



Financial Statements

University of Victoria Students' Society

April 30, 2020

DRAFT

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Independent Auditors' Report

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To the members of the University of Victoria Students' Society

Opinion

We have audited the financial statements of the University of Victoria Students' Society, ("the Society"), which comprise the statement of financial position as at April 30, 2020, and the statements of operations, changes in fund balances, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of University of Victoria Students' Society as at April 30, 2020, and its results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, these accounting principles have been applied on a consistent basis with that of the preceding year.

Victoria, Canada
DATE


Chartered Professional Accountants

University of Victoria Students' Society

Statement of Operations

Year ended April 30

	2020			2019		
	Operating Fund	Restricted Fund	Total	Operating Fund	Restricted Fund	Total
Revenue						
Membership fees	\$ 2,899,084	\$ 345,666	\$ 3,244,750	\$ 2,589,052	\$ 335,081	\$ 2,924,133
Support and administration (Schedule 3)	316,242	-	316,242	320,523	-	320,523
Board of Directors (Schedule 4 and 5)	218,267	55,947	274,214	116,792	118,668	235,460
Other contributions	291,575	-	291,575	295,532	-	295,532
	<u>3,725,168</u>	<u>401,613</u>	<u>4,126,781</u>	<u>3,321,899</u>	<u>453,749</u>	<u>3,775,648</u>
Food and beverage sales (Schedule 1)	2,544,667	-	2,544,667	2,597,893	-	2,597,893
Food and beverage cost of sales	919,451	-	919,451	958,468	-	958,468
	<u>1,625,216</u>	<u>-</u>	<u>1,625,216</u>	<u>1,639,425</u>	<u>-</u>	<u>1,639,425</u>
Business operations sales (Schedule 2)	9,232,553	-	9,232,553	8,722,517	-	8,722,517
Business operations cost of sales	8,036,997	-	8,036,997	7,694,700	-	7,694,700
	<u>1,195,556</u>	<u>-</u>	<u>1,195,556</u>	<u>1,027,817</u>	<u>-</u>	<u>1,027,817</u>
	<u>6,545,940</u>	<u>401,613</u>	<u>6,947,553</u>	<u>5,989,141</u>	<u>453,749</u>	<u>6,442,890</u>
Expenses						
Food and beverage (Schedule 1)	1,700,688	-	1,700,688	1,726,905	-	1,726,905
Business operations (Schedule 2)	759,889	-	759,889	802,244	-	802,244
Support and administration (Schedule 3)	1,179,385	-	1,179,385	1,130,648	-	1,130,648
Board of Directors (Schedule 4 and 5)	543,976	-	543,976	432,349	58,199	490,548
Amortization of tangible capital assets	-	167,968	167,968	-	152,742	152,742
Other	-	-	-	-	-	-
	<u>4,183,938</u>	<u>167,968</u>	<u>4,351,906</u>	<u>4,092,146</u>	<u>210,941</u>	<u>4,303,087</u>
Committed expenditure (Note 12)	1,988,699	-	1,988,699	1,837,634	-	1,837,634
Excess of revenue over expenses	\$ 373,303	\$ 233,645	\$ 606,948	\$ 59,361	\$ 242,808	\$ 302,169

See accompanying notes to the financial statements.

University of Victoria Students' Society

Statement of Changes in Fund Balances

Year ended April 30

	Operating Fund	Health Plan Reserve	Capital Asset Fund	Dr. Ewing Memorial Trust Fund	Major Capital Fund	Renovation Fund	Other Restricted Funds	2020	2019
Fund balances, opening \$	98,767	\$ 128,240	\$ 300,331	\$ 166,940	\$ 224,644	\$ 29,207	\$ 89,862	\$ 1,037,991	\$ 735,822
Excess (deficiency) of revenue over expenses	373,303	-	(167,968)	170,668	174,998	-	55,947	606,948	302,169
Interfund transfers									
Tangible capital assets acquired	-	-	105,002	-	(105,002)	-	-	-	-
Renovation Funds used	5,865	-	-	-	-	(5,865)	-	-	-
Health plan Reserve transfer	(235,827)	235,827	-	-	-	-	-	-	-
Fund balances, end of year	\$ 242,108	\$ 364,067	\$ 237,365	\$ 337,608	\$ 294,640	\$ 23,342	\$ 145,809	\$ 1,644,939	\$ 1,037,991

See accompanying notes to the financial statements.

