

**Simon Fraser University
Administrative and Professional
Staff Association
Financial Statements**
*June 30, 2016
(Unaudited)*

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

We have reviewed the statement of financial position of Simon Fraser University Administrative and Professional Staff Association as at June 30, 2016 and the statements of operations, changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Association.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Maple Ridge, British Columbia

October 20, 2016

A handwritten signature in black ink that reads 'MNP LLP'.

Chartered Professional Accountants

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

*As at June 30, 2016
(Unaudited)*

	2016	2015
Assets		
Current		
Cash (Note 3)	253,352	129,657
Accounts receivable	34,220	32,013
Prepaid expenses and deposits	1,334	1,334
Short-term investments (Note 4)	-	266,301
	288,906	429,305
Capital assets (Note 5)	5,723	10,473
Long-term investments (Note 4)	331,998	110,992
	626,627	550,770
Liabilities		
Current		
Accounts payable and accruals	23,484	62,534
Net Assets		
Unrestricted	408,070	357,908
Internally restricted	177,349	119,856
Investment in capital assets	17,724	10,472
	603,143	488,236
	626,627	550,770

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, 2016
(Unaudited)

	2016	2015
Revenue		
Membership dues	431,950	410,783
Interest	6,533	6,584
	438,483	417,367
Expenses		
Administrative	5,943	4,733
Amortization	4,750	4,551
Insurance	1,455	1,550
Executive	10,623	7,497
Professional development	368	-
Repairs and maintenance	2,542	4,690
Salaries and benefits	224,040	217,011
Office	5,695	5,480
Telephone	2,089	2,283
Legal	16,134	161,920
Bank charges and interest	157	145
Committee meetings	13,423	28,345
Printing	2,389	864
Member professional development and social	32,899	30,728
Publications and subscriptions	1,069	755
	323,576	470,552
Excess (deficiency) of revenue over expenses	114,907	(53,185)

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, 2016
(Unaudited)

	<i>Unrestricted</i>	<i>Internally restricted</i>	<i>Investment in capital assets</i>	2016	2015
Net assets, beginning of year	357,910	119,852	10,474	488,236	541,421
Excess (deficiency) of revenue over expenses	135,790	(16,133)	(4,750)	114,907	(53,185)
Interfund Transfers <i>(Note 6)</i>	(85,630)	73,630	12,000	-	-
Net assets, end of year	408,070	177,349	17,724	603,143	488,236

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, 2016
(Unaudited)

	2016	2015
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Cash provided by (used for) the following activities		
Operating activities		
Excess (deficiency) of revenue over expenses	114,907	(53,185)
Amortization	4,750	4,551
	<hr/>	<hr/>
	119,657	(48,634)
Changes in working capital accounts		
Accounts receivable	(2,207)	(311)
Prepaid expenses and deposits	-	95
Accounts payable and accruals	(39,050)	35,376
	<hr/>	<hr/>
	78,400	(13,474)
Investing activities		
Purchase of capital assets	-	(8,250)
Purchase of investments	(221,006)	(114,959)
Proceeds on disposal of investments	266,301	109,285
	<hr/>	<hr/>
Increase (decrease) in cash resources	123,695	(27,398)
Cash resources, beginning of year	129,657	157,055
	<hr/>	<hr/>
Cash resources, end of year	253,352	129,657
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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, 2016
(Unaudited)

1. Purpose of the Association

The purposes of the Simon Fraser University Administrative and Professional Staff 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, 2016
(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.

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 (deficiency) 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.

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 (deficiency) 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 (deficiency) of revenues over expenses in the year the reversal occurs.

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.

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

Simon Fraser University
Administrative and Professional
Staff Association
Notes to the Financial Statements
For the year ended June 30, 2016
(Unaudited)

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

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 (deficiency) of revenues over expenses in the periods in which they become known.

3. Cash

The Association has internally restricted \$12,000 for the purpose of purchasing additional computer equipment and content management system maintenance.

	2016	2015
Unrestricted	241,352	129,657
Internally restricted for capital assets	12,000	-
	253,352	129,657

4. Investments

	2016	2015
Short-term:		
GIC, interest at 1.50%, matured	-	51,391
GIC, interest at 1.50%, matured	-	51,455
GIC, interest at 2.00%, matured	-	51,861
GIC, interest at 1.50%, matured	-	111,594
	-	266,301
Long-term:		
GIC, interest at 2.00%, matures July 22, 2017	113,218	110,992
GIC, interest at 1.50%, matures September 2, 2017	113,757	-
GIC interest at 1.35%, matures November 2017	105,024	-
	331,999	110,992
	331,999	377,293

Simon Fraser University
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Notes to the Financial Statements
For the year ended June 30, 2016
(Unaudited)

5. Capital assets

		<i>2016</i>	<i>2015</i>
	<i>Cost</i>	<i>Accumulated amortization</i>	<i>Net book value</i>
Computer equipment	35,908	31,088	4,820
Office equipment	10,978	10,075	903
	46,886	41,163	5,723
			10,473

6. Inter-fund transfers

During the year, the Association transferred \$Nil (2015 - \$8,250) from the unrestricted fund to provide for expenditures in the investment in capital assets fund. The Association transferred \$12,000 (2015 - \$Nil) to a capital fund reserve for the purpose of purchasing capital assets in the following year.

During the year, the Association transferred \$73,631 (2015 - \$70,670) from the unrestricted fund to the internally restricted fund to provide for the current year's allocation:

	<i>2016</i>	<i>2015</i>
1/6 of income from membership dues per internal requirement	71,992	68,464
Interest income	1,639	2,206
	73,631	70,670

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, 2016.

9. 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.

Simon Fraser University
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Notes to the Financial Statements
For the year ended June 30, 2016
(Unaudited)

9. Financial instruments *(Continued from previous page)*

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 increased due to a decrease in net working capital position, in comparison to 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.