

Students' Society of McGill University
Association étudiante de l'Université McGill

Annual Financial Report
May 31, 2010

RSM Richter Chamberland LLP

Students' Society of McGill University Association étudiante de l'Université McGill

Annual Financial Report
May 31, 2010

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Auditors' Report

To the Directors of the
Students' Society of McGill University
Association étudiante de l'Université McGill

We have audited the balance sheet of Students' Society of McGill University /Association étudiante de l'Université McGill as at May 31, 2010 and the statements of operations and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is

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Balance Sheet
 As at May 31, 2010

	Operating Fund \$	Capital Expenditures Reserve Fund \$	Renovation Portion of McGill Student Fund \$	Awards of Distinction Reserve Fund \$	Queer McGill Undergraduate Fund \$	Health and Dental Plan Reserve Fund \$	Student Life Fund \$	2010 Total \$	2009 Total \$
Assets									
Current									
Cash	730,560	812,185	-	522,480	-	1,566,326	-	3,631,551	2,902,768
Accounts receivable	62,493	-	-	1,000	-	-	-	63,493	114,608
Inventories	17,691	-	-	-	-	-	-	17,691	22,849
Prepaid expenses	47,870	-	-	-	-	-	-	47,870	36,867
Due from daycare	-	-	-	-	-	-	-	-	53,953
Due from (to) other funds	(427,526)	835,080	-	(12,808)	7,458	(699,076)	296,872	-	-
	431,088	1,64,235	-	510,672	7,458	867,250	296,872	3,760,605	3,131,045
Investments (note 4)	-	1,955,116	-	-	-	-	-	1,955,116	1,671,710

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Statement of Operations and Changes in Fund Balances
For the Year Ended May 31, 2010

Operating Fund \$	Capital Expenditures Reserve Fund \$	Renovation Portion of McGill Student Fund \$	Awards of Distinction Reserve Fund \$	Queer McGill
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Statement of Cash Flows
For the Year Ended May 31, 2010

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Notes to Financial Statements
May 31, 2010

1. Purpose of the Society

The Students' Society of McGill University ("SSMU") incorporated the Student Center of McGill University on

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Notes to Financial Statements
May 31, 2010

3. Significant accounting policies (continued)

Revenue recognition

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Investment income earned on resources that must be spent on restricted activities is recognized as revenue of the appropriate restricted fund.

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Notes to Financial Statements
May 31, 2010

3. Significant accounting policies (continued)

Fund accounting (continued)

The Health and Dental Plan Reserve Fund was established in 2007 to ensure steady health care costs for

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Notes to Financial Statements
 May 31, 2010

3. Significant accounting policies (continued)

Price risk

The Society is exposed to securities price risk because of investments held by the Society and classified on the balance sheet as available for sale. To manage its price risk arising from investments in securities, the Society diversifies its portfolio. Moreover, the Society has an investment policy statement supervised by an investment portfolio committee.

Contributed facilities

The Society obtains building electricity and heat free of charge from a contributor. The fair value of these services for the year, which was estimated at \$477,333, has been recognized both as a subsidy and as an expense in the statement of operations. If these services were unavailable on this basis, the Society would have had to pay for these services.

4. Investments

Capital expenditures reserve fund

	2010		2009	
	Cost \$	Fair market value \$	Cost \$	Fair market value \$
Shares in public corporations	719,622	611,538	499,145	371,772
Bond certificates	1,317,805	1,343,578	1,283,897	1,299,938
	2,037,427	1,955,116	1,783,042	1,671,710

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5. Property and equipment

Capital expenditures reserve fund

	Cost \$	Accumulated amortization \$	2010 Net book value \$	2009 Net book value \$
Building improvements	3,570,811	2,635,322	935,489	1,257,843

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Notes to Financial Statements
May 31, 2010

8. Interfund transfers and internally restricted net assets

The excess (deficiency) of revenue over expenses generated in the Operating Fund are transferred to (from) the Capital Expenditures Reserve Fund and the Student Life Fund on an annual basis. An amount of \$145,216 and \$72,075 was transferred to the Capital Expenditures Reserve Fund and the Student Life Fund respectively.

Internally restricted funds in the amount of \$3,521,708 of the Capital Expenditures Reserve Fund are to be used for capital expenditures purposes.

Internally restricted funds in the amount of \$7,458 of the Queer McGill Undergraduate Fund are to be used in helping students against discrimination.

Internally restricted funds in the amount of \$248,474 of the Health and Dental Plan are to be used against future increase in premiums to be paid by the students.

Internally restricted funds in the amount of \$72,705 of the Student Life Fund are made available to the Society to invest in activities aimed at enhancing student life on campus. The remaining balance in the amount of \$224,797 which was derived by the internal transfer from the Renovation Portion of McGill Student Fund.

9. Capital disclosures

In managing capital, the Society focuses on liquidities available for operations. The Society's objective is to have

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Statement of Operations Compared to Budget
 Operating Fund
 For the Year Ended May 31, 2010

	2010		2009	
	Actual \$	Budget \$	Actual \$	Budget \$
Revenue				
Student fees	1,457,775	1,435,053	1,404,299	1,404,724
Gert's Pub	254,403	214,948	157,578	151,211
Bookstore	207,110	202,571	214,029	200,000
University center building ope8				

	2010		2009	
	Actual \$	Budget \$	Actual \$	Budget \$
Excess of revenues over expenses				
Students fees	1,457,775	1,435,053	1,404,299	1,404,724
Gert's Pub	15,201	(582)	(13,137)	(16,618)
Bookstore	(22,665)	(29,885)	(91,159)	(74,149)
University center building operations	(247,221)	(236,862)	(199,608)	(253,111)
General office and administrative	(717,674)	(712,882)	(684,145)	(691,518)
Administrative fees - Student Health Plan	51,932	51,932	50,877	50,877
Programming activities	22,843	(54,144)	15,729	5,789
Publications	(7,897)	9,744	67,548	38,023
Services	18,604	(17,311)	20,768	(17,497)
Governances	(306,497)	(274,121)	(245,314)	(273,202)
Clubs	(46,168)	(71,000)	(44,208)	(44,550)
Amortization of property and equipment	(942)	(942)	(3,768)	(3,768)
Excess of revenues over expenses	217,291	99,000	277,882	125,000