



Guide to UVSS Finances

Prepared February 2020 by:

Dakota McGovern
Zyannya Fox



university of victoria
students' society

Contents

- 2** What is the UVSS?
- 4** A Brief Overview of UVSS Financial History
- 9** Summary of Student Services
- 18** Overview of Budgeting
- 23** Line Items in the Budget
- 28** Audit Review
- 32** Ending Notes

What is the UVSS and how do we operate?

- All undergraduate students at the University of Victoria are members of the UVic Students' Society (UVSS).
- The UVSS is a social justice based non-profit run by students, for students. The UVSS is entirely separate from the University, and it runs a successful social enterprise that includes nine unique businesses.
 - A social enterprise is a business that seeks to maximize profits while maximizing benefits to society and the environment.

-
- As a social enterprise, the UVSS seeks to be as responsible with your money as possible.
 - The UVSS has five operating principles:
 1. To provide the widest possible range of services in response to the needs of students.
 2. To give priority to service UVic students while also serving others.
 3. To provide low-cost services to UVic students.
 4. To generate revenue for the Society.
 5. To provide employment and training to UVic students.



university of victoria
students' society

A Brief Overview ***of*** ***UVSS*** ***Financial*** ***History***



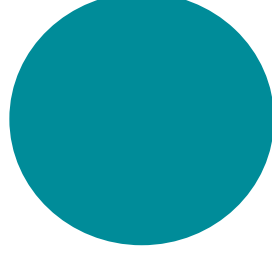
1964

The UVSS is incorporated a year after the creation of UVic itself as the *Alma Mater Society* (AMS) of the University of Victoria and has 2000 members.



1989

Until this point, the SUB was not run by the Board of Directors and staff, but the UVic administration. The UVSS restructures, and hires its own General Manager (or Administrative Coordinator, until early 1998) who oversees society operations.

- 
- The UVSS acquires a liquor license.
 - Cinecenta is created, working out of an office in the SUB, and showing movies using a 16mm projector in the Maclaurin and Elliot Buildings.
 - The SUB is expanded and a wing is added where Cinecenta and the Munchie Bar are now located.

1970s

2001

- The society deficit reaches an all time high.
- 2000-2001: The UVSS runs a deficit of over \$400,000 in one year.
 - The UVSS has already been running deficits every year for about ten years at this point. The Board establishes controls that still exist today to ensure UVSS businesses are run more efficiently, such as reducing costs and food waste.

UVSS staff unionize under the United Steelworkers.

1991

Beginning in 2002-2003, the Society runs surpluses every year. The Society's debt of approximately \$1 million is repaid in full by 2006-2007.

2002 - 2007




2010

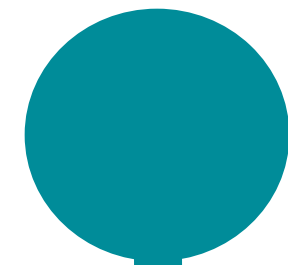
After recovering from the early 2000s, the UVSS begins to slide back into an alarming deficit situation. This is largely due to costs increasing with inflation, while student fees remain unchanged for over twenty years.

To respond, the UVSS Board runs several fee referenda:

- The Capital Fund is reduced and shifted into the Operating Fund.
- Dedicated fees for events and elections are established.
- The Operating Fund receives a modest increase of 40 cents per full-time student per semester, each semester over a three-year period.

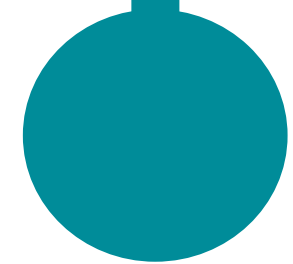
- 
- The UVSS creates their first ever strategic plan and annual report.
 - Dedicated fees for campaigns are established by referendum.

2011 - 2012



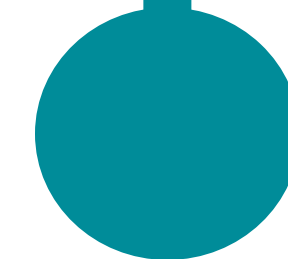
2018

SUB branding is created to ensure marketing for all UVSS businesses is uniform.



