

Simon Fraser University Administrative And Professional Staff Association
Financial Statements

June 30, 2018
(Unaudited)

Independent Practitioner's Review Engagement Report



To the Members of Simon Fraser University Administrative And Professional Staff Association:

We have reviewed the accompanying financial statements of Simon Fraser University Administrative And Professional Staff Association that comprise the statement of financial position as at June 30, 2018, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Simon Fraser University Administrative And Professional Staff Association as at June 30, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Maple Ridge, British Columbia

October 25, 2018

MNP LLP

Chartered Professional Accountants



ACCOUNTING > CONSULTING > TAX
#201, 11939 - 224TH STREET, MAPLE RIDGE B.C., V2X 6B2
T: 604.463.8831 F: 604.463.0401 MNP.ca

Simon Fraser University Administrative And Professional Staff Association
Statement of Financial Position

As at June 30, 2018
(Unaudited)

	2018	2017
Assets		
Current		
Cash (Note 3)	168,476	344,385
Accounts receivable	40,097	35,708
Prepaid expenses and deposits	1,949	4,110
Short-term investments (Note 4)	370,639	115,463
	581,161	499,666
Long-term investments (Note 4)	243,611	250,626
Capital assets (Note 5)	14,130	17,032
	838,902	767,324
Liabilities		
Current		
Accounts payable and accruals	29,088	47,596
Net Assets		
Unrestricted	436,403	438,202
Internally restricted	309,281	242,992
Invested in capital assets	64,130	38,534
	809,814	719,728
	838,902	767,324

Approved on behalf of the Board



 President



 Treasurer

The accompanying notes are an integral part of these financial statements

Simon Fraser University Administrative And Professional Staff Association

Statement of Operations

For the year ended June 30, 2018

(Unaudited)

	2018	2017
Revenue		
Membership dues	493,413	459,506
Interest	9,650	6,060
	503,063	465,566
Expenses		
Administrative	6,414	5,998
Amortization	23,648	16,190
Bank charges and interest	148	144
Committee meetings	31,369	23,638
Executive	6,088	7,327
Insurance	1,473	1,455
Legal	19,389	12,777
Member professional development and social	48,806	46,439
Office	5,331	4,078
Printing	2,103	1,383
Professional development	3,903	719
Publications and subscriptions	1,101	1,069
Repairs and maintenance	5,374	4,153
Salaries and benefits	255,739	221,496
Telephone	2,091	2,115
	412,977	348,981
Excess of revenue over expenses	90,086	116,585

The accompanying notes are an integral part of these financial statements

Simon Fraser University Administrative And Professional Staff Association
Statement of Changes in Net Assets

For the year ended June 30, 2018
(Unaudited)

	<i>Unrestricted</i>	<i>Internally restricted</i>	<i>Invested in capital assets</i>	<i>2018</i>	<i>2017</i>
Net assets, beginning of year	438,202	242,992	38,534	719,728	603,143
Excess of revenue over expenses	133,123	(19,389)	(23,648)	90,086	116,585
Interfund transfers <i>(Note 6)</i>	(134,922)	85,678	49,244	-	-
Net assets, end of year	436,403	309,281	64,130	809,814	719,728

The accompanying notes are an integral part of these financial statements

Simon Fraser University Administrative And Professional Staff Association
Statement of Cash Flows
For the year ended June 30, 2018
(Unaudited)

	2018	2017
Cash provided by (used for) the following activities		
Operating activities		
Excess of revenue over expenses	90,086	116,585
Amortization	23,648	16,190
	113,734	132,775
Changes in working capital accounts		
Accounts receivable	(4,389)	(1,488)
Prepaid expenses and deposits	2,161	(2,776)
Accounts payable and accruals	(18,509)	24,113
	92,997	152,624
Investing activities		
Purchase of capital assets	(20,745)	(27,500)
Purchase of investments	(363,624)	(250,626)
Proceeds on disposal of investments	115,463	216,535
	(268,906)	(61,591)
Increase (decrease) in cash resources	(175,909)	91,033
Cash resources, beginning of year	344,385	253,352
Cash resources, end of year	168,476	344,385

The accompanying notes are an integral part of these financial statements

Simon Fraser University Administrative And Professional Staff Association

Notes to the Financial Statements

For the year ended June 30, 2018
(Unaudited)

1. Purpose of the Association

The purposes of the Simon Fraser University Administrative and Professional Staff Association (the "Association") are to promote and advance the interests of the administrative and professional employees of Simon Fraser University, by representing them in negotiations with regard to the terms and conditions of their employment, and supporting them with regard to grievances, arbitrations, and mediations, advising them on matters of concern, promoting professionalism, excellence, and collegiality, encouraging their professional and career development, representing them to the public, governments, news media, and other educational institutions, and doing all such things as may be necessary or conducive to the attainment of these purposes.

The Association is a registered society under the Society Act of British Columbia and is a not-for-profit organization under income tax legislation. In order to maintain its status as a registered not-for-profit organization under the Act, the Association must meet certain requirements within the Act. In the opinion of management these requirements have been met.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Investments

Investments with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment.

Fund accounting

The Association follows the deferral method of accounting for contributions and reports using fund accounting. In order to ensure observance of limitations and restrictions placed on the use of resources available to the Association, the accounts are maintained on a fund accounting basis. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the contributors or in accordance with the directives issued by the Board of Directors.