University of Victoria Students' Society

Statement of Financial Position

As at April 30

	2020		2019	
	Operating Fund	Restricted Fund	Operating Fund	Restricted Fund
Assets				
Current				
Cash	\$ 5,452,920	\$ -	\$ 4,813,871	\$ -
Investments (Note 4)	2,203	-	2,203	-
Accounts receivable (Note 7)	231,635	-	233,010	-
Inventory	176,404	-	181,348	-
Prepaid expenses	4,750	-	1,497	-
Due from related party (Note 15)	-	338,951	-	168,630
Interfund balances receivable (Note 5)	5,867,912	462,657	5,231,929	342,233
Capital assets (Note 6)	-	237,156	-	300,121
	\$ 5,867,912	\$ 1,038,764	\$ 5,231,929	\$ 810,984
			\$ 6,906,676	\$ 6,042,913
			\$ 5,452,920	\$ 4,813,871
			2,203	2,203
			231,635	233,010
			176,404	181,348
			4,750	1,497
			338,951	168,630
			462,657	342,233
			801,608	510,863
			237,156	300,121
			6,669,520	5,742,792
			237,156	300,121
			\$ 6,906,676	\$ 6,042,913
Liabilities				
Current				
Payables and accruals	\$ 1,590,217	\$ -	\$ 1,821,122	\$ -
Government remittances	18,054	-	18,448	-
Due to related party (Note 15)	-	-	-	-
Deferred revenue	1,610,238	-	1,527,963	-
Funds held in trust (Schedule 6)	1,580,571	-	1,295,156	-
Interfund balances payable (Note 5)	462,657	-	342,233	-
	5,261,737	-	5,004,922	-
Fund balances				
Unrestricted	242,108	-	98,767	-
Internally restricted health plan reserve (Note 8)	364,067	-	128,240	-
Invested in capital assets	-	237,365	-	300,331
Internally restricted Dr. Ewing Memorial Trust fund (Note 9)	-	337,608	-	166,940
Other restricted funds (Schedule 5)	-	169,151	-	119,069
Major capital fund (Note 10)	606,175	294,640	227,007	224,644
	1,644,939	1,038,764	5,231,929	810,984
	\$ 5,867,912	\$ 1,038,764	\$ 5,231,929	\$ 810,984
			\$ 6,906,676	\$ 6,042,913

On behalf of the Board:

Caleb Burd, Director of Finance and Operations

Sarina de Havelyn, Director of Outreach and University Relations

Dale Robertson, General Manager

Alannah James, Executive Director

University of Victoria Students' Society

Statement of Cash Flows

Year ended April 30

	2020		2019	
	Operating Fund	Restricted Fund	Operating Fund	Restricted Fund
		Total		Total
Sources of cash				
Membership fees	\$ 2,980,004	\$ 345,666	\$ 2,837,490	\$ 335,081
Operations, Board of Directors and support and administration	12,313,098	55,947	11,715,580	118,668
Change in trust balances	285,415	-	247,844	-
Other contributions	291,575	-	295,532	-
	<u>15,870,092</u>	<u>401,613</u>	<u>15,096,446</u>	<u>453,749</u>
		16,271,705		15,550,195
Uses of cash				
Expenses	(13,242,344)	(296,611)	(12,853,932)	(329,212)
Committed expenditure	(1,988,699)	-	(1,837,634)	-
Capital assets acquired	-	(105,002)	-	(124,537)
	<u>(15,231,043)</u>	<u>(401,613)</u>	<u>(14,691,566)</u>	<u>(453,749)</u>
		(15,632,656)		(15,145,315)
Net increase in cash	639,049	-	404,880	-
Cash position, beginning of year	4,813,871	-	4,408,991	-
Cash position, end of year	<u>\$ 5,452,920</u>	<u>\$ -</u>	<u>\$ 4,813,871</u>	<u>\$ -</u>
		5,452,920		4,813,871

See accompanying notes to the financial statements.

University of Victoria Students' Society

Notes to the Financial Statements

April 30, 2020

1. Purpose of the organization

The University of Victoria Students' Society (the "Society") is an organization which provides undergraduate University of Victoria students with services and advocacy. The Society is incorporated under the Society Act of British Columbia as a not-for-profit society. The Society is exempt from income taxes as a non-profit organization under Section 149(1)(l) of the Income Tax Act.

