

UNIVERSITY OF VICTORIA STUDENTS'
SOCIETY

FINANCIAL STATEMENTS
APRIL 30, 2010

AUDITORS' REPORT

To the Members of
University of Victoria Students' Society

We have audited the statement of financial position of University of Victoria Students' Society as at April 30, 2010 and the statements of operations, changes in fund balances and cash flow for the year then ended. These financial statements are the responsibility of the society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion these financial statements present fairly, in all material respects, the financial position of the society as at April 30, 2010 and the results of its operations, changes in its fund balances and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Society Act of British Columbia, we report that in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Victoria, BC
October 4, 2010

Allen & Krauel Inc.
Chartered Accountants

UNIVERSITY OF VICTORIA STUDENTS' SOCIETY

STATEMENT OF FINANCIAL POSITION APRIL 30, 2010

	Operating Fund	Tangible Capital Asset Fund	Dr. Ewing Memorial Trust Fund	Major Capital Fund	2010	2009
Current assets						
Cash	\$ 1,239,929	\$ -	\$ 2,653	\$ 409,327	\$ 1,651,909	\$ 2,636,737
Investments (note 3)	2,198	-	-	-	2,198	2,198
Accounts receivable	85,088	-	-	-	85,088	128,842
Inventory	144,146	-	-	-	144,146	149,519
Prepaid expenses	5,354	-	-	-	5,354	9,304
Interfund balances receivable (note 4)	97,982	-	267,719	-	365,701	310,263
	1,574,697	-	270,372	409,327	2,254,396	3,236,863
Tangible capital assets (note 5)	-	912,433	-	-	912,433	660,793
	\$ 1,574,697	\$ 912,433	\$ 270,372	\$ 409,327	\$ 3,166,829	\$ 3,897,656

Approved by the directors

Director

Director

UNIVERSITY OF VICTORIA STUDENTS' SOCIETY

STATEMENT OF FINANCIAL POSITION APRIL 30, 2010

	Operating Fund	Tangible Capital Asset Fund	Dr. Ewing Memorial Trust Fund	Major Capital Fund	2010	2009
Current liabilities						
Accounts payable and accrued liabilities (note 6)	\$ 410,108	\$ -	\$ -	\$ -	\$ 410,108	\$ 1,383,060
Deferred revenue	869,532	-	-	-	869,532	831,967
Funds held in trust	664,130	-	-	-	664,130	582,113
Interfund balances payable (note 4)	-	-	-	365,701	365,701	310,263
	<u>1,943,770</u>	<u>-</u>	<u>-</u>	<u>365,701</u>	<u>2,309,471</u>	<u>3,107,403</u>
Fund balances						
Invested in tangible capital assets		912,433	-	-	912,433	660,793
Internally restricted						
Dr. Ewing Memorial Trust Fund (note 7)	-	-	270,372	-	270,372	126,923
Major Capital Fund (note 8)	-	-	-	43,626	43,626	271,271
Unrestricted	<u>(369,073)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(369,073)</u>	<u>(268,734)</u>
	<u>(369,073)</u>	<u>912,433</u>	<u>270,372</u>	<u>43,626</u>	<u>857,358</u>	<u>790,253</u>
	<u>\$ 1,574,697</u>	<u>\$ 912,433</u>	<u>\$ 270,372</u>	<u>\$ 409,327</u>	<u>\$ 3,166,829</u>	<u>\$ 3,897,656</u>

UNIVERSITY OF VICTORIA STUDENTS' SOCIETY

STATEMENT OF CHANGES IN FUND BALANCES YEAR ENDED APRIL 30, 2010

	Operating Fund	Tangible Capital Asset Fund	Dr. Ewing Memorial Trust Fund	Major Capital Fund	2010	2009
Fund balances, beginning of year	\$ (268,734)	\$ 660,793	\$ 126,923	\$ 271,271	\$ 790,253	\$ 840,166
Excess (deficiency) of revenues over expenses	295,867	(228,762)	-	-	67,105	(49,913)
Interfund transfers						
Allocate interest	(1,344)	-	-	1,344	-	-
Allocation to funds	(396,462)	-	198,231	198,231	-	-
Tangible capital assets acquired	-	482,002	(54,782)	(427,220)	-	-
Proceeds of disposition of tangible capital assets	1,600	(1,600)	-	-	-	-
Fund balances, end of year	\$ (369,073)	\$ 912,433	\$ 270,372	\$ 43,626	\$ 857,358	\$ 790,253