2015

Health Food Bar and Grill renovations and rebrand begin.



2019 onwards...

As of the ending of the last fiscal year at the time of writing, the UVSS is operating a surplus.



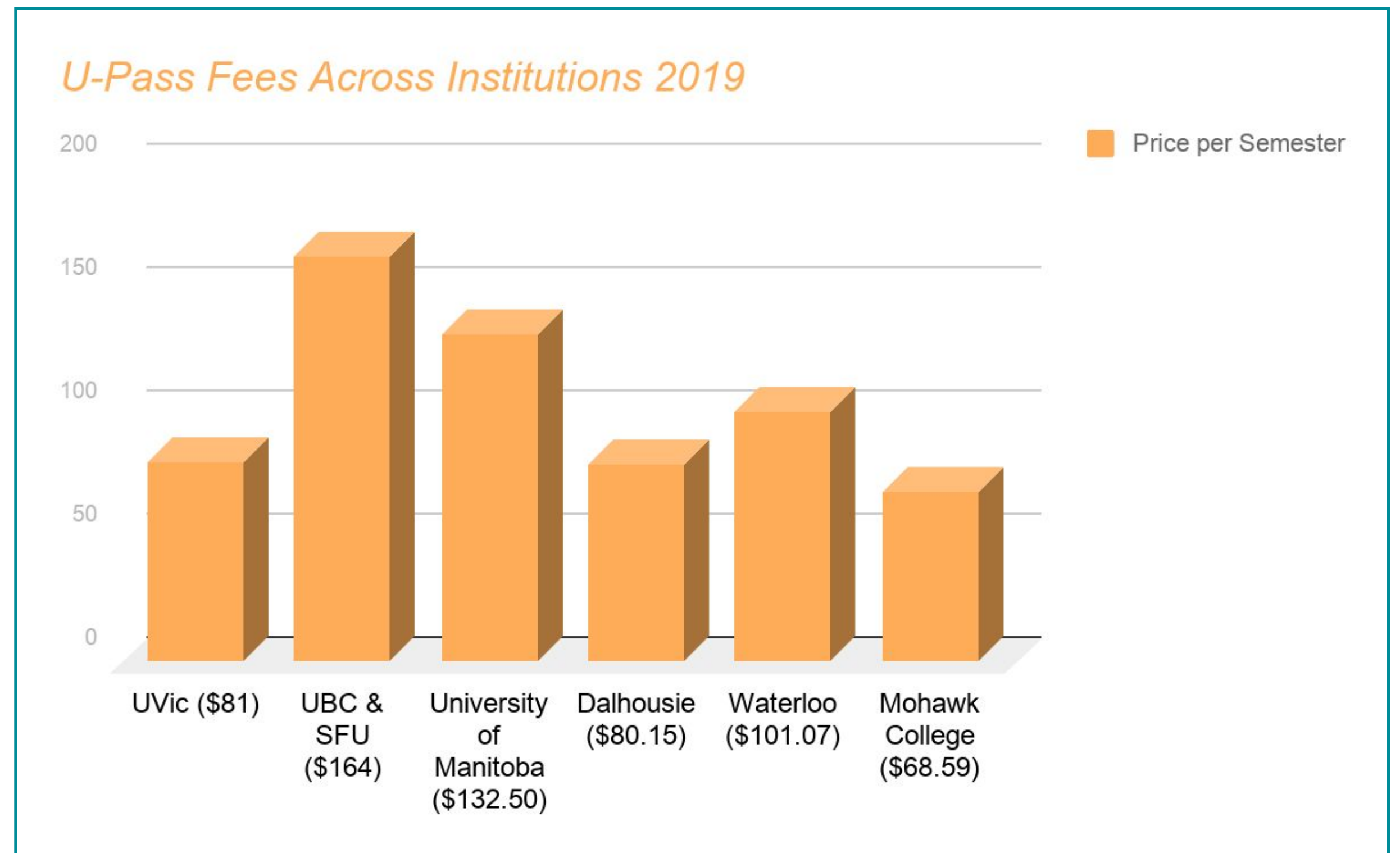
Summary of Student Services

An Overview of UVSS Fee Levies

Although students pay a large amount of money to the UVSS, not all of it stays within the SUB. Outside of the Operating Fund (\$26.60 per full-time student each semester), the majority of UVSS fees support programs, services and organizations that improve the UVic student experience. They are listed on the following pages.

