

1. CALL TO ORDER

Call to Order – 11:08 AM

2. TERRITORIAL ACKNOWLEDGMENT

We acknowledge that this meeting takes place on the traditional, unceded territories of the Coast Salish peoples, including the x^wməθk^wəy^əm (Musqueam), Sk̓wx̓wú7mesh (Squamish), Sel̓ílwítulh (Tsleil-Waututh), k^wik^wəł̓əm (Kwkwetlem) and Katzie Nations, on which we are privileged to live, work and play. Unceded means that these territories have never been handed over, sold, or given up by these nations, and we are currently situated on occupied territories.

3. ROLL CALL OF ATTENDANCE

3.1 Committee Composition

VP Finance (<i>Chair</i>)	Tawanda Chitapi
VP University Relations.....	Shina Kaur
VP External Relations.....	Jasdeep Gill
Board of Directors Representative	Andrew Wong
Board of Directors Representative	Fiona Li

3.2 Society Staff

Executive Director.....	Sylvia Ceacero (<i>via phone</i>)
Build SFU General Manager	Marc Fontaine
Finance Coordinator	David Chin
Finance Manager	Rowena de la Torre
Administrative Assistant	Samantha Li
Executive Assistant.....	Shaneika Blake

3.3 Regrets

Board of Directors Representative	Andrew Wong
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4. RATIFICATION OF REGRETS

4.1 MOTION FAC 2019-08-20:01

Shina/Jasdeep

Be it resolved to ratify regrets from Andrew Wong.

CARRIED

5. ADOPTION OF THE AGENDA

5.1 MOTION FAC 2019-08-20:02

Shina/Fiona

Be it resolved to adopt the agenda as amended.

- Add Motion 7.2 Transfer to Health Plan Reserve
- Add Motion to go In Camera and Ex-Camera

CARRIED

6. MATTERS ARISING FROM THE MINUTES

6.1 MOTION FAC 2019-08-20:03

Fiona/Jasdeep

Be it resolved to receive and file the following minutes:

- Finance and Audit Committee 2019-07-11

CARRIED

7. NEW BUSINESS

7.1 Draft Financial Statements – MOTION FAC 2019-08-20:04

Jasdeep/Shina

Be it resolved to recommend to the SFSS Board of Directors to approve the draft financial statements for the year ended April 30th, 2019;

Be it further resolved to have Tawanda Chitapi – VP Finance and Sylvia Ceacero – Executive Director sign the draft financial statements.

CARRIED

- VP Finance discussed the draft financial statements with the entire committee

7.2 Transfer to Health Plan Reserve – MOTION FAC 2019-08-19:05

Jasdeep/Shina

Be it resolved to recommended the SFSS Board of Directors to approve the transfer of \$326,240 from the undergraduate health plan fund to the health plan reserve.

CARRIED

8. IN-CAMERA

8.1 MOTION BOD 2019-08-19:06

Jasdeep/Shina

Be it resolved to go in-camera for the remainder of the meeting.

CARRIED

8.2 Audit Findings

9. EX-CAMERA

9.1 MOTION BOD 2019-08-19:07

Jasdeep/Shina

Be it resolved to go ex-camera.

CARRIED

10. ATTACHMENTS

- FS19 (draft#3).pdf

11. ADJOURNMENT

MOTION FAC 2019-08-20:08

Jasdeep/Shina

Be it resolved to adjourn the meeting at 12:50 PM.

CARRIED

FINANCIAL STATEMENTS

SIMON FRASER STUDENT SOCIETY

April 30, 2019

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April 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Simon Fraser Student Society

Opinion

We have audited the financial statements of Simon Fraser Student Society (the Society), which comprise the statement of financial position as at April 30, 2019 and 2018, and the statements of operations and changes in fund balances, and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at April 30, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT

- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, we report that the accounting principles used in these financial statements have been applied on a basis consistent with that of the preceding year.