UNIVERSITY OF VICTORIA STUDENTS' SOCIETY

STATEMENT OF OPERATIONS YEAR ENDED APRIL 30, 2010

	Operating Fund	Tangible Capital Asset Fund	Dr. Ewing Memorial Trust Fund	Major Capital Fund	2010	2009
Revenue						
Membership fees	\$ 2,103,563	\$ -	\$ -	\$ -	\$ 2,103,563	\$ 2,016,470
Support and administration	226,871	-	-	-	226,871	216,720
Board of Directors	43,719	-	-	-	43,719	43,439
Other contributions	79,472	-	-	-	79,472	81,574
	2,453,625	-	-	-	2,453,625	2,358,203
Food and beverage sales						
Food and beverage cost of sales	2,304,523	-	-	-	2,304,523	1,845,847
	874,689	-	-	-	874,689	714,531
	1,429,834	-	-	-	1,429,834	1,131,316
Business operations sales						
Business operations cost of sales	6,661,705	-	-	-	6,661,705	6,088,685
	5,635,666	-	-	-	5,635,666	5,352,449
	1,026,039	-	-	-	1,026,039	736,236
	4,909,498	-	-	-	4,909,498	4,225,755
Expenses						
Food and beverage	1,374,537	-	-	-	1,374,537	1,083,739
Business operations	632,263	-	-	-	632,263	549,582
Support and administration	1,071,328	-	-	-	1,071,328	995,603
Board of Directors	327,879	-	-	-	327,879	328,149
Amortization of tangible capital assets (note 9)	-	220,640	-	-	220,640	189,996
Loss on disposal of tangible capital assets	-	8,122	-	-	8,122	-
Other	772	-	-	-	772	565
	3,406,779	228,762	-	-	3,635,541	3,147,634
	1,206,852	-	-	-	1,206,852	1,128,034
Committed expenditure (note 10)						
Excess (deficiency) of revenues over expenses	\$ 295,867	\$ (228,762)	\$ -	\$ -	\$ 67,105	\$ (49,913)

UNIVERSITY OF VICTORIA STUDENTS' SOCIETY

STATEMENT OF CASH FLOW YEAR ENDED APRIL 30, 2010

	Operating Fund	Tangible Capital Asset Fund	Dr. Ewing Memorial Trust Fund	Major Capital Fund	2010	2009
Sources of cash						
Membership fees	\$ 2,103,563	\$ -	\$ -	\$ -	\$ 2,103,563	\$ 2,016,470
Operations, Board of Directors and support and administration	9,318,137	-	-	-	9,318,137	8,239,255
Proceeds on disposal of tangible capital assets	-	1,600	-	-	1,600	-
Change in trust balances	82,017	-	-	-	82,017	76,896
Other contributions	79,472	-	-	-	79,472	81,574
	11,583,189	1,600	-	-	11,584,789	10,414,195
Uses of cash						
Expenses	(10,880,763)	-	-	-	(10,880,763)	(8,085,593)
Committed expenditure	(1,206,852)	-	-	-	(1,206,852)	(1,128,034)
Tangible capital assets acquired	-	(482,002)	-	-	(482,002)	(287,991)
	(12,087,615)	(482,002)	-	-	(12,569,617)	(9,501,618)
Interfund transfers						
Tangible capital assets acquired	-	482,002	(54,782)	(427,220)	-	-
Interfund transfers	(396,206)	(1,600)	198,231	199,575	-	-
	(396,206)	480,402	143,449	(227,645)	-	-
Net (decrease) increase in cash during the year	(900,632)	-	143,449	(227,645)	(984,828)	912,577
Cash position, beginning of year	2,240,741	-	126,923	271,271	2,638,935	1,726,358
Cash position, end of year	\$ 1,340,109	\$ -	\$ 270,372	\$ 43,626	\$ 1,654,107	\$ 2,638,935
Cash position consists of:						
Cash	\$ 1,239,929	\$ -	\$ 2,653	\$ 409,327	\$ 1,651,909	\$ 2,636,737
Investments	2,198	-	-	-	2,198	2,198
Interfund balances (note 4)	97,982	-	267,719	(365,701)	-	-
	\$ 1,340,109	\$ -	\$ 270,372	\$ 43,626	\$ 1,654,107	\$ 2,638,935