The UVSS U-Pass

- In 1999, students voted for a mandatory discounted bus pass at \$81 per student per semester.
- In comparison to \$81 for 4 months, community members pay \$85 for 1 month of bus service.



The UVSS Health and Dental Plan

- The UVSS administers a mandatory health and dental plan, with an opt-out period between August 22nd - September 22nd of each year, for students with existing coverage.
 - Referenda passed during the 2018-2019 Board term updated the UVSS Health and Dental plan to include Basic and Enhanced levels of coverage at \$290 and \$360, respectively.
- The UVSS provides one of the only healthcare plans in Canada that covers 80% of almost any birth control prescription, while major providers only cover the oral pill (and that's usually only available on enhanced plans).
 - Our coverage also includes many types of IUDs.
- The UVSS also covers 80% of non-prescription vaccines, including rabies shots.

Affiliated Groups

- The UVSS collects and disseminates fees to groups within the SUB that manage their own day-to-day finances but are part of our audit. These groups include:
 - Anti-Violence Project
 - Advocacy Groups
 - Campus Community Garden
 - UVic Sustainability Project
 - Clubs and Course Unions
 - Ombudsperson
 - World University Service of Canada (WUSC)
 - Native Students' Union
 - Daycare and bursaries
 - Uni 101

Separately Incorporated Groups

- These are groups that we disperse fees to, but they have separate audits and finances from us.
- CFUV – campus radio station.
- Martlet – campus newspaper.

CFUV
101.9 FM

Martlet
THE UNIVERSITY OF VICTORIA'S INDEPENDENT NEWSPAPER

Fee-Levied Services

- These are budgets which are spent based on decisions made by the Board of Directors on behalf of students. The funds are created with specific purposes in mind, such as:
 - Events
 - Elections
 - Major Capital Fund (Operational improvements to SUB businesses)
 - FoodBank
 - Peer Support Centre
 - Dr. Ewing Memorial Trust Fund (A restricted fund held in trust by UVIc and used to meet significant expenses (over \$5000) or major renovation or expansion of the SUB)
 - Renovation Fund (A former Fund that no longer exists, to support the renovation of the SUB)
 - Asset Capital Fund (Not a student fee, but the total of all capital assets in the UVSS)
 - Campaigns (Government Relations and Outreach)

Fee-Levied Services

University of Victoria Students' Society Schedule 5 – Changes in Restricted Funds

Year ended April 30

	Capital Asset Fund	Dr. Ewing Memorial Trust Fund	Major Capital Fund	Renovation Fund	Other restricted funds				2019 Total	2018 Total
					Campaigns	Emergency Food Program	Events	Elections		
Revenue	\$ -	\$ 165,818	\$ 169,263	\$ -	\$ 15,936	\$ 104,371	\$ (1,475)	\$ (164)	453,749	\$ 655,905
Expenses	152,742	-	-	-	1,250	53,585	3,364	-	210,941	215,196
Excess of revenues over expenses	(152,742)	165,818	169,263	-	14,686	50,786	(4,839)	(164)	242,808	440,709
Opening balance	328,536	(218,625)	179,918	248,954	(3,633)	16,975	15,887	164	568,176	125,571
Interfund transfers	124,537	219,747	(124,537)	(219,747)	-	-	-	-	-	1,620
Fund balances, end of year	\$ 300,331	\$ 166,940	\$ 224,644	\$ 29,207	\$ 11,053	\$ 67,761	\$ 11,048	\$ -	810,984	\$ 567,900

This page explains the changes in these funds. 2019 Audit p. 4

The Operating Fund

Each full time student pays \$26.60 into this fund per semester.

