

Fanshawe College Student Union

(incorporated under the laws of the Province of
Ontario without share capital)

Financial Statements
April 30, 2011

September 15, 2011

Independent Auditor's Report

To the Members of Fanshawe College Student Union

We have audited the accompanying financial statements of Fanshawe College Student Union, which comprise the statement of financial position as at April 30, 2011 and the statements of operations and changes in net assets and cash flows for the year then ended, and the related notes including a summary of significant accounting policies.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditor's responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Fanshawe College Student Union as at April 30, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants

Fanshawe College Student Union


Statement of Financial Position

As at April 30, 2011

| | General Fund \$ | Reserve Funds \$ | Capital Fund \$ | 2011 Total \$ | 2010 Total \$ |
|--|-----------------------|------------------------|-----------------------|---------------------|---------------------|
| Assets | | | | | |
| Current assets | | | | | |
| Cash and short-term investments (notes 2 and 3) | 2,805,374 | 318,338 | 301,543 | 3,425,255 | 3,088,256 |
| Accounts receivable, net of allowance for doubtful accounts of \$14,381 (2010 - \$12,591) | 118,941 | 144,000 | - | 262,941 | 118,022 |
| Due from general fund | - | 1,207,271 | 251,561 | 1,458,832 | 973,349 |
| Inventory | 45,543 | - | - | 45,543 | 46,483 |
| Prepaid expenses | 148,456 | - | - | 148,456 | 106,169 |
| Deposit | 50,000 | - | - | 50,000 | 50,000 |
| | 3,168,314 | 1,669,609 | 553,104 | 5,391,027 | 4,382,279 |
| Capital assets (notes 5 and 6) | - | - | 6,543,107 | 6,543,107 | 6,833,513 |
| | 3,168,314 | 1,669,609 | 7,096,211 | 11,934,134 | 11,215,792 |
| Liabilities | | | | | |
| Current liabilities | | | | | |
| Accounts payable and accrued liabilities | 368,295 | - | - | 368,295 | 317,357 |
| Due to London Transit Commission | 144,110 | - | - | 144,110 | 121,185 |
| Health plan obligation (note 12) | 444,000 | - | - | 444,000 | 468,977 |
| Deferred revenue (note 7) | 178,636 | 112,000 | 25,780 | 316,416 | 230,095 |
| Current portion of long-term debt (notes 5 and 8) | - | - | 149,816 | 149,816 | 968,340 |
| Due to reserve funds | 1,207,271 | - | - | 1,207,271 | 777,537 |
| Due to capital fund | 251,560 | - | - | 251,560 | 195,812 |
| | 2,593,872 | 112,000 | 175,596 | 2,881,468 | 3,079,303 |
| Long-term debt (notes 5 and 8) | - | - | 4,488,513 | 4,488,513 | 4,229,965 |
| | 2,593,872 | 112,000 | 4,664,109 | 7,369,981 | 7,309,268 |
| Net assets | | | | | |
| Capital fund | - | - | 2,432,102 | 2,432,102 | 2,094,753 |
| Reserve funds (note 9) | - | 1,557,609 | - | 1,557,609 | 1,081,502 |
| General fund | 574,442 | - | - | 574,442 | 730,269 |
| | 574,442 | 1,557,609 | 2,432,102 | 4,564,153 | 3,906,524 |
| | 3,168,314 | 1,669,609 | 7,096,211 | 11,934,134 | 11,215,792 |

