u>\$106,270</u>	<u>\$ 86,883</u>

Interest costs for the year ended May 31, 1985 were waived by McGill University.

The Students' Society of McGill University
Notes to financial statements
May 31, 1985

4. Food and beverage operations

On September 4, 1984, Les Services Alimentaires C.V.C. Inc. purchased the food, beverage and related supplies inventories of the Society and agreed to manage and provide food and beverage services to the Society for a period of three years. Under the terms of the food services agreement, the Society is entitled to receive a base income of the greater of \$165,000 or 9% of gross sales in the first year, \$185,000 or 10% of gross sales in the second year and \$195,000 or 10.5% of gross sales in the third year plus 50% of the excess of food service revenues over expenditures. With respect to the beverage services agreement, the Society is entitled to receive 100% of the excess of beverage service revenues over expenditures.

5. Heat, electricity and air conditioning expense

Heat, electricity and air conditioning expense of \$185,250 for the University Centre has been paid by McGill University (1984 - \$192,360).

6. Reclassification of 1984 comparative figures

Certain of the 1984 comparative figures have been reclassified to conform with the presentation adopted in 1985.

*Charette, Fortier, Hawey
Touche Ross*

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

ADDITIONAL INFORMATION

MAY 31, 1985

*Charette, Fortier, Hawey
Touche Ross*

ADDITIONAL INFORMATION

In connection with our examination of the financial statements of The Students' Society of McGill University for the year ended May 31, 1985, 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.

Montreal, Quebec,
September 5, 1985.

Touche Ross Co.
Chartered Accountants

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF FOOD AND BEVERAGE OPERATIONS
FOR THE YEAR ENDED MAY 31, 1985

	June 1, 1984 to September 3, 1984	September 4, 1984 to May 31, 1985	<u>Total</u>
Food and beverage sales	\$149,611	\$ -	\$149,611
Cost of sales	<u>98,287</u>	<u>-</u>	<u>98,287</u>
Gross profit	51,324	-	51,324
Contribution from Les Services Alimentaires C.V.C. Inc. (Note 4)			
Food operations			
Base income	-	165,000	165,000
Profit share	-	10,330	10,330
Beverage operations			
Profit	<u>-</u>	<u>46,145</u>	<u>46,145</u>
	<u>51,324</u>	<u>221,475</u>	<u>272,799</u>
Expenditure			
Salaries and fringe benefits	99,682	-	99,682
Rent	21,567	64,703	86,270
Depreciation	11,889	51,340	63,229
Insurance	921	1,837	2,758
Overhead (Schedule 2)	10,940	-	10,940
Other	<u>9,715</u>	<u>783</u>	<u>10,498</u>
	<u>154,714</u>	<u>118,663</u>	<u>273,377</u>
Net expenditure (income)	<u>\$103,390</u>	<u>(\$102,812)</u>	<u>\$ 578</u>

Unaudited.

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF EXPENDITURE
FOR THE YEAR ENDED MAY 31, 1985

	<u>1985</u>	<u>1984</u>
Office and administrative		
Salaries and benefits	\$234,439	\$184,036
Casual wages	20,497	53,281
Postage, stationery and printing	6,463	10,626
Telephone and telegraph	7,454	8,537
Legal and audit fees	33,547	23,568
Supplies	2,405	558
Advertising	446	70
Insurance	6,603	11,673
Overhead recoveries (Schedule 1)	<u>(10,940)</u>	<u>(187,254)</u>
	<u>\$300,914</u>	<u>\$105,095</u>
General		
Election	\$ 4,532	\$ 8,746
Depreciation	2,609	3,261
Miscellaneous	4,457	2,517
Computer charges	<u>7,700</u>	<u>7,300</u>
	<u>\$ 19,298</u>	<u>\$ 21,824</u>

Unaudited.

