

**Simon Fraser University Administrative  
And Professional Staff Association  
Financial Statements**  
*June 30, 2022  
(Unaudited)*

# Independent Practitioner's Review Engagement Report

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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, 2022, 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, 2022, 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

November 7, 2022

Chartered Professional Accountants

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

*As at June 30, 2022  
(Unaudited)*

	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
<b>Current</b>		
Cash (Note 4)	165,832	277,302
Accounts receivable	86,081	51,702
Short-term investments (Note 5)	961,600	748,480
	<b>1,213,513</b>	<b>1,077,484</b>
<b>Capital assets (Note 6)</b>	<b>1,963</b>	<b>3,465</b>
	<b>1,215,476</b>	<b>1,080,949</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals	101,652	76,106
<b>Net Assets</b>		
Unrestricted	907,896	744,646
Internally restricted	153,965	206,732
Invested in capital assets	51,963	53,465
	<b>1,113,824</b>	<b>1,004,843</b>
	<b>1,215,476</b>	<b>1,080,949</b>

Approved on behalf of the Board

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President

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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, 2022*  
*(Unaudited)*

	<b>2022</b>	<b>2021</b>
<b>Revenue</b>		
Membership dues	809,124	667,987
Interest	7,134	8,954
	<b>816,258</b>	<b>676,941</b>
<b>Expenses</b>		
Administrative	6,946	7,056
Amortization	1,502	2,958
Bank charges and interest	222	192
Committee meetings	26,455	32,013
Executive	6,393	1,752
Insurance	1,923	1,927
Legal	189,171	210,273
Member professional development and social	31,763	36,905
Office	3,952	3,671
Professional development	6,876	3,547
Publications and subscriptions	1,050	-
Repairs and maintenance	6,763	12,648
Salaries and benefits	419,555	326,712
Telephone	4,706	4,948
	<b>707,277</b>	<b>644,602</b>
<b>Excess of revenue over expenses</b>	<b>108,981</b>	<b>32,339</b>

*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, 2022  
(Unaudited)*

	<i>Unrestricted</i>	<i>Internally restricted</i>	<i>Invested in capital assets</i>	<b>2022</b>	<b>2021</b>
<b>Net assets, beginning of year</b>	<b>744,646</b>	<b>206,732</b>	<b>53,465</b>	<b>1,004,843</b>	972,504
<b>Excess of revenue over expenses</b>	<b>299,654</b>	<b>(189,171)</b>	<b>(1,502)</b>	<b>108,981</b>	32,339
<b>Interfund transfers (Note 7)</b>	<b>(136,404)</b>	<b>136,404</b>	-	-	-
<b>Net assets, end of year</b>	<b>907,896</b>	<b>153,965</b>	<b>51,963</b>	<b>1,113,824</b>	1,004,843

*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, 2022*  
*(Unaudited)*

	2022	2021
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess of revenue over expenses	108,981	32,339
Amortization	1,502	2,958
	<b>110,483</b>	35,297
Changes in working capital accounts		
Accounts receivable	(34,379)	(2,663)
Accounts payable and accruals	25,546	68,408
	<b>101,650</b>	101,042
<b>Investing</b>		
Purchase of investments	(961,600)	(748,480)
Proceeds on disposal of investments	748,480	739,527
	<b>(213,120)</b>	(8,953)
<b>Increase (decrease) in cash resources</b>	<b>(111,470)</b>	92,089
<b>Cash resources, beginning of year</b>	<b>277,302</b>	185,213
<b>Cash resources, end of year</b>	<b>165,832</b>	277,302

*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, 2022*  
*(Unaudited)*

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**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.

***Impacts of COVID-19***

Subsequent to year-end, the global outbreak of COVID-19 (coronavirus) continued, which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Association as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

**2. Change in accounting policies**

***Financial instruments***

**Financial instruments in a related party transaction, risk disclosures and other amendments**

Effective July 1, 2021 (hereafter referred to as the "initial date of application"), the Association adopted the Accounting Standards Board's revised recommendations for the measurement and disclosure of financial instruments in a related party transaction, as well as revisions to risk disclosures, in Section 3856 *Financial Instruments*. The revised standard provides additional guidance and requirements for the measurement of financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments").

Revised Section 3856 clarifies that an entity must provide relevant entity-specific information to enable users to evaluate the nature and extent of each type of risk arising from financial instruments. The amendments remove the requirement to separately disclose the risks arising from derivatives from the risks arising from other financial instruments.

Revised Section 3856 requires the following related party financial instruments to be initially measured at fair value:

- Investments in equity instruments quoted in an active market
- Debt instruments quoted in an active market
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)
- Derivative contracts.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

**Simon Fraser University Administrative  
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**Notes to the Financial Statements**  
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**2. Change in account policies** *(Continued from previous page)*

At initial recognition, the Association may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value. If the election is not made, these instruments are subsequently measured at amortized cost. Subsequently investments in equity instruments quoted in an active market and derivatives instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are measured at fair value. All other financial instruments arising in a related party transaction are subsequently measured using the cost method.

Previously, the Association initially measured related party financial instruments at either the carrying amount or exchange amount in accordance with Section 3840 *Related Party Transactions*. Subsequent to initial recognition, related party financial instruments were measured in accordance with extant Section 3856.