Three funds are maintained: Unrestricted Fund, Investment in Capital Assets Fund and Internally Restricted Fund.

- The Unrestricted Fund is used to account for all the revenue and expenses related to the Association's administrative activities.
- The Investment in Capital Assets Fund is used to account for all the Association's capital assets and to present the flow of funds related to their acquisition and disposal, unexpended capital resources and debt commitments.
- The Internally Restricted Fund is used to account for the Association's legal costs and expenditures. Funds are credited to the fund to the extent that they have not been fully paid out on the current year's legal expenses. Subsequent use of these internally restricted funds will occur when the legal expenses for any given year exceed the funds generated for those expenditures in that year and this excess will be charged against the internally restricted net assets accordingly.

Simon Fraser University Administrative And Professional Staff Association
Notes to the Financial Statements
For the year ended June 30, 2018
(Unaudited)

2. **Significant Accounting Policies** *(Continued from previous page)*

Revenue recognition

The Association uses the deferral method of accounting for contributions and reports on a fund accounting basis.

Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred.

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

Capital assets

Purchased capital assets are recorded at cost.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives. In the year of acquisition, amortization is taken at one-half of the below rates.

	Rate
Computer equipment	30, 55 %
Computer software	100 %
Office equipment	30 %

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the periods in which they become known.

Financial instruments

The Association recognizes its financial instruments when the Association becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with ASNPO 4460 *Disclosure of Related Party Transactions by Not-for-profit Organizations*.

At initial recognition, the Association may irrevocably elect to subsequently measure any financial instrument at fair value. The Association has not made such an election during the year.

The Association subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by quoted market prices. Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Simon Fraser University Administrative And Professional Staff Association

Notes to the Financial Statements

For the year ended June 30, 2018
(Unaudited)

2. Significant accounting policies *(Continued from previous page)*

Financial asset impairment

The Association assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Association determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Association reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Association reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenues over expenses in the year the reversal occurs.

3. Cash

The Association has internally restricted \$50,000 (2017 - \$37,000) for the purpose of purchasing additional computer equipment and content management system maintenance.

	2018	2017
Unrestricted	118,476	307,385
Internally restricted for capital assets	50,000	37,000
	168,476	344,385

4. Investments

	2018	2017
Short-term:		
GIC, interest at 1.50%, matures November 3, 2018	127,183	-
GIC, interest at 2.00%, matures April 3, 2019	116,128	-
GIC, interest at 1.60%, matures May 3, 2019	127,328	-
GIC, interest at 1.50%, matured November 14, 2017	-	115,463
	370,639	115,463
Long-term:		
GIC, interest at 1.55%, matures July 24, 2019	126,815	-
GIC, interest at 2.00%, matures March 19, 2020	116,796	-
GIC, interest at 1.50%, matures November 3, 2018	-	125,303
GIC, interest at 1.60%, matures May 3, 2019	-	125,323
	243,611	250,626
	614,250	366,089

Simon Fraser University Administrative And Professional Staff Association

Notes to the Financial Statements

For the year ended June 30, 2018
(Unaudited)

5. Capital assets

		<i>Accumulated</i>	<i>2018</i>	<i>2017</i>
	<i>Cost</i>	<i>amortization</i>	<i>Net book</i>	<i>Net book</i>
			<i>value</i>	<i>value</i>
Computer equipment	37,712	34,875	2,837	2,650
Computer software	42,500	35,000	7,500	13,750
Office equipment	14,919	11,126	3,793	632
	95,131	81,001	14,130	17,032

6. Interfund transfers

During the year, the Association transferred \$49,244 (2017 - \$37,000) to the capital fund reserve for the purpose of purchasing capital assets.

During the year, the Association transferred \$85,678 (2017 - \$78,420) from the unrestricted fund to the internally restricted funds to provide for the current year's allocation.

	<i>2018</i>	<i>2017</i>
1/6 of income from membership dues per internal requirement	82,235	76,584
Interest income	3,443	1,836
Computer software upgrades	49,244	37,000
	134,922	115,420

7. Economic dependence

The Association's primary source of revenue is membership dues from the administrative and professional staff at Simon Fraser University (SFU). These dues are collected by SFU and then paid to the Association on a monthly basis.

SFU also pays the wages for the three office members of the Association. The Association is then billed for the amounts relating to those wages paid by SFU.

8. Capital management

The Association's objective when managing capital is to ensure that the Association can continue to fulfill its mandate. The Association sets the amount of capital in proportion to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

There has been no change from the overall capital management strategy employed during the year ended June 30, 2018.

9. Association remunerations

In accordance with British Columbia's new Societies Act, the Association is required to disclose any remuneration paid to directors as well as remuneration paid to employees or contractors in excess of \$75,000. For the year ended June 30, 2018, the Association paid a total of \$75,864 to one employee for their services. No remuneration was paid to directors, and no individual contractor was paid in excess of \$75,000.

Simon Fraser University Administrative And Professional Staff Association

Notes to the Financial Statements

For the year ended June 30, 2018
(Unaudited)

10. Financial instruments

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest rate, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association's exposure to liquidity risk is dependent on purchasing commitments and obligations or raising funds to meet commitments and sustain operations.

During the year, the Association's exposure to liquidity risk has decreased due to an increase in net working capital position, in comparison to the prior year.

Credit risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations. The Association's financial instruments that are exposed to concentrations of credit risk relate primarily to accounts receivable. The risk has not changed from the prior year.