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF STUDENTS' ACTIVITIES
FOR THE YEAR ENDED MAY 31, 1985

	<u>1985</u>	<u>1984</u>
Net expenditure (income)		
Activities night	\$ 480	\$ 59
African Students' Association	-	626
Amateur Radio Club	1,357	1,058
Arab Student Association	731	-
Armenian Club	162	395
Blood Donor Clinic	1,358	2,273
Camera Club	-	324
Campus Legal Aid	17,274	13,329
Censorwatch	243	-
Chess Association	105	-
Chinese Students' Association	58	-
Choral Society	363	-
Communications	4,572	2,356
Community McGill	945	789
Council and Committees	25,997	26,426
Debating Union Society (Schedule 6)	8,059	5,768
Educational Programming	792	(32)
Entertainment Committee	21,772	14,905
External Affairs	2,521	5,546
Film Society (Schedule 5)	14,793	(197)
Foster Parents' Association	348	340
Gay McGill	1,055	155
Hellenic Club	918	656
Indian Students' Association	145	500
International Students' Association	4,159	1,295
Iranian Students' Association	202	1,214
Latin American Students' Association	-	408
Malaysian Students' Association	357	125
Mature Students' Association	(155)	-
McGill Annual (Schedule 5)	13,186	(3,780)
Mini Courses	363	44
Pakistan Students' Association	485	-
Personal Finance Club	(126)	-
Players' Club (Schedule 5)	6,826	2,041
Project Ploughshares	379	-
Pub Programming	17,864	-
Radio McGill (Schedule 6)	11,475	10,928
Red and White Revue	1,500	-
Redpath Terrace	-	12,485
Researchers' Office	548	-
Savoy Society	2,321	(1,228)
Secondhand Book Sale	16	(581)
Simulation Gamers Guild	43	106
South Africa Committee	979	-
Student Handbook	5,825	6,352
Student Pugwash	449	-
Student Security	20,907	10,811
Student Society Liaison Project	678	(623)
Tribune Newsletter	11,512	18,791
Ukrainian Students' Association	429	-
Vietnamese Students' Society	32	-
Winter Carnival and Welcome Week	5,999	2,001
Women's Union	2,477	4,311
Miscellaneous Clubs	7,195	3,574
Net expenditure	<u>\$219,973</u>	<u>\$143,550</u>

Unaudited.

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF MCGILL STUDENTS' UNIVERSITY CENTRE OPERATIONS
FOR THE YEAR ENDED MAY 31, 1985

	<u>1985</u>	<u>1984</u>
Income		
Parking income	\$ 11,047	\$ 11,202
Room rentals	<u>17,341</u>	<u>32,387</u>
	<u>28,388</u>	<u>43,589</u>
Expenditure		
Salaries and wages	122,457	113,019
Cleaning and security	77,144	71,690
Repairs and alterations	24,046	90,967
Materials and supplies	23,028	41,008
Stationery and postage	1,243	828
Insurance and taxes	836	91
Telephone	2,785	2,392
Miscellaneous	915	164
Depreciation	<u>6,048</u>	<u>7,523</u>
	<u>258,502</u>	<u>327,682</u>
Net expenditure	<u>\$230,114</u>	<u>\$284,093</u>

Unaudited.