UNIVERSITY OF VICTORIA STUDENTS' SOCIETY

FOOD AND BEVERAGE OPERATIONS YEAR ENDED APRIL 30, 2010

Schedule 1

	Food Services	Felicita's	Catering and Conferences	2010	2009
Sales	\$ 1,391,457	\$ 675,551	\$ 237,515	\$ 2,304,523	\$ 1,845,847
Cost of sales	603,685	231,626	39,378	874,689	714,531
Gross profit	787,772	443,925	198,137	1,429,834	1,131,316
Expenses					
Salaries, wages and benefits	737,297	292,799	112,532	1,142,628	892,052
Other operating expenses	65,485	97,476	18,952	181,913	148,427
Entertainment	-	30,527	-	30,527	26,500
Interest and finance charges	10,570	8,899	-	19,469	16,760
	813,352	429,701	131,484	1,374,537	1,083,739
Net (loss) income	\$ (25,580)	\$ 14,224	\$ 66,653	\$ 55,297	\$ 47,577

UNIVERSITY OF VICTORIA STUDENTS' SOCIETY

BUSINESS OPERATIONS
YEAR ENDED APRIL 30, 2010

Schedule 2

	Info Booth	Cinecenta	Munchie Bar	Zap	SUBtext	2010	2009
Sales	\$ 18,201	\$ 310,288	\$ 322,567	\$ 326,504	\$ 435,870	\$ 1,413,430	\$ 1,055,665
Cost of sales	79	117,020	162,912	69,787	278,803	628,601	470,757
Gross profit	18,122	193,268	159,655	256,717	157,067	784,829	584,908
Health Plan							
Fees	2,412,725	-	-	-	-	2,412,725	2,282,488
Insurance premium	2,213,455	-	-	-	-	2,213,455	2,184,882
	199,270	-	-	-	-	199,270	97,606
U-Pass							
Revenue	2,834,425	-	-	-	-	2,834,425	2,749,193
Cost of sales	2,793,610	-	-	-	-	2,793,610	2,696,810
	40,815	-	-	-	-	40,815	52,383
Other revenue							
Bus pass commissions	177	-	-	-	948	1,125	1,339
	258,384	193,268	159,655	256,717	158,015	1,026,039	736,236
Expenses							
Salaries, wages and benefits	37,741	144,496	95,624	117,234	91,407	486,502	422,541
Other operating expenses	5,951	54,596	7,576	55,252	10,427	133,802	116,427
Interest and finance charges	2,178	2,345	-	3,361	4,075	11,959	10,614
	45,870	201,437	103,200	175,847	105,909	632,263	549,582
Net income (loss)	\$ 212,514	\$ (8,169)	\$ 56,455	\$ 80,870	\$ 52,106	\$ 393,776	\$ 186,654

UNIVERSITY OF VICTORIA STUDENTS' SOCIETY

SUPPORT AND ADMINISTRATION
YEAR ENDED APRIL 30, 2010

Schedule 3

	Grafix	General Office	Accounting Services	Building Operations	Society Administration & Services	2010	2009
Other revenue							
Space rentals	\$ -	\$ 15,175	\$ -	\$ 205,707	\$ -	\$ 220,882	\$ 182,182
Interest income	-	-	3,383	-	-	3,383	29,156
Fees for services	-	-	1,800	-	-	1,800	2,500
Sales	806	-	-	-	-	806	2,882
	806	15,175	5,183	205,707	-	226,871	216,720
Expenses							
Salaries, wages and benefits	80,958	36,648	128,871	33,378	255,436	535,291	498,827
Janitorial	-	-	-	191,308	-	191,308	134,390
Utilities	-	-	-	84,832	-	84,832	108,392
Insurance	-	-	-	65,694	-	65,694	65,694
Interest and finance charges	-	-	22,459	-	-	22,459	20,106
Repairs and maintenance	-	-	-	46,740	-	46,740	56,028
Professional fees	-	-	48,604	-	37,587	86,191	68,838
Office and miscellaneous	3,675	6,230	12,010	10,233	6,665	38,813	43,328
	84,633	42,878	211,944	432,185	299,688	1,071,328	995,603
Net loss	\$ (83,827)	\$ (27,703)	\$ (206,761)	\$ (226,478)	\$ (299,688)	\$ (844,457)	\$ (778,883)