2. Summary of significant accounting policies

The financial statements of the Society have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. 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 Health Plan Reserve Fund reports health plan premiums collected and paid on behalf of students.

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

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

Cash

Cash includes cash on hand, balances with banks, cash held at the University of Victoria, and cash held in trust. Cash held in trust is restricted and represents cash held at the Society for clubs, constituency organizations and other organizations noted in schedule 6.

Inventory

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

University of Victoria Students' Society

Notes to the Financial Statements

April 30, 2020

2. Summary of significant accounting policies (continued)

Capital assets

Capital assets are recorded at cost. Amortization is provided on a straight-line basis over the estimated useful life of the asset. Amortization expense is reported in the Capital Asset Fund.

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.

Revenue and expenditures

Revenue on retail sales is recognized at the point of sale, when the customer receives and pays for the goods.

Rent from tenant leases are recognized in revenue on a straight-line basis over the term of the lease.

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

Amortization

Rates and bases of amortization applied to write off the cost less estimated salvage value of capital assets over their estimated lives are as follows:

Computer equipment and software	2 to 4 years, straight-line
Furniture and fixtures	10 years, straight-line
Miscellaneous equipment	5 to 10 years, straight-line
Retail business operations equipment	5 to 10 years, straight-line
Leasehold improvements	Lesser of term of the lease and useful life

Amortization expense is reported in the Capital Asset Fund.

Long lived assets

The Society regularly reviews the carrying value of long-lived assets and continually makes estimates regarding future cash flows and other factors to determine the fair value of the respective assets. If these estimates or their related assumptions change in the future, the Society may be required to record impairment charges for these assets.

Use of estimates

In preparing the Society's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

University of Victoria Students' Society

Notes to the Financial Statements

April 30, 2020

2. Summary of significant accounting policies (continued)

Financial instruments

Financial instruments are recorded at fair value on initial recognition. Investments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Society has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

3. Change in accounting policies

On May 1, 2019, the Society adopted new accounting standard Section 4433 Tangible capital assets held by not-for-profit organizations. The most significant requirements include:

Tangible capital assets must be separated into their component parts, when practicable, and when estimates can be made of the lives of the separate components;

Tangible capital assets and intangible assets are written down to fair value or replacement cost to reflect partial impairments when conditions indicate that the assets no longer contribute to an organization's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the tangible capital assets are less than their net carrying amounts; and

Additional disclosures when an impairment has occurred.

The adoption of the new accounting standards was applied prospectively. The adoption of this standard did not have any impact on the financial statements at April 30, 2020.

University of Victoria Students' Society

Notes to the Financial Statements

April 30, 2020

4. Investments

Investments consist of funds held in various portfolio marketable securities and are recorded at amortized cost.

5. Interfund balances

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

6. Capital assets

			<u>2020</u>	<u>2019</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Computer equipment and software	\$ 217,501	\$ 169,218	\$ 48,283	\$ 49,865
Furniture and fixtures	106,112	81,928	24,184	6,543
Miscellaneous equipment	45,374	45,374	-	1,010
Retail business operations	1,272,440	1,114,134	158,306	160,841
Leasehold improvements	<u>1,151,960</u>	<u>1,145,577</u>	<u>6,383</u>	<u>81,862</u>
	<u>\$ 2,793,387</u>	<u>\$ 2,556,231</u>	<u>\$ 237,156</u>	<u>\$ 300,121</u>

The land and building utilized by the Society is owned by the University of Victoria. Student fees of \$9,643,957 from 1957 to 2019 and \$173,324 in 2020 have been collected from the students and are held in trust at the University to be used for the original building and furnishings and subsequent Student Union Building expansion.

7. Due from Student Radio Society

The accounting and financial system of the Society is utilized by the Student Radio Society. The accounts receivable balance includes \$117,621 (2019: \$103,813) due from the Student Radio Society.

8. Health Plan Reserve

The Health Plan Reserve consists of internally restricted funds used to cover future health care plan funding deficiencies.

Funds are designated by the board of directors and allocated as a transfer to the reserve.

Cash in the reserve is held by the Operating Fund as internally restricted cash.