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED MAY 31, 1985

	McGill Annual		Film Society		Players' Club	
	1985	1984	1985	1984	1985	1984
Income						
Admissions	\$ -	\$ -	\$10,841	\$19,211	\$ 5,596	\$11,420
Advertising	5,995	4,790	-	-	-	145
Sundry	19,953	17,484	-	-	-	-
Photography	15,104	16,328	-	-	-	-
	<u>41,052</u>	<u>38,602</u>	<u>10,841</u>	<u>19,211</u>	<u>5,596</u>	<u>11,565</u>
Expenditure						
Amusement tax	-	-	1,022	1,807	532	971
Printing and publicity	47,789	24,632	2,258	2,028	2,572	2,211
Rentals	-	-	14,053	14,049	460	560
Honoraria	1,634	5,813	-	-	700	64
Scenery and properties	-	-	-	-	2,189	1,979
Costumes and make-up	-	-	-	-	731	1,058
Lighting	-	-	-	-	1,476	445
Telephone	76	-	413	417	622	523
Script and royalties	-	-	-	-	1,307	1,190
Photography	1,579	1,480	-	-	156	260
Postage and miscellaneous	2,457	2,756	181	405	1,473	1,818
Materials and supplies	703	141	2	-	65	2,273
Travel and taxi expense	-	-	210	9	19	67
Depreciation	-	-	239	299	120	187
Contract services	-	-	7,256	-	-	-
	<u>54,238</u>	<u>34,822</u>	<u>25,634</u>	<u>19,014</u>	<u>12,422</u>	<u>13,606</u>
Net expenditure (income) transferred to Schedule 3	<u>\$13,186</u>	<u>(\$ 3,780)</u>	<u>\$14,793</u>	<u>(\$ 197)</u>	<u>\$ 6,826</u>	<u>\$ 2,041</u>

Unaudited.

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED MAY 31, 1985

	<u>Debating Union Society</u>		<u>Radio McGill</u>	
	<u>1985</u>	<u>1984</u>	<u>1985</u>	<u>1984</u>
Income				
Beverage sales	\$ -	\$ -	\$ 2,700	\$ -
Advertising	-	-	3,287	4,366
Miscellaneous	-	-	1,819	-
Admissions	8,605	7,843	454	1,797
Donations	<u>17,630</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>26,235</u>	<u>7,843</u>	<u>8,260</u>	<u>6,163</u>
Expenditure				
Printing, postage, stationery and publicity	5,835	1,455	2,983	2,786
Rentals	4,441	1,814	1,497	1,450
Telephone and telegraph	1,047	485	4,617	4,549
Repairs	-	-	660	3,942
High school debate	4,752	4,515	-	-
Miscellaneous	2,877	97	4,616	1,355
Depreciation	-	-	2,799	1,997
Concerts	2,780	-	160	-
Records	-	-	1,027	1,012
Food and beverage	<u>12,562</u>	<u>5,245</u>	<u>1,376</u>	<u>-</u>
	<u>34,294</u>	<u>13,611</u>	<u>19,735</u>	<u>17,091</u>
Net expenditure transferred to Schedule 3	<u>\$ 8,059</u>	<u>\$ 5,768</u>	<u>\$11,475</u>	<u>\$10,928</u>

Unaudited.

THE STUDENTS' SOCIETY OF MCGILL UNIVERSITY

STATEMENT OF SADIE'S TABAGIE OPERATIONS
FOR THE YEAR ENDED MAY 31, 1985

	McConnell Engineering		University Centre		Total	
	1985	1984	1985	1984	1985	1984
Income						
Sales						
Metro tickets and stamps	\$ 16,568	\$19,787	\$ 48,921	\$ 52,059	\$ 65,489	\$ 71,846
Tobacco products	21,914	18,560	78,862	81,310	100,776	99,870
Confectionery	16,833	12,215	27,842	24,354	44,675	36,569
Miscellaneous	44,944	44,133	40,051	41,402	84,995	85,535
	<u>100,259</u>	<u>94,695</u>	<u>195,676</u>	<u>199,125</u>	<u>295,935</u>	<u>293,820</u>
Cost of sales						
Metro tickets and stamps	15,912	19,107	47,315	49,794	63,227	68,901
Tobacco products	15,516	15,219	65,250	66,674	80,766	81,893
Confectionery	9,248	9,771	20,482	19,483	29,730	29,254
Miscellaneous	35,482	30,133	37,639	36,311	73,121	66,444
	<u>76,158</u>	<u>74,230</u>	<u>170,686</u>	<u>172,262</u>	<u>246,844</u>	<u>246,492</u>
Gross profit	24,101	20,465	24,990	26,863	49,091	47,328
Commission income	1,735	1,024	2,291	66	4,026	1,090
	<u>25,836</u>	<u>21,489</u>	<u>27,281</u>	<u>26,929</u>	<u>53,117</u>	<u>48,418</u>
Expenditure						
Material and supplies	-	1,182	5,845	4,122	5,845	5,304
Postage and miscellaneous	2,144	2,253	2,041	2,652	4,185	4,905
Advertising	437	413	1,316	526	1,753	939
Salaries	8,516	2,691	10,411	15,251	18,927	17,942
Casual wages	7,063	7,549	11,259	11,011	18,322	18,560
Fringe benefits	1,571	801	2,160	2,519	3,731	3,320
Depreciation	-	-	407	509	407	509
	<u>19,731</u>	<u>14,889</u>	<u>33,439</u>	<u>36,590</u>	<u>53,170</u>	<u>51,479</u>
Net expenditure (income)	<u>(\$ 6,105)</u>	<u>(\$ 6,600)</u>	<u>\$ 6,158</u>	<u>\$ 9,661</u>	<u>\$ 53</u>	<u>\$ 3,061</u>