- This fund is used at the discretion of the Board of Directors.
- The actual gross profit for the Operating Fund was \$5,989,141 for the 2018/2019 year (Audit 2019, p. 3).
- Revenue is generated from membership fees, food and beverage, business ops, support and admin (interest rentals), and Board of Directors (ads).
- Money from this fund is spent on many things, including:
 - Student jobs (labour)
 - Repair
 - Maintenance
 - Advertising
 - Other expenses



Overview of Budgeting

Overview of Budgeting

- The UVSS values student services and aims to better the student experience wherever possible.
- These services are expressed in the [UVSS budget](#), which is:
 - A document that shows the priorities of each Board of Directors.
 - A projection for the future, and is not necessarily set in stone.
- As seen below, previous years' audited financial results are displayed on the budget to provide historical context and comparison.

University of Victoria Students' Society Fiscal Budget Forecasting

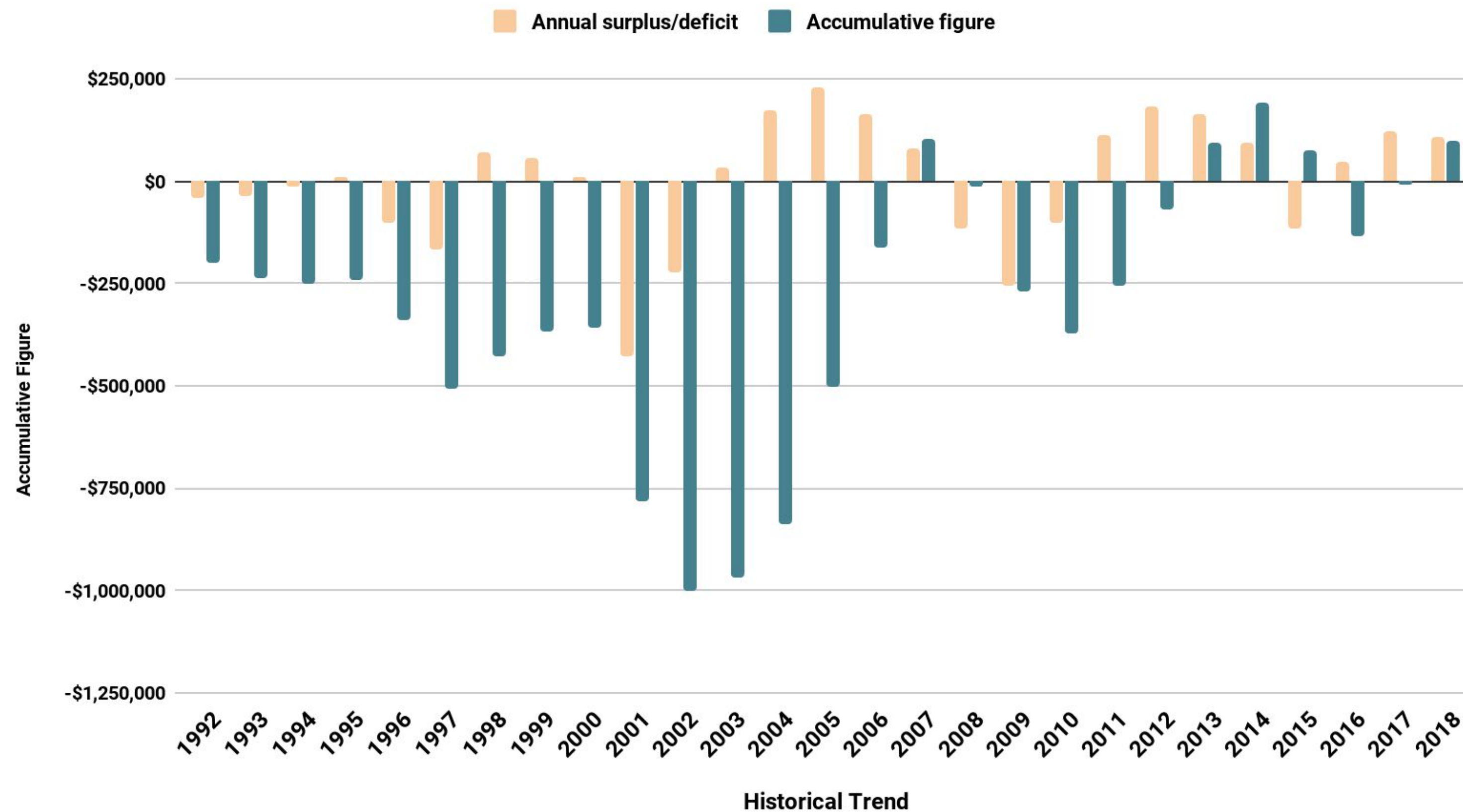
	2019-2020 Draft Budget	2018-2019 Draft Year End	2017-2018 Audited	2016-2017 Audited	2015-2016 Audited	2014-2015 Audited	2013-2014 Audited	2012-2013 Audited	2011-2012 Audited
--	---------------------------	-----------------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------