Approved by the Board of Directors

 Director

 Director

Fanshawe College Student Union

Statement of Operations and Changes in Net Assets

For the year ended April 30, 2011

| | General Fund \$ | Reserve Funds \$ | Capital Fund \$ | 2011 Total \$ | 2010 Total \$ |
|---|--------------------------------|---------------------------------|--------------------------------|------------------------------|------------------------------|
| Revenues | | | | | |
| Student fees (note 4) | 4,592,814 | 2,293,870 | 689,550 | 7,576,234 | 6,858,181 |
| Transfers (notes 2 and 4) | (2,361,784) | - | - | (2,361,784) | (2,148,793) |
| Net student fees (note 4) | 2,231,030 | 2,293,870 | 689,550 | 5,214,450 | 4,709,388 |
| Organizations and programs (note 10) | 3,400,665 | - | - | 3,400,665 | 3,398,371 |
| Interest income | 36,362 | 7,564 | 7,191 | 51,117 | 42,349 |
| Rental income | 38,663 | - | - | 38,663 | 40,052 |
| Other income | 65,285 | 68,500 | - | 133,785 | 99,604 |
| | <u>5,772,005</u> | <u>2,369,934</u> | <u>696,741</u> | <u>8,838,680</u> | <u>8,289,764</u> |
| Expenses | | | | | |
| Student support expenses (note 4) | 83,192 | 1,873,627 | - | 1,956,819 | 1,908,222 |
| Organizations and programs (note 10) | 4,393,739 | - | 108,038 | 4,501,777 | 4,218,984 |
| General and administrative (note 5) | 1,070,901 | 20,200 | 631,354 | 1,722,455 | 1,660,279 |
| | <u>5,547,832</u> | <u>1,893,827</u> | <u>739,392</u> | <u>8,181,051</u> | <u>7,787,485</u> |
| Excess of revenue over expenses (expenses over revenue) for the year | 224,173 | 476,107 | (42,651) | 657,629 | 502,279 |
| Net assets - Beginning of year | 730,269 | 1,081,502 | 2,094,753 | 3,906,524 | 3,404,245 |
| Interfund transfer (note 13) | (380,000) | - | 380,000 | - | - |
| Net assets - End of year | <u>574,442</u> | <u>1,557,609</u> | <u>2,432,102</u> | <u>4,564,153</u> | <u>3,906,524</u> |

Fanshawe College Student Union

Statement of Cash Flows

For the year ended April 30, 2011

| | 2011 \$ | 2010 \$ |
|--|-----------------------|-----------------------|
| Cash was provided by (used for) | | |
| Operating activities | | |
| Excess of revenue over expenses for the year | 657,629 | 502,279 |
| Add: Amortization, an item not affecting cash | 442,644 | 439,839 |
| | <hr/> 1,100,273 | <hr/> 851,854 |
| Changes in non-cash working capital items | | |
| Accounts receivable | (144,919) | (40,999) |
| Inventory | 940 | (2,401) |
| Prepaid expenses | (42,287) | (35,594) |
| Accounts payable and accrued liabilities | 50,937 | (258,358) |
| Due to London Transit Commission | 22,925 | (66,721) |
| Due to Health Plan | (24,977) | 150,366 |
| Deferred revenue | 86,321 | (73,565) |
| | <hr/> 1,049,213 | <hr/> 614,846 |
| Financing activities | | |
| Repayment of long-term debt | (559,976) | (150,820) |
| Investing activities | | |
| Purchase of capital assets, including capitalized interest | (152,238) | (104,624) |
| | <hr/> 336,999 | <hr/> 359,402 |
| Increase in cash for the year | <hr/> 336,999 | <hr/> 359,402 |
| Cash and short-term investments - Beginning of year | <hr/> 3,088,256 | <hr/> 2,728,854 |
| Cash and short-term investments - End of year | <hr/> <hr/> 3,425,255 | <hr/> <hr/> 3,088,256 |
| Balance consists of: | | |
| General fund | 2,805,374 | 2,473,993 |
| Reserve funds | 318,338 | 315,465 |
| Capital fund | 301,543 | 298,798 |
| | <hr/> 3,425,255 | <hr/> 3,088,256 |
| Cash paid for interest | <hr/> 320,920 | <hr/> 325,682 |
| Cash and cash equivalent are comprised of: | | |
| Cash | 442,024 | 386,590 |
| Short term investments | 2,983,231 | 2,701,666 |
| | <hr/> 3,425,255 | <hr/> 3,088,256 |

Fanshawe College Student Union

Notes to Financial Statements

April 30, 2011

1 Purpose of the organization

Fanshawe College Student Union (the "Student Union") is a student representative body incorporated under the statutes of the province of Ontario, designed to meet the varied needs and expectations of college students. The Student Union provides and/or supports various services to students and operates the Student Centre and Student Union building.