Unaudited.

	<u>Gertrude's Pub</u>	<u>The Alley</u>	<u>Cafeteria</u>	<u>Law</u>	<u>Arts</u>
<u>June 1, 1984 to September 3, 1984</u>					
Income					
Food and beverage sales	\$68,024	\$ -	\$ -	\$ 1,176	\$ 5,660
Cost of sales	<u>54,946</u>	<u>-</u>	<u>-</u>	<u>670</u>	<u>3,226</u>
Gross profit	13,078	-	-	506	2,434
Expenditure					
Salaries and fringe benefits	53,532	-	13,343	-	1,804
Rent	-	-	-	1,562	4,125
Depreciation	1,548	-	1,200	1,397	778
Insurance	288	-	-	-	116
Overhead	-	-	-	206	991
Other	<u>2,995</u>	<u>-</u>	<u>2,000</u>	<u>521</u>	<u>720</u>
Income (expenditure) for the period	<u>(45,285)</u>	<u>-</u>	<u>(16,543)</u>	<u>(3,180)</u>	<u>(6,100)</u>
<u>September 4, 1984 to May 31, 1985</u> (for Schedule 1 purposes)					
Contributions from Les Services Alimentaires C.V.C. Inc.					
Base income	20,775	3,665	40,251	8,346	13,556
Profit share - food	12,569	(1,847)	(31,515)	2,053	1,373
Profit share - beverage	<u>57,415</u>	<u>(11,270)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	90,759	(9,452)	8,736	10,399	14,929
Expenditure					
Rent	-	-	-	4,688	12,375
Depreciation	4,643	15,680	3,598	4,190	2,332
Insurance	574	-	-	-	233
Other	<u>-</u>	<u>783</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (expenditure) for the period	<u>85,542</u>	<u>(25,915)</u>	<u>5,138</u>	<u>1,521</u>	<u>(11)</u>
Income (expenditure) for the year	<u>\$40,257</u>	<u>(\$25,915)</u>	<u>(\$11,405)</u>	<u>(\$ 1,659)</u>	<u>(\$ 6,111)</u>
<u>Results for vending agreements purposes</u>					
Food sales	N/A	N/A	N/A	<u>\$85,119</u>	<u>\$138,252</u>
Income (expenditure) for the year (per above)	N/A	N/A	N/A	(\$ 1,659)	(\$ 6,111)
Deduct					
Contribution from C.V.C. Inc. (per above)	N/A	N/A	N/A	(10,399)	(14,929)
Overhead - September 4, 1984 to May 31, 1985	N/A	N/A	N/A	(14,896)	(24,194)
Profit share - food (per above)	N/A	N/A	N/A	(2,053)	(1,373)
Add profit reported by C.V.C. Inc. (before administration expenses)	N/A	N/A	N/A	<u>17,557</u>	<u>24,597</u>
Expenditure for the year for vending agreements purposes	N/A	\$ N/A	\$ N/A	<u>(\$11,450)</u>	<u>(\$ 22,010)</u>