-
- Each year the UVSS receives multiple sources of revenue: **membership fees, profits from businesses, interest on our bank account, space rentals, ad compensation, and grants or sponsorships.**
 - The UVSS runs an operating surplus when it spends less than it receives and an operating deficit when it spends more than it receives.

-
- If the UVSS has extra revenue leftover from the previous year, it impacts the budget. If a past Board runs a surplus greater than the deficit of a following Board the UVSS runs an accumulative surplus. If the figures are the other way around, the UVSS runs an accumulative deficit.
 - The accumulative figure is the most important and should hover close to zero generally. As a non-profit society, we are exempt from paying certain income taxes according to the Income Tax Act, but our mandate will change if the overall bottom line generates a large enough profit for multiple years.

- In a not-for-profit it is common to run both accumulative deficits and surpluses depending on the priorities of each Board.

Historical Operating Fund Trends





Understanding Line Items in the Budget

Understanding Line Items in the Budget

- Like many organizations, the UVSS has a certain amount of income, and multiple expenditures. In order to function as a society, the UVSS must maintain proper financial controls, be prudent with expenses and engage in long-term financial planning. These intentions are expressed through our annual budget which serves as a projection of how much money we plan to spend. The budget is not an accurate portrayal of the future, but a political document, as it shows what priorities each Board has and how your student fees will be spent.
- Each line item refers to a specific project or service that the UVSS intends to spend money on. For example, the line item for grants and donations demonstrates how much money the UVSS expects to spend on this category.

UVSS Income

- Income refers to the money that comes into the students' society. The majority of it comes from business revenue and student fees. However, there are plenty of other sources that are outlined in the 2019 audit, schedule 3.
- Income for the UVSS is generated through:
 - \$76.60 in fees per student per semester
 - Ads, space rental, banking interest
 - Revenue

UVSS Expenditures

An expenditure is the action of spending funds.

- Cost centres
 - Cost centres are UVSS departments that require money to operate, but do not directly create profit. For example, the accounting office, which provides necessary financial management for the UVSS, but requires investments, like in labour, to maintain.
 - Examples of cost centres:
 - General Office
 - Graphics
 - Accounting
 - Communications Office
 - Peer Support Center
 - Foodbank