2 Restated adjustments

These financial statements have been restated to reflect revisions contained in the Student Union's 2010 financial statements. The following describes the nature and financial statement impact of recording these changes on a retroactive basis.

Cash and short-term investments were understated and transfers were overstated in 2010. As a result of adjusting for this, cash and short-term investments have been increased by \$90,264 and transfers expense has been decreased by \$90,264 in 2010.

3 Summary of significant accounting policies

Basis of accounting

The financial statements have been prepared using the deferral basis of accounting for non-profit organizations.

A precise determination of many assets and liabilities is dependent on future events and the preparation of periodic financial statements necessarily involves the use of estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

Fund accounting

In order to ensure observance of limitations and restrictions placed on funds entrusted to the Student Union, the accounts are maintained in accordance with principles of fund accounting. Under these principles, resources for various purposes are classified into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for general, capital and for internally restricted funds.

General fund

The general fund records amounts used for the administration and general costs financed by student fees and other general income that are unrestricted as to their use.

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Reserve funds

Reserve funds are separately maintained as follows:

Technology renewal fund

The fund is to be utilized for future technology needs.

Health plan reserve fund

The fund is to be utilized for future costs related to the health plan.

Contingency fund

The fund is to be utilized for capital improvements and unforeseen contingencies to the existing Student Union building.

Scholarship and bursary fund

The fund is to be utilized for payment of student scholarships and bursaries. This fund is funded through the beverage exclusivity contract.

Capital fund

This fund is used to capture all capital used in the operations of the Student Union.

Cash and short-term investments

Cash includes cash on hand and balances with banks. Short-term investments are comprised of investments in mutual funds and GICs. Included in cash and short-term investments is \$85,102 (2010 - \$90,264) restricted for use at the Student Union's satellite campuses.

Revenue recognition

Revenue from organizations and programs is recognized when the services have been performed and programs have been made available.

Fee revenue is derived from a levy collected from each full-time student by Fanshawe College and transferred to the Student Union monthly. The fees are recorded as revenue in the year in which the fees relate.

Fees are charged at cost between programs within the organization. Fees charged are included in revenues while fees incurred are included as expenses. Amounts net together for a nil impact to net revenues over expenses.

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Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Significant areas requiring the use of estimates include the valuation of the health plan obligation and the useful life of capital assets. Actual results could differ from those estimates.

Financial instruments

The Canadian Institute of Chartered Accountants ("CICA) Handbook Section 3855, Financial Instruments - Recognition and Measurements, establishes standards for the recognition and measurement of financial assets, liabilities and derivatives. All financial instruments are required to be measured at fair value on initial recognition of the instrument, except for certain related-party transactions.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments in the form of financial assets and financial liabilities are generally presented separately. Financial instruments are recognized as soon as the Student Union becomes a party to the contractual provisions of the financial instrument. Upon initial recognition, financial instruments are measured at fair value. The fair value of a financial instrument is the estimated amount that the Student Union would receive or pay to terminate the instrument agreement at the reporting date. The following methods and assumptions were used to estimate the fair value of each type of financial instrument by reference to various market value data and other valuation techniques as appropriate.

Measurement in subsequent periods depends on whether the financial instrument has been classified as "held-for-trading", "available for sale", "held-to-maturity", "loans and receivable" or "other financial liabilities" as defined by the standard.

Cash and short-term investments

Cash and short-term investments are designated as held-for-trading under the standard and measured at fair value. Carrying values approximate fair values for these instruments due to their short-term maturity.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market including accounts receivable, and due from general fund. After initial recognition, loans and receivable are subsequently carried at amortized cost using the effective interest method less any impairment losses, if necessary. Gains and losses are recognized in the statement of operations when the loans and receivable are derecognized or impaired. Interest effects on the application of the effective interest method are also recognized in the statement of operations.