*Transition*

The Association applied the changes in accounting policies resulting from the adoption of revised Section 3856 retrospectively and prior periods have been restated. Financial instruments exchanged in a related party transaction that do not exist at the date of initial application and were impaired or modified in the immediately preceding fiscal year have not been restated in accordance with Section 3856. In addition, the following transitional provisions were applied to related party financial instruments that exist at the date of initial application:

- The cost of a financial instrument that has repayment terms is determined using the undiscounted cash flows, excluding interest and dividend payments, of the instrument less any impairment, as at the beginning of the earliest comparative period presented in these financial statements
- The cost of a financial instrument that does not have repayment terms is deemed to be the carrying amount of the instrument in the financial statements of the entity less any impairment, at the beginning of the earliest comparative period presented in these financial statements
- Fair value of a financial instrument that is an investment in debt or equity instruments that are quoted in active market; a debt instrument where inputs significant to the determination of fair value of the instrument are observable; or, a derivative contract, is determined at the beginning of the earliest comparative period presented in these financial statements.

The retrospective application of this change in accounting policy did not have a material impact on the results of operations and financial condition of the Association.

**3. 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.



**Simon Fraser University Administrative  
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**Notes to the Financial Statements**  
*For the year ended June 30, 2022*  
*(Unaudited)*

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

***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.

***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.

	<b>Rate</b>
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.

**Simon Fraser University Administrative  
And Professional Staff Association**  
**Notes to the Financial Statements**  
*For the year ended June 30, 2022*  
*(Unaudited)*

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

***Financial instruments***

The Association recognizes financial instruments when the Association becomes party to the contractual provisions of the financial instrument.

**Arm's length financial instruments**

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Association may irrevocably elect to subsequently measure any arm's length 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 and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Association's performance or value of its equity and those instruments designated at fair value, 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 excess of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

**Financial asset impairment**

The Association assesses impairment of all its financial assets measured at cost or amortized cost. The Association groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty or whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. 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.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, 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 at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Association reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Association reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the statement of financial position date.

Any impairment, which is not considered temporary, is included in current year excess of revenue 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 revenue over expenses in the year the reversal occurs.

**Simon Fraser University Administrative  
And Professional Staff Association**  
**Notes to the Financial Statements**  
*For the year ended June 30, 2022*  
*(Unaudited)*

**4. Cash**

The Association has internally restricted \$50,000 (2021 - \$50,000) for the purpose of purchasing additional computer equipment and content management system maintenance.

	2022	2021
Unrestricted	115,832	227,302
Internally restricted for capital assets	50,000	50,000
	<b>165,832</b>	<b>277,302</b>

**5. Investments**

	2022	2021
<b>Short-term:</b>		
GIC, interest at 0.57%, matures October 14, 2022	100,453	-
GIC, interest at 0.50%, matures November 14, 2022	132,878	-
GIC, interest at 0.55%, matures December 13, 2022	102,262	-
GIC, interest at 1.18%, matures February 16, 2023	100,510	-
GIC, interest at 1.68%, matures March 14, 2023	124,029	-
GIC, interest at 2.35%, matures April 6, 2023	100,554	-
GIC, interest at 1.60%, matures May 4, 2023	100,522	-
GIC, interest at 2.80%, matures May 22, 2023	100,315	-
GIC, interest at 3.50%, matures June 23, 2023	100,077	-
GIC, interest at 0.53%, matured May 21, 2022	-	136,523
GIC, interest at 0.70%, matured March 4, 2022	-	122,274
GIC, interest at 0.70%, matured February 19, 2022	-	122,733
GIC, interest at 1.25%, matured January 24, 2022	-	133,056
GIC, interest at 0.50%, matured December 13, 2021	-	101,725
GIC, interest at 0.60%, matured November 13, 2021	-	132,169
	<b>961,600</b>	<b>748,480</b>

**6. Capital assets**

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2022 Net book value</i>	<i>2021 Net book value</i>
Computer equipment	49,108	48,052	1,056	2,169
Computer software	42,500	42,500	-	-
Office equipment	14,919	14,012	907	1,296
	<b>106,527</b>	<b>104,564</b>	<b>1,963</b>	<b>3,465</b>

**Simon Fraser University Administrative  
And Professional Staff Association**  
**Notes to the Financial Statements**  
*For the year ended June 30, 2022*  
*(Unaudited)*

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**7. Interfund transfers**

During the year, the Association transferred \$136,404 (2021 - \$114,290) from the unrestricted fund to the internally restricted fund to provide for the current year's allocation.

During the year, the Association did not transfer any funds (2021 - \$nil) from the unrestricted fund to the capital fund reserve for the purpose of purchasing capital assets.

	<b>2022</b>	2021
1/6 of income from membership dues per internal requirement	<b>134,854</b>	111,331
Interest income	<b>1,550</b>	2,959
	<b>136,404</b>	114,290

**8. 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 four office members of the Association. The Association is then billed for the amounts relating to those wages paid by SFU.

**9. 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, 2022.

**10. 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, 2022, the Association paid a total of \$115,000 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  
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**Notes to the Financial Statements**  
*For the year ended June 30, 2022*  
*(Unaudited)*

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**11. 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, 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.