University of Victoria Students' Society

Notes to the Financial Statements

April 30, 2020

9. Dr. Ewing Memorial Trust Fund

The Dr. Ewing Memorial Trust Fund is funded by a \$4.25 (2019: \$4.25) 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.

Cash in this fund are held with the University of Victoria and is restricted cash.

Fees are collected by the University of Victoria and transferred to the Society. At the end of fiscal 2020 the fund held \$329,282 (2019: \$166,940).

10. Major Capital Fund

The Major Capital Fund is funded by a \$4.25 (2019: \$4.25) 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.

11. Renovation Fund

The Renovation Fund was funded by a \$5.00 per student per term fee limited to April 2018. The internally restricted fund was used to cover the major renovating costs of Felicita's Campus Pub and the Student Union Building. Expenditures from the fund are reflected as transfers to the Operating or Capital Asset Fund as applicable. The renovation fund is no longer a student fee as of May 1, 2018.

University of Victoria Students' Society

Notes to the Financial Statements

April 30, 2020

12. 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 \$76.85 (2019: \$74.35) per student per term are paid to the society, of which \$26.60 is directed to the cost of Society operations, and \$4.25 is directed to the Major Capital Fund and the same amount to the Dr. Ewing Memorial Trust Fund. The balance of \$41.75 is distributed as follows:

	Per student per term		Total	Total
	2020	2019	2020	2019
Student Radio Society	\$ 5.00	\$ 5.00	\$ 203,829	\$ 195,979
Martlet Publishing Society	3.75	3.75	153,471	145,230
Vancouver Island Public Interest Research Group	3.00	3.00	122,375	116,292
Disability Advocacy (Post fall 2011)	3.00	3.00	121,323	117,677
Anti Violence Project	4.00	4.00	162,472	157,861
Clubs and course unions	2.00	2.00	81,573	79,829
Constituency groups	2.00	2.00	81,236	78,931
Ombudsperson's office	1.50	1.50	61,093	59,423
World University Service of Canada Bursary (WUSC)	2.50	2.50	100,716	97,540
University of Victoria Day Care	1.00	1.00	40,286	38,585
Native Students' Union	1.00	1.00	40,751	39,645
Gender Empowerment (GEM)	0.95	0.95	38,737	37,694
Pride	0.95	0.95	38,717	37,693
Elections	0.40	0.40	16,115	15,606
Community Garden	3.00	1.50	120,457	59,423
Peer Support Centre	1.00	-	40,751	-
Daniel Jacobs Memorial Fund	0.50	0.50	21,341	19,561
International Students' Bursary Fund	0.50	0.50	21,341	19,561
Special Events	0.50	0.50	20,475	19,957
Food Bank	2.25	2.25	91,972	89,583
Sustainability Project	0.50	0.50	20,409	19,867
Course Unions Special Projects	0.50	0.50	20,143	19,508
Government Relations and Outreach	0.50	0.50	20,475	19,957
Students of Colour Collective	0.70	0.70	28,532	27,760
UNI 101	0.75	0.75	30,210	28,939
	<u>\$ 41.75</u>	<u>\$ 39.25</u>	<u>\$ 1,698,800</u>	<u>\$ 1,542,101</u>

University of Victoria Students' Society

Notes to the Financial Statements

April 30, 2020

12. Committed expenditure (continued)

In addition to the above allocation, the Society received fees from the Graduate Student Society in the amount of \$50,681 (2019: \$57,263) to be allocated to the following groups:

	Per student per term		Total	Total
	2020	2019	2020	2019
Ombudsperson's office	\$ 1.50	\$ 1.00	\$ 7,985	\$ 7,968
Clubs	0.50	0.50	2,662	3,984
Constituency groups	1.33	1.00	7,081	7,968
Anti Violence Project	2.00	1.00	10,647	7,968
Foodbank	1.79	0.69	6,336	5,470
World University Service of Canada Bursary (WUSC)	3.00	3.00	15,970	23,905
	<u>\$ 10.12</u>	<u>\$ 7.19</u>	<u>\$ 50,681</u>	<u>\$ 57,263</u>

The Society also received \$47,000 (2019: \$182,000) from the University of Victoria for allocation to:

	2020	2019
Ombudsperson's office	\$ 17,000	\$ 17,000
World University Service of Canada Bursary (WUSC)	30,000	165,000
	<u>\$ 47,000</u>	<u>\$ 182,000</u>

In addition to the above allocations, the Society received \$238,219 (2019: \$238,270) of fees in relation to Professional Development Unions. The fee per term is restricted to the number of students enrolled in the respective disciplines and is distributed as follows:

	Per student per term		Total	Total
	2020	2019	2020	2019
Law Student Society	\$ 170.00	\$ 170.00	\$ 8,900	\$ 9,090
Engineering Student Society	30.00	30.00	118,709	116,748
Education Student Society	7.50	7.50	9,556	11,386
Commerce Student Society	50.00	50.00	102,054	101,046
	<u>\$ 257.50</u>	<u>\$ 257.50</u>	<u>\$ 239,219</u>	<u>\$ 238,270</u>

University of Victoria Students' Society

Notes to the Financial Statements

April 30, 2020

13. Financial instrument risks

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, and payment of its accounts payable and accrued liabilities.

Credit risk

Credit risk arises from the possibility that a debtor is unable to discharge its obligations to the Society in a timely manner. The Society is exposed to credit risk from customers. The Society minimizes its risk through regular monitoring and follow-up of its outstanding receivables on a regular basis.

14. Remuneration

Under the British Columbia Societies Act there is a requirement to disclose the remuneration paid to all directors, the ten highest paid employees and all contractors who are paid at least \$75,000 annually.

During the year, the Society paid \$158,700 (2019: \$152,674) to directors. During the year, the Society paid \$173,612 (2019: \$170,254) in remuneration to two employees or contractors in excess of \$75,000.

15. Related party transactions

The University of Victoria collects student fees, health and dental plan premiums, and U-Pass fees on behalf of the Society.

The Student Union Building and land are owned by the University. The Society uses the building rent free. Use of the facilities is governed by an agreement between the University of Victoria and the Society, the principal terms for which require that the Society and the University of Victoria share costs 49% and 51% respectively for the following items:

- All planned and remedial maintenance activities required by regulatory agencies, or day to day maintenance of the building, its exterior envelope, including miscellaneous roof repairs, all electrical, electronic, mechanical, elevator and plumbing systems;
- All regular janitorial work, garbage collection; and
- All utilities including heat, light, water, sewer and ventilation services.

The University holds funds in trust for the Society for the Dr. Ewing Memorial Trust Fund. The Society transfers cash from the Dr. Ewing Memorial Trust Fund to the University of Victoria for the purchase of assets 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.

University of Victoria Students' Society

Notes to the Financial Statements

April 30, 2020

15. Related party transactions (continued)

Under the current arrangement between the University of Victoria and the University of Victoria Students Society in respect to major renovations or expansion of the Student Union building is that all capital asset additions belong to the University of Victoria. As such the University of Victoria records expenditures as assets. Expenditures are funded by either the Ewing Fund or Renovation Fund. During the year the University of Victoria Students Society paid the University of Victoria \$Nil related to the purchases of assets.

16. Comparative figures

Certain comparative figures for the prior year have been changed to conform to the presentation adopted for the current year.

17. Impact of COVID-19

On March 11, 2020 the World Health Organization declared the COVID-19 outbreak a pandemic which has severely impacted many local economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

In response to the spread of COVID-19, the Society has ceased offering a number of services including retail and food and beverage in March and then opening certain offerings under reduced hours in June. As of September, all services were available with most back to normal operating hours. Felicitas Pub as well as the Cinecenta continue to operate with reduced capacity and hours. The Society is also expecting to be impacted through the 2020-21 fiscal year with a significant drop in food and beverage sales due to the temporary closure and limited hours of operation in response to the pandemic.

Part of the Federal government's response to help alleviate the effects of the pandemic was the release of the Canada Emergency Wage Subsidy (CEWS) which provides Canadian employers who witnessed a drop in revenue, a subsidy to partially cover wages retroactive to March 15, 2020. The Society determined they were eligible to apply for CEWS, and did so post-year-end. An accrual has been included to the statements showing their receipt of \$189,000 in CEWS funding.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of operations of the Society for future periods.