The carrying value of accounts receivable, deposit and due from general fund approximates their fair values due to the short-term maturity of these financial instruments.

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Other financial liabilities

Other financial liabilities are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market including accounts payable and accrued liabilities, due to London Transit Commission, due to health plan, due to Falcon's Nest, due to reserve funds, due to capital fund and long-term debt. After initial recognition, other financial liabilities are subsequently carried at amortized cost using the effective interest method less any impairment losses, if necessary. Gains and losses are recognized in the statement of operations when the other liabilities are derecognized or impaired. Interest effects on the application of the effective interest method are also recognized in the statement of operations.

- The carrying value of accounts payable and accrued liabilities, due to London Transit Commission, health plan obligation, due to reserve funds, and due to capital fund approximates their fair values due to the short-term maturity of these financial instruments.
- The long-term debt has been measured using amortized cost using the effective interest rate method as prescribed by CICA 3855. The fair value of the long-term debt at year-end, based on an estimate of the Student Union's borrowing rate as at April 30, 2011 for debt with similar terms and maturity is \$5,320,752 (2010 - \$5,547,718).

Interest rate risk

The Student Union's exposure to interest rate risk lies in its debt obligations.

Credit risk

Management monitors its credit risk related to diversified sources.

Foreign exchange risk

The Student Union has no significant exposure to fluctuations in the value of foreign currencies.

Inventories

Inventories of liquor, beer and hospitality supplies are valued at the lower of cost, on a first-in, first-out basis, and net realizable value.

Capital assets and amortization

Capital assets are initially recorded at cost at acquisition. Building improvements, replacements and normal maintenance and repair expenditures are expensed as incurred.

Amortization is provided on the straight-line basis for office and hospitality equipment over 5 years. Office and hospitality equipment with longer useful lives are amortized over 10 years. Leasehold improvements are amortized over 5, 10 or 25 years. Amortization commences in the month of purchase or when the asset has

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become operational. Gains or losses on disposal of individual assets are recognized in income in the year of disposal.

4 Student fees

Student fee revenue is derived from a levy collected from each full-time student by Fanshawe College and transferred to the Student Union monthly. The fees are recorded as revenue in the year in which the fees relate.

The Student Union transfers all student fees collected for the bus passes to the London Transit Commission, less an administrative fee, to provide students with unlimited ridership privileges on all LTC regular routes.

| | 2011 \$ | 2010 \$ |
|---------------------------------|-------------------|-------------------|
| Student fees | | |
| Activity fee | 1,826,145 | 1,713,619 |
| Building fee (note 5) | 689,550 | 708,325 |
| Sub improvement fee | 175,590 | 169,998 |
| Bus pass fee | 2,393,661 | 2,177,681 |
| Health plan premiums collected | 2,220,887 | 1,910,817 |
| Health plan administration fee | 117,122 | 99,608 |
| Student life fee | 15,913 | 15,800 |
| Office of the Ombuds | 64,383 | 62,333 |
| Health plan opt-out rebates | 72,983 | - |
| | <hr/> 7,576,234 | <hr/> 6,858,181 |
| Transfers | | |
| Bus pass transfer to LTC | <hr/> (2,361,784) | <hr/> (2,148,793) |
| Net student fees | <hr/> 5,214,450 | <hr/> 4,709,388 |
| Student support expenses | | |
| Health plan claims | 1,873,627 | 1,867,422 |
| Student life expenses | 15,875 | 15,800 |
| Office of the Ombuds | 67,317 | 25,000 |
| | <hr/> 1,956,819 | <hr/> 1,908,222 |
| | <hr/> 3,257,631 | <hr/> 2,801,166 |

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5 Transactions with Fanshawe College

Phase 3 of the Student Union expansion - the Student Centre - was completed in fiscal 2005. The \$7.7 million project was financed by \$1.7 million in accumulated residual funds restricted for this purpose plus \$6.0 million in loans secured by Fanshawe College, repayable over a 25 year period. In fiscal 2011, additional debt with Fanshawe College was negotiated (note 8). This debt is financed through a \$50 per student annual building fee revenue (note 4).