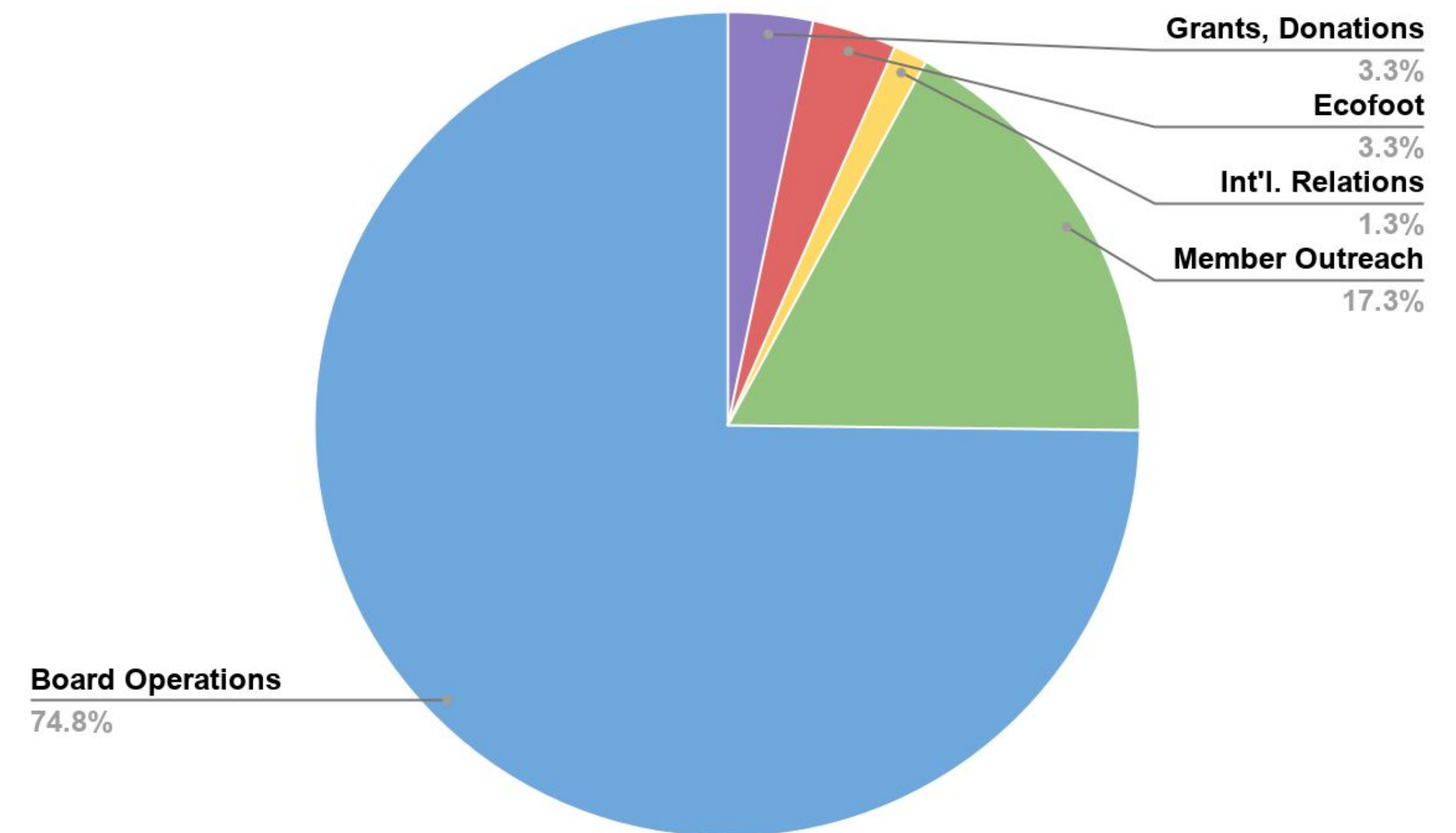
University of Victoria Students' Society Statement of Operations Year ended April 30