University of Victoria Students' Society Schedule 1 – Food and Beverage Operations

Year ended April 30

	Food Services	Felicitia's	Catering and Conferences	2020	2019
Sales	\$ 1,586,587	\$ 604,416	\$ 353,664	\$ 2,544,667	\$ 2,597,893
Cost of sales	694,337	163,308	61,806	919,451	958,468
Gross profit	<u>892,250</u>	<u>441,108</u>	<u>291,858</u>	<u>1,625,216</u>	<u>1,639,425</u>
Expenses					
Salaries, wages and benefits	987,803	297,421	170,998	1,456,222	1,478,043
Other operating expenses	65,339	110,301	16,155	191,795	181,543
Entertainment	-	16,356	-	16,356	30,832
Interest and finance charges	21,075	15,240	-	36,315	36,487
	<u>1,074,217</u>	<u>439,318</u>	<u>187,153</u>	<u>1,700,688</u>	<u>1,726,905</u>
(Deficiency) excess of revenue over expenses	\$ (181,967)	\$ 1,790	\$ 104,705	\$ (75,472)	\$ (87,480)

University of Victoria Students' Society

Schedule 2 – Business Operations

Year ended April 30

	Info Booth	Cinecenta	Munchie Bar	Zap	SUBtext	2020	2019
Sales	\$ 14,249	\$ 281,914	\$ 587,383	\$ 222,232	\$ 291,859	\$ 1,397,637	\$ 1,553,216
Cost of sales	-	110,917	289,923	58,744	180,125	639,709	671,621
Gross profit	14,249	170,997	297,460	163,488	111,734	757,928	881,595
Health Plan							
Fees	4,283,474	-	-	-	-	4,283,474	3,950,794
Insurance premium	3,871,213	-	-	-	-	3,871,213	3,836,395
	412,261	-	-	-	-	412,261	114,399
U-Pass							
Revenue	3,551,442	-	-	-	-	3,551,442	3,218,507
Cost of sales	3,526,075	-	-	-	-	3,526,075	3,186,684
	25,367	-	-	-	-	25,367	31,823
Expenses							
Salaries, wages and benefits	451,877	170,997	297,460	163,488	111,734	1,195,556	1,027,817
Other operating expenses	30,632	188,286	167,602	162,336	108,864	657,720	685,053
Interest and finance charges	1,095	33,924	6,236	30,828	5,992	78,075	99,895
	4,792	3,186	9,310	3,866	2,940	24,094	17,296
	36,519	225,396	183,148	197,030	117,796	759,889	802,244
Excess of revenue over expenses	\$ 415,358	\$ (54,399)	\$ 114,312	\$ (33,542)	\$ (6,062)	\$ 435,667	\$ 225,573

University of Victoria Students' Society
Schedule 3 – Support and Administration

Year ended April 30

	Graphics	General Office	Accounting Services	Building Operations	Society Administration and Services	2020	2019
Revenue							
Space rentals	\$ -	\$ -	\$ -	\$ 225,266	\$ -	\$ 225,266	\$ 231,467
Interest income	-	-	89,401	-	-	89,401	88,552
Sales	1,575	-	-	-	-	1,575	504
	<u>1,575</u>	<u>-</u>	<u>89,401</u>	<u>225,266</u>	<u>-</u>	<u>316,242</u>	<u>320,523</u>
Expenses							
Salaries, wages and benefits	121,467	81,598	164,162	37,084	221,439	625,750	612,958
Janitorial	-	-	-	153,374	-	153,374	146,341
Utilities	-	-	-	97,255	-	97,255	87,162
Insurance	-	-	-	46,434	-	46,434	48,595
Interest and finance charges	-	-	22,725	-	-	22,725	22,663
Repairs and maintenance	-	-	-	75,471	-	75,471	60,452
Professional fees	-	-	27,825	-	850	28,675	33,732
Office and miscellaneous	12,811	4,701	15,211	63,467	33,511	129,701	118,745
	<u>134,278</u>	<u>86,299</u>	<u>229,923</u>	<u>473,085</u>	<u>255,800</u>	<u>1,179,385</u>	<u>1,130,648</u>
Deficiency	\$ (132,703)	\$ (86,299)	\$ (140,522)	\$ (247,819)	\$ (255,800)	\$ (863,143)	\$ (810,125)