In addition, the Student Union pays Fanshawe College for utilities, recycling and waste management, meal plan administration, and other support and facility services.

Expenses incurred with Fanshawe College:

| | 2011 | 2010 |
|--------------------------------|-------------|-------------|
| | \$ | \$ |
| Utilities, waste and recycling | 185,015 | 167,733 |
| Meal plan administration | 105,673 | 99,744 |
| Other | 117,764 | 101,558 |

Capital assets purchased through Fanshawe College:

| | 2011 | 2010 |
|-------------------|-------------|-------------|
| | \$ | \$ |
| Capital additions | 33,360 | 46,791 |

Occupancy agreement

The occupancy agreement between Fanshawe College and the Student Union requires the Student Union to pay \$1 annually to Fanshawe College as well as a percentage of college meal plan sales within 15 calendar days of each quarter end. The occupancy agreement expires on March 31, 2029.

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6 Capital assets

| | 2011 | | |
|-----------------------------------|------------------|---------------------|------------------|
| | Cost | Accumulated | Net book |
| | \$ | amortization | value |
| | | \$ | \$ |
| Office and hospitality equipment | 1,454,585 | 813,541 | 641,044 |
| Leasehold improvements - 25 years | 8,031,444 | 2,143,655 | 5,887,789 |
| Leasehold improvements - 10 years | 11,263 | 563 | 10,700 |
| Leasehold improvements - 5 years | 3,971 | 397 | 3,574 |
| | <u>9,501,263</u> | <u>2,958,156</u> | <u>6,543,107</u> |
| | | | |
| | 2010 | | |
| | Cost | Accumulated | Net book |
| | \$ | amortization | value |
| | | \$ | \$ |
| Office and hospitality equipment | 1,302,347 | 692,764 | 609,583 |
| Leasehold improvements - 25 years | 8,046,678 | 1,822,748 | 6,223,930 |
| | <u>9,349,025</u> | <u>2,515,512</u> | <u>6,833,513</u> |

7 Deferred revenue

| | 2011 | 2010 |
|---|----------------|----------------|
| | \$ | \$ |
| Deferred student fees | 172,721 | 187,031 |
| Student Life fees | 28,114 | 14,762 |
| Deferred revenue related to exclusivity agreement | 112,000 | 11,500 |
| Other | 3,577 | 16,802 |
| | <u>316,416</u> | <u>230,095</u> |

The Student Union has collected student activity fees from Fanshawe College that relate to fiscal year 2011. Since the revenues have not yet been earned, they have been deferred in accordance with the revenue recognition policy.

The Student Union has collected funds for student life activities. All expenditures related to these fees have not been made in the current year, and accordingly, the revenue has been deferred to be matched with related future expenditures.

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8 Long-term debt

The Student Union has entered into an agreement with Fanshawe College to pay the same principal and interest amounts that Fanshawe College is required to pay a Chartered bank. The following is the detail of the loans that the Student Union holds with Fanshawe College.

| | 2011 \$ | 2010 \$ |
|---|-----------------|-----------------|
| Loan payable of \$4,000,000, a fixed interest rate of 6.42%, maturing December 1, 2028, with blended principal and interest payments of \$26,809 payable monthly until the maturity date. | 3,402,765 | 3,502,509 |
| Loan payable of \$1,000,000, a fixed interest rate of 4.87%, maturing March 31, 2014, with blended principal and interest payments of \$5,770 payable monthly until the maturity date. | 829,041 | 854,915 |
| Loan payable of \$500,000, a fixed interest rate of 4.42%, maturing March 31, 2011, with blended principal and interest payments of \$2,757 payable monthly until the maturity date. | - | 423,553 |
| Loan payable of \$434,906, a fixed interest rate of 2.94%, maturing March 31, 2011, with blended principal and interest payments of \$2,399 payable monthly until the maturity date. | - | 417,328 |
| Loan payable of \$500,000, a fixed interest rate of 3.77%, maturing April 1, 2021, with blended principal and interest payments of \$2,426 payable monthly until the maturity date. | 406,522 | - |
| | <hr/> 4,638,328 | <hr/> 5,198,305 |
| Less: Current portion | 149,816 | 968,340 |
| | <hr/> 4,488,512 | <hr/> 4,229,965 |

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Loans are based on 25 year terms and are unsecured. All loans have a final payment consisting of the balance of principal and interest outstanding on the maturity date.