UNIVERSITY OF VICTORIA STUDENTS' SOCIETY

BOARD OF DIRECTORS
YEAR ENDED APRIL 30, 2010

	Chairperson	Director of Finance	Director of Academic	Director of Services	Board of Directors Operations		2010	2009
					General	General		
Special events revenue	\$ -	\$ -	\$ -	\$ 31,918	\$ -	\$ -	\$ 31,918	\$ 26,382
Other revenue	-	-	-	-	11,801	11,801	11,801	17,057
	-	-	-	31,918	11,801	11,801	43,719	43,439
Expenses								
Salaries, wages and benefits	28,112	28,894	22,176	28,475	58,396	58,396	166,053	167,966
Special events expenses	-	-	-	55,073	-	-	55,073	46,420
Conference, travel and office	1,284	280	267	232	43,887	43,887	45,950	50,535
Handbook costs	-	-	-	-	33,544	33,544	33,544	37,364
Elections	26,841	-	-	-	-	-	26,841	24,157
Campaigns	-	-	-	-	418	418	418	1,707
	56,237	29,174	22,443	83,780	136,245	136,245	327,879	328,149
Net loss	\$ (56,237)	\$ (29,174)	\$ (22,443)	\$ (51,862)	\$ (124,444)	\$ (124,444)	\$ (284,160)	\$ (284,710)

UNIVERSITY OF VICTORIA STUDENTS' SOCIETY

CHANGES TO SELECTED TRUST FUND BALANCES YEAR ENDED APRIL 30, 2010

Schedule 5

	Balance, beginning of year	Revenue	Wages and benefits	Other	Balance, end of year 2010	2009
Constituency control	\$ 6,838	\$ 68,666	\$ -	\$ 57,172	\$ 18,332	\$ 6,838
Ombudsperson	21,934	70,418	56,950	8,860	26,542	21,934
Emergency food program	25,168	19,646	-	26,372	18,442	25,168
Native students society	36,824	31,037	-	23,404	44,457	36,824
Anti-violence project	158,207	65,579	52,191	8,682	162,913	158,207
Pride - Trust	16,298	23,688	3,998	18,960	17,028	16,298
Students of colour	16,588	12,221	7,656	6,330	14,823	16,588
WUSC refugee	47,720	84,240	-	78,835	53,125	47,720
Women's centre	24,717	43,491	39,303	18,934	9,971	24,717
Clubs - Control	77,192	52,514	-	42,631	87,075	77,192
Course unions - Control	24,441	30,640	-	28,537	26,544	24,441
Course unions - Travel pool	300	6,800	-	6,540	560	300
UVic sustainability project	27,924	18,563	-	19,679	26,808	27,924
Access UVic	-	48,438	588	13,816	34,034	-
	\$ 484,151	\$ 575,941	\$ 160,686	\$ 358,752	\$ 540,654	\$ 484,151

UNIVERSITY OF VICTORIA STUDENTS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2010

1. Purpose of the organization

The University of Victoria Students' Society is an organization which provides undergraduate University of Victoria students with services and advocacy. The University of Victoria Students' Society is incorporated under the Society Act of British Columbia as a not-for-profit society.

2. Significant accounting policies

The financial statements of the society have been prepared in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Fund accounting

The society follows the restricted fund method of accounting for contributions.

The Operating Fund reports membership fees, revenue and expenses related to the society's business and operating activities.

The Tangible Capital Asset Fund reports the ownership and equity related to the society's tangible capital assets.

The Dr. Ewing Memorial Trust Fund and Major Capital Fund each report the assets and liabilities related to the internally restricted fund activities.

Inventory

Inventory is valued at the lower of cost or net realizable value.

