

**Simon Fraser University Administrative
And Professional Staff Association
Financial Statements**
*June 30, 2019
(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, 2019, 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, 2019, 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 17, 2019



Chartered Professional Accountants

Simon Fraser University Administrative And Professional Staff Association

Statement of Financial Position

*As at June 30, 2019
(Unaudited)*

	2019	2018
Assets		
Current		
Cash (Note 3)	177,504	168,476
Accounts receivable	44,303	40,097
Prepaid expenses and deposits	731	1,949
Short-term investments (Note 4)	599,319	370,639
	821,857	581,161
Long-term investments (Note 4)	127,072	243,611
Capital assets (Note 5)	12,430	14,130
	961,359	838,902
Liabilities		
Current		
Accounts payable and accruals	39,026	29,088
Net Assets		
Unrestricted	506,311	436,403
Internally restricted	353,592	309,281
Invested in capital assets	62,430	64,130
	922,333	809,814
	961,359	838,902

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, 2019
(Unaudited)

	2019	2018
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Revenue		
Membership dues	558,431	493,413
Interest	14,975	9,650
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	573,406	503,063
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Expenses		
Administrative	6,645	6,414
Amortization	13,096	23,648
Bank charges and interest	182	148
Committee meetings	32,306	31,369
Executive	9,016	6,088
Insurance	1,658	1,473
Legal	54,972	19,389
Member professional development and social	41,712	48,806
Office	6,809	5,331
Printing	3,820	2,103
Professional development	3,744	3,903
Publications and subscriptions	533	1,101
Repairs and maintenance	7,313	5,374
Salaries and benefits	276,507	255,739
Telephone	2,574	2,091
	<hr/>	<hr/>
	460,887	412,977
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Excess of revenue over expenses	112,519	90,086
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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, 2019
(Unaudited)*

	<i>Unrestricted</i>	<i>Internally restricted</i>	<i>Invested in capital assets</i>	2019	2018
Net assets, beginning of year	436,403	309,281	64,130	809,814	719,728
Excess of revenue over expenses	180,587	(54,972)	(13,096)	112,519	90,086
Interfund transfers (Note 6)	(110,679)	99,283	11,396	-	-
Net assets, end of year	506,311	353,592	62,430	922,333	809,814

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, 2019
(Unaudited)

	2019	2018
Cash provided by (used for) the following activities		
Operating activities		
Excess of revenue over expenses	112,519	90,086
Amortization	13,096	23,648
	125,615	113,734
Changes in working capital accounts		
Accounts receivable	(4,206)	(4,389)
Prepaid expenses and deposits	1,218	2,161
Accounts payable and accruals	9,938	(18,509)
	132,565	92,997
Investing activities		
Purchase of capital assets	(11,396)	(20,745)
Purchase of investments	(482,780)	(363,624)
Proceeds on disposal of investments	370,639	115,463
	(123,537)	(268,906)
Increase (decrease) in cash resources	9,028	(175,909)
Cash resources, beginning of year	168,476	344,385
Cash resources, end of year	177,504	168,476

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, 2019
(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.
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Simon Fraser University Administrative And Professional Staff Association

Notes to the Financial Statements

For the year ended June 30, 2019
(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, 2019
(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 (2018 - \$50,000) for the purpose of purchasing additional computer equipment and content management system maintenance.

	2019	2018
Unrestricted	127,504	118,476
Internally restricted for capital assets	50,000	50,000
	177,504	168,476

4. Investments

	2019	2018
Short-term:		
GIC, interest at 1.55%, matures July 24, 2019	128,781	-
GIC, interest at 1.68%, matures October 3, 2019	118,361	-
GIC, interest at 2.00%, matures March 19, 2020	119,132	-
GIC, interest at 2.22%, matures May 11, 2020	132,285	-
GIC, interest at 2.50%, matures June 12, 2020	100,760	-
GIC, interest at 1.50%, matured November 3, 2018	-	127,183
GIC, interest at 2.00%, matured April 3, 2019	-	116,128
GIC, interest at 1.60%, matured May 3, 2019	-	127,328
	599,319	370,639
Long-term:		
GIC, interest at 2.63%, matures November 13, 2020	127,072	-
GIC, interest at 1.55%, matures July 24, 2019	-	126,815
GIC, interest at 2.00%, matures March 19, 2020	-	116,796
	127,072	243,611
	726,391	614,250

Simon Fraser University Administrative And Professional Staff Association

Notes to the Financial Statements

For the year ended June 30, 2019
(Unaudited)

5. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2019 Net book value</i>	<i>2018 Net book value</i>
Computer equipment	49,108	39,333	9,775	2,837
Computer software	42,500	42,500	-	7,500
Office equipment	14,919	12,264	2,655	3,793
	106,527	94,097	12,430	14,130

6. Interfund transfers

During the year, the Association transferred \$11,396 (2018 - \$49,244) to the capital fund reserve for the purpose of purchasing capital assets.

During the year, the Association transferred \$99,283 (2018 - \$85,678) from the unrestricted fund to the internally restricted funds to provide for the current year's allocation.

	<i>2019</i>	<i>2018</i>
1/6 of income from membership dues per internal requirement	93,072	82,235
Interest income	6,211	3,443
Computer software upgrades	11,396	49,244
	110,679	134,922

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, 2019.

9. Association remunerations

In accordance with British Columbia's 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, 2019, the Association paid a total of \$104,365 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, 2019
(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.