Principal payments required in each of the next five years are as follows:

| | \$ |
|---------------------|------------------|
| 2011 | 149,816 |
| 2012 | 197,710 |
| 2013 | 902,430 |
| 2014 | 145,170 |
| 2015 and thereafter | <u>3,243,202</u> |
| | <u>4,638,328</u> |

Fanshawe College and the bank have entered into a SWAP agreement for each of the loan balances disclosed above, converting variable interest rates to fixed interest rates. Fanshawe College and the bank have the option to terminate the agreements in January 2014. The maturity dates for each SWAP agreement correspond with each loan maturity. Accordingly, interest on the loans with Fanshawe College is recorded based on the SWAP rate Fanshawe College has negotiated with the bank.

9 Reserve funds

The internally restricted funds are composed of the following:

| | 2011 \$ | 2010 \$ |
|------------------------------|------------------|------------------|
| Technology renewal fund | 40,000 | 40,000 |
| Health plan reserve fund | 1,122,739 | 702,497 |
| Contingency fund | 336,649 | 326,901 |
| Scholarship and bursary fund | <u>58,221</u> | <u>12,104</u> |
| | <u>1,557,609</u> | <u>1,081,502</u> |

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10 Revenue and expenses from organizations and programs

| | | | <u>2011</u> | <u>2010</u> |
|----------------------------|------------------|------------------|----------------------------------|----------------------------------|
| | Revenues | Expenses | Net expense (revenue) | Net expense (revenue) |
| | \$ | \$ | \$ | \$ |
| Operations and maintenance | - | 629,763 | 629,763 | 541,346 |
| Publications | 152,497 | 305,807 | 153,310 | 139,600 |
| Hospitality operations | 3,163,490 | 3,075,124 | (88,366) | (280,674) |
| Entertainment | - | 283,859 | 283,859 | 300,245 |
| Internal | - | 78,743 | 78,743 | 68,344 |
| FSU Games Room | 16,364 | 57,707 | 41,343 | 48,743 |
| Used book shop | 68,314 | 70,774 | 2,460 | 3,009 |
| | <u>3,400,665</u> | <u>4,501,777</u> | <u>1,101,112</u> | <u>820,613</u> |

11 Taxation

The Student Union claims exemption from federal and provincial income taxes under provisions of the Income Tax Act, Canada; and the Corporations Tax Act, Ontario relating to non-profit organizations. The Student Union is subject to the Harmonized Sales Tax on its commercial activities pursuant to provisions of the Excise Tax Act.

12 Health plan obligation

As administrator for the health care plan, the Student Union is responsible to ensure there are sufficient assets in the plan to cover potential claims. The plan's terms allow for students to receive medical and dental benefits for one academic school year, from September 1st to August 30th, and is renewed annually as the student continues enrolment, or new students enter the plan. Currently, the health plan reserve fund has accumulated net assets of \$1,122,739 (2010 - \$702,497); however, any deficits would be funded by the Student Union. A provision of \$444,000 (2010 - \$468,977), based on the Student Union's historical experience of claims, has been recorded in the financial statements to cover anticipated claims until the current year's plan expires on August 30, 2011. No additional provision has been made for unanticipated claims under the plan.

13 Interfund transfer

In fiscal 2011, the Student Union executive council approved a fund transfer to move \$380,000 of excess surplus from the general fund to the capital fund to repay current debt held by the Student Union with Fanshawe College.