University of Victoria Students' Society

Schedule 4 – Board of Directors

Year ended April 30

	Director of Outreach and University Relations	Director of Finance and Operations	Director of Student Affairs	Director of Events	Director of Campaigns and Community Relations	Board of Operations General	
	\$	-	-	-	-	-	2019
	\$	-	-	-	-	-	2020
	\$	-	-	-	-	-	\$
	\$	-	-	-	-	-	\$
Revenue	-	-	-	-	-	-	116,792
Expenses							
Salaries, wages and benefits	32,012	31,652	31,652	30,675	32,184	119,309	270,961
Grants and donations	-	-	-	-	-	4,500	-
Campaigns	-	-	-	-	-	18,705	8,575
Food bank program	-	-	-	-	-	66,700	-
Events	-	-	-	-	-	31,559	49,979
Peer Support	-	-	-	-	-	9,662	-
Elections	-	-	-	-	-	3,640	4,296
Consulting, orientation, office and board initiatives	104	144	190	128	182	54,671	31,893
Society legal defence	-	-	-	-	-	11,330	7,305
Marketing and communications	-	-	-	-	-	64,977	59,340
	<u>32,116</u>	<u>31,796</u>	<u>31,842</u>	<u>30,803</u>	<u>32,366</u>	<u>385,053</u>	<u>432,349</u>
	\$ (32,116)	\$ (31,796)	\$ (31,842)	\$ (30,803)	\$ (32,366)	\$ (166,786)	\$ (315,557)
Deficiency							

University of Victoria Students' Society

Schedule 5 – Changes in Restricted Funds

Year ended April 30

	Other restricted funds										2020 Total	2019 Total
	Capital Asset Fund	Dr. Ewing Memorial Trust Fund	Major Capital Fund	Renovation Fund	Campaigns	Emergency Food Program	Events	Peer Support	Elections			
Revenue	\$ -	\$ 170,668	\$ 174,998	\$ -	\$ 5,548	\$ 25,182	\$ 7,656	\$ 11,921	\$ 5,640	\$ 401,613	\$ 453,749	
Expenses	167,968	-	-	-	-	-	-	-	-	167,968	210,941	
Excess of revenues over expenses	(167,968)	170,668	174,998	-	5,548	25,182	7,656	11,921	5,640	233,645	242,808	
Opening balance	300,331	166,940	224,644	29,207	11,053	67,761	11,048	-	-	810,984	568,176	
Interfund transfers	105,002	-	(105,002)	(5,865)	-	-	-	-	-	(5,865)	-	
Fund balances, end of year	\$ 237,365	\$ 337,608	\$ 294,640	\$ 23,342	\$ 16,601	\$ 92,943	\$ 18,704	\$ 11,921	\$ 5,640	\$ 1,038,764	\$ 810,984	

University of Victoria Students' Society Schedule 6 – Changes to Trust Fund Balances

Year ended April 30

	Balance, beginning of year	Revenue	Wages and benefits	Other	Balance, end of year, 2020	Balance, end of year, 2019
Constituency control	\$ 75,893	\$ 90,051	-	99,749	\$ 66,195	\$ 75,893
Ombudsperson	82,222	87,812	78,863	7,610	83,561	82,222
Native Students' society	53,581	41,964	28,555	7,671	59,319	53,581
Anti-violence Project	35,141	176,686	126,072	14,505	71,250	35,141
Pride - Trust	11,151	60,826	30,540	5,647	35,790	11,151
Students of colour	27,520	52,400	14,132	4,374	61,414	27,520
WUSC refugee	251,110	149,404	-	130,124	270,391	251,110
Uvic Sustainability Project	31,643	21,302	7,997	7,949	36,999	31,643
Gender Empowerment (GEM)	30,814	62,604	28,896	23,571	40,951	30,814
Disability Advocacy (Post fall 2011)	364,198	144,350	28,951	143,602	335,995	364,198
Campus Community Gardens	32,517	122,190	62,158	21,775	70,774	32,517
Clubs - Control	42,258	82,943	-	53,238	71,963	42,258
Course Union - Control	57,660	55,003	-	31,153	81,510	57,660
Course unions - Travel Pool	9,262	15,545	-	5,014	19,793	9,262
Other	190,188	308,939	-	224,459	274,668	190,188
	\$ 1,295,156	\$ 1,472,019	\$ 406,164	\$ 780,440	\$ 1,580,571	\$ 1,295,156