Tangible capital assets

Tangible capital assets are recorded at cost. Amortization is provided on a straight-line basis over the estimated useful life of the asset, as set out in note 5. Amortization expense is reported in the Tangible Capital Asset Fund.

Capital disclosure

The society considers its capital to be the balance maintained in its Operating Fund, Tangible Capital Asset Fund, Dr. Ewing Memorial Trust Fund, and Major Capital Fund. The primary objective of the society is to invest its capital in a manner that will allow it to continue as a going concern and comply with its stated objectives. Capital is invested under the direction of the board of directors of the society with the objective of providing a reasonable rate of return, minimizing risk and ensuring adequate liquid investments are on hand for current cash flow requirements.

Deferred revenue

The deferred revenue reported in the Operating Fund represents operating revenue received in the current period that is related to the subsequent period.

UNIVERSITY OF VICTORIA STUDENTS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2010

2. Significant accounting policies (continued)

Revenue and expenditure

Revenue and expenditure are recorded according to the accrual basis of accounting.

Contributed assets are recorded at fair value at the date of contribution.

3. Investments

Investments consist of funds held in various portfolio marketable securities and are recorded at cost. As at April 30, 2010 investments in the Operating Fund have a market value of \$4,690 (April 30, 2009 - \$4,380).

4. Interfund balances

To bring the funds to the required amounts, transfers are required as noted by the interfund balances receivable and payable.

5. Tangible capital assets

	Cost	Accumulated Amortization	Net Book Value		Amortiz Rate
			2010	2009	
Computer equipment and software	\$ 176,434	\$ 154,715	\$ 21,719	\$ 28,325	2 to 4 years
Furniture and fixtures	96,828	90,434	6,394	10,504	10 years
Leasehold improvements	1,174,349	490,414	683,935	473,502	5 to 10 years
Miscellaneous equipment	62,365	55,156	7,209	11,453	5 to 10 years
Retail business operations equipment	566,141	372,965	193,176	137,009	5 to 10 years
	<u>\$ 2,076,117</u>	<u>\$ 1,163,684</u>	<u>\$ 912,433</u>	<u>\$ 660,793</u>	

6. Due from Student Radio Society and Graduate Student Society

The accounting and financial system of the society is utilized by the Student Radio Society. The accounts payable balance includes \$3,842 (April 30, 2009 - \$25,889) due to the Student Radio Society, which represents cash receipts on behalf of that society in excess of outlays.

7. Dr. Ewing Memorial Trust Fund

The Dr. Ewing Memorial Trust Fund is funded by a \$6.50 per student per term fee. The internally restricted fund is used to meet expenses incurred in the major renovation or expansion of the Student Union Building or in the provision of additional physical plant facilities intended to meet the extracurricular needs of the membership of the society. Expenditures from the fund are reflected as transfers to the Operating or Tangible Capital Asset Fund as applicable.

Fees are collected by the University of Victoria and transferred to the society. Interest income earned is recorded as income to the society and a transfer to the fund.

UNIVERSITY OF VICTORIA STUDENTS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2010

8. Major Capital Fund

The Major Capital Fund is funded by a \$6.50 per student per term fee. The internally restricted fund is used to cover the cost of all Student Union Building fixtures and physical renovations including adaptations to restructure space or provide for revenue generating society businesses or tenants, non-fixtures including replacements of equipment essential to basic operations of a business, work which represents an investment in the building and which reduce maintenance costs, major furnishing acquisitions or replacements and premature maintenance. Expenditures from the fund are reflected as transfers to the Operating or Tangible Capital Asset Fund as applicable.

Fees are collected by the University of Victoria and transferred to the society. Interest income earned is recorded as income to the society and a transfer to the fund.