	2019			2018		
	Operating Fund	Restricted Fund	Total	Operating Fund	Restricted Fund	Total
Revenue						
Membership fees	\$ 2,589,052	\$ 335,081	\$ 2,924,133	\$ 2,462,303	\$ 520,420	\$ 2,982,723
Support and administration (Schedule 3)	320,523	-	320,523	259,869	-	259,869
Board of Directors (Schedule 4 and 5)	116,792	118,668	235,460	89,356	129,484	218,840
Other contributions	295,532	-	295,532	294,833	6,000	300,833
	<u>3,321,899</u>	<u>453,749</u>	<u>3,775,648</u>	<u>3,106,361</u>	<u>655,904</u>	<u>3,762,265</u>
 Food and beverage sales (Schedule 1)	 2,597,893	 -	 2,597,893	 2,707,970	 -	 2,707,970
Food and beverage cost of sales	958,468	-	958,468	1,036,098	-	1,036,098
	<u>1,639,425</u>	<u>-</u>	<u>1,639,425</u>	<u>1,671,872</u>	<u>-</u>	<u>1,671,872</u>
 Business operations sales (Schedule 2)	 8,722,517	 -	 8,722,517	 8,062,844	 -	 8,062,844
Business operations cost of sales	7,694,700	-	7,694,700	7,203,098	-	7,203,098
	<u>1,027,817</u>	<u>-</u>	<u>1,027,817</u>	<u>859,746</u>	<u>-</u>	<u>859,746</u>
	<u>5,989,141</u>	<u>453,749</u>	<u>6,442,890</u>	<u>5,637,979</u>	<u>655,904</u>	<u>6,293,883</u>
Expenses						
Food and beverage (Schedule 1)	1,726,905	-	1,726,905	1,674,131	-	1,674,131
Business operations (Schedule 2)	802,244	-	802,244	776,661	-	776,661
Support and administration (Schedule 3)	1,130,648	-	1,130,648	1,105,219	-	1,105,219
Board of Directors (Schedule 4 and 5)	432,349	58,199	490,548	417,250	84,725	501,975
Amortization of tangible capital assets	-	152,742	152,742	-	130,471	130,471
Other	-	-	-	3,086	-	3,086
	<u>4,092,146</u>	<u>210,941</u>	<u>4,303,087</u>	<u>3,976,347</u>	<u>215,196</u>	<u>4,191,543</u>
Committed expenditure (Note 11)	<u>1,837,634</u>	<u>-</u>	<u>1,837,634</u>	<u>1,723,645</u>	<u>-</u>	<u>1,723,645</u>
Excess (deficiency) of revenue over expenses	\$ 59,361	\$ 242,808	\$ 302,169	\$ (62,013)	\$ 440,708	\$ 378,695

See accompanying notes to the financial statements.

UVSS Expenditures

- There are also expenditures other than cost centres.
 - Environmental Responsibility Fund (Ecofoot working group)
 - International Relations
 - Grants & Donations
 - Member Outreach
 - Board Operations (Additional Board initiatives or expenses too broad for a specific department)



2019-2020 figures



Understanding The Audit

Understanding The Audit

- What is an audit?
 - An audit is an official inspection conducted by an independent body to review the UVSS' financial controls.
 - It lists expenses of the previous fiscal year.
- Why do we do an audit?
 - To follow the guidelines for non-profit organizations set out in the [Societies Act.](#)

How do you read an audit?

- Overall, there are two critical parts of an audit:
 - **Notes** explain specific reasons why the fees are allocated in the way they are.
 - Audit 2019 p. 7-15
 - **Schedules** provide a breakdown of where the fees go.
 - Audit 2019 p. 16-21

Terms within the Audit

- **Statement of operations**

- Lists the expenditures in the Operating Fund.
- Shows membership fees for restricted and operating expenses.
- Shows revenue and expenses.
 - Deficiency over expenses refers to the overall amount spent in comparison to the amount received.

- **Statement of Changes in Fund Balances**

- List the expenditures for UVSS funds. See schedule 5 for full details.
- The difference between each year shows the cumulative expenditures for the respective funds.
- The bottom of the page refers to the balance of the respective funds.

- **Statement of financial position**

- The UVSS' overall position as it relates to our assets and liabilities.

- **Statement of cash flows**

- Total income that flows through the society, including the Health and Dental Plan.
- In 2019, the total was \$15,145,315.
- In 2019, \$4,813,871 was the total amount left at the end of the year, and the difference from 2018 was \$404,880.

Ending Notes

- The UVSS is a not-for-profit social enterprise that seeks to provide a common framework within which students communicate, exchange information, and share experiences, skills and ideas.
- Although the mission, vision and values of the organization remain unchanged, each Board develops unique yearly priorities and initiatives that are expressed through the Society's finances.
- If you would like to get involved in setting these goals, please attend Finance and Operations Committee by emailing finance@uvss.ca.
- Learn more at: <https://uvss.ca/finances/docs/>.