9. Amortization

Amortization expense charged to the Tangible Capital Asset Fund consists of:

	<u>2010</u>	<u>2009</u>
Amortization on assets purchased from the Dr. Ewing Memorial Trust Fund	\$ 31,411	\$ 25,889
Amortization on assets purchased from the Major Capital Fund	<u>189,229</u>	<u>164,107</u>
	<u>\$ 220,640</u>	<u>\$ 189,996</u>

UNIVERSITY OF VICTORIA STUDENTS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2010

10. Committed expenditure

Allocations and appropriations from revenue are required each year as a result of referendum for items in addition to amounts required by the society's constitution. Student activity fees in the amount of \$54.00 per student per term, which increased during the year to \$56.18 per student per term, are paid to the society, of which \$19.00 per student per term is directed to the cost of society operations. The balance of \$35.00 or \$37.18 respectively, is distributed as follows:

	Per student per term		Total	
	2010	2009	2010	2009
Canadian Federation of Students	\$ 7.98	\$ 7.80	\$ 242,853	\$ 234,512
Student Radio Society	5.00	5.00	152,485	150,626
Martlet Publishing Society	3.75	3.75	114,364	112,969
Vancouver Island Public Interest Research Group	3.00	3.00	91,491	90,375
Access UVic	3.00	1.00	85,780	30,125
Anti Violence Project	2.00	2.00	60,994	60,250
Clubs and course unions	2.00	2.00	60,994	60,250
Constituency groups	2.00	2.00	60,994	60,250
Ombudsperson's office	1.50	1.50	45,746	45,188
World University Service of Canada Bursary (WUSC)	1.50	1.50	45,746	45,188
University of Victoria Day Care	1.00	1.00	30,496	30,125
Native students' union	1.00	1.00	30,496	30,125
Women's Centre	0.95	0.95	28,972	28,619
Daniel Jacobs Memorial Fund	0.50	0.50	15,249	15,063
International Students' Bursary Fund	0.50	0.50	15,249	15,063
Food Bank	0.50	0.50	15,249	15,063
Sustainability Project	0.50	0.50	15,249	15,063
Course Unions Special	0.50	0.50	15,249	13,614
	<u>37.18</u>	<u>35.00</u>	<u>1,127,656</u>	<u>1,052,468</u>

UNIVERSITY OF VICTORIA STUDENTS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS APRIL 30, 2010

10. Committed expenditure (continued)

	Per student per term		Total	
	2010	2009	2010	2009
In addition to the above allocations, the society received fees from the Graduate Student Society in the amount of \$42,196 (April 30, 2009 - \$38,566) to be allocated to the following groups:				
Ombudsperson's office	1.00	1.00	7,672	7,012
Clubs	0.50	0.50	3,836	3,506
Constituency groups	1.00	1.00	7,672	7,012
Anti Violence Project	1.00	1.00	7,672	7,012
World University Service of Canada Bursary (WUSC)	2.00	2.00	15,344	14,024
	5.50	5.50	42,196	38,566
The society also received \$37,000 (April 30, 2009 - \$37,000) from the University of Victoria for allocation to:				
Ombudsperson's office			17,000	17,000
WUSC Refugee Fund			20,000	20,000
Total allocations	\$ 42.68	\$ 40.50	\$ 1,206,852	\$ 1,128,034

11. Letters of guarantee

The society has the a letter of guarantee at \$10,000 face value in conjunction with the Royal Bank of Canada in favour of Brewers Distributor Ltd.

Due to the revolving nature of this guarantee, the society can be liable at any point in time for up to double the amount indicated.

12. Land and building

The land and building utilized by the society is owned by the University of Victoria. Student fees of \$8,012,984 from 1957 to 2009, and \$198,231 in 2010 have been donated to the University to be used for the original building and furnishings and subsequent Student Union Building expansion.

13. Financial instruments

The society's financial instruments consist of cash, investments, accounts receivable, accounts payable and accrued liabilities, and funds held in trust. It is management's opinion that the society is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Fair Value

The fair value of the society's cash, accounts receivable, accounts payable and accrued liabilities, and funds held in trust are approximately equal to their carrying value due to their relatively short terms to maturity. The fair value of the society's investments is as disclosed in note 3.

UNIVERSITY OF VICTORIA STUDENTS' SOCIETY

NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2010

14. Contingency

The society is a defendant in a legal action resulting from a physical altercation between two Felicita's patrons that occurred in the vicinity of the Student Union Building shortly after the pub closed in October 2006. The society received a Writ of Summons in November 2008. Damages sought by the plaintiff are unknown at this time. The society has made a claim to its liability insurance provider who has undertaken the defence. The litigation is in its preliminary stages, and the amount of insurance deductible and/or damages payable by the society, if any, cannot be reasonably determined at this time.