Vancouver, Canada
Date of Board Approval

Chartered Professional Accountants

STATEMENT OF FINANCIAL POSITION

As at April 30

	2019							2018	
	General Fund	Capital Asset Fund	Build SFU Fund	Space Expansion Fund	Undergraduate Health Plan Fund	First Nations Students Fund	Accessibility Fund	Total	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS									
Current assets									
Cash [note 3]	3,812,201	—	1,801,953	2,664,061	1,340,848	114,577	359,988	10,093,628	8,753,098
Accounts receivable [note 4]	57,783	—	24,978	—	27,110	—	—	109,871	51,864
Inventory [note 5]	—	—	—	—	—	—	—	—	17,339
Prepaid amounts [note 6]	63,707	—	—	—	1,589,395	—	—	1,653,102	1,631,945
Due from (due to) other funds, no specific terms	701,248	—	(79,374)	576	(640,439)	16,265	1,724	—	—
Total current assets	4,634,939	—	1,747,557	2,664,637	2,316,914	130,842	361,712	11,856,601	10,454,246
Cash - held in trust [note 7]	—	—	73,155	—	—	—	—	73,155	597,145
Tangible capital assets [note 7]	—	1,123,207	—	—	—	—	—	1,123,207	1,299,017
Pre-acquisition, development and construction costs [note 16]	—	—	41,576,663	—	—	—	—	41,576,663	25,934,445
Intangible assets [note 8]	—	19,841	—	—	—	—	—	19,841	28,456
	4,634,939	1,143,048	43,397,375	2,664,637	2,316,914	130,842	361,712	54,649,467	38,313,309
LIABILITIES AND FUND BALANCES									
Current liabilities									
Bank loan [note 13(g)]	—	—	19,851,000	—	—	—	—	19,851,000	10,946,000
Accounts payable and accruals [note 9]	436,745	—	7,218,473	—	454,111	—	—	8,109,329	5,028,648
Deferred revenue	28,135	—	—	—	1,718,087	—	—	1,746,222	1,797,752
Total current liabilities	464,880	—	27,069,473	—	2,172,198	—	—	29,706,551	17,772,400
Deferred revenue - partial surrender of leased premises [note 16]	—	—	3,500,000	—	—	—	—	3,500,000	3,500,000
Total liabilities	464,880	—	30,569,473	—	2,172,198	—	—	33,206,551	21,272,400
Fund balances									
Internally restricted [note 10(a)(i), 10(b) and 10(c)]	1,084,147	—	1,747,557	2,664,637	144,716	130,842	361,712	6,133,611	5,271,825
Future contingency reserve [note 10(a)(iii)]	650,000	—	—	—	—	—	—	650,000	650,000
Invested in capital assets	—	1,143,048	11,080,345	—	—	—	—	12,223,393	9,168,373
Unrestricted	2,435,912	—	—	—	—	—	—	2,435,912	1,950,711
Total fund balances	4,170,059	1,143,048	12,827,902	2,664,637	144,716	130,842	361,712	21,442,916	17,040,909
	4,634,939	1,143,048	43,397,375	2,664,637	2,316,914	130,842	361,712	54,649,467	38,313,309

Commitments [note 13]

See accompanying notes to the financial statements

On behalf of the Board

Director

Executive Director

Simon Fraser Student Society

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

Year ended April 30

	2019							2018	
	General Fund	Capital Asset Fund	Build SFU Fund	Space Expansion Fund	Undergraduate Health Plan Fund	First Nations Students Fund	Accessibility Fund	Total	
	\$	\$	\$	\$	\$	\$	\$	\$	
REVENUES									
Activity fees and levies <i>[note 11]</i>	2,792,408	—	3,498,239	326,563	5,080,024	55,842	49,027	11,802,103	10,931,768
Retail services <i>[schedule 1]</i>	86,587	—	—	—	—	—	—	86,587	128,700
General office <i>[schedule 2]</i>	61,690	—	—	—	—	—	—	61,690	99,439
Rental revenue	75,514	—	—	—	—	—	—	75,514	100,990
Graduate Student Society service sharing revenue	9,071	—	—	—	—	—	—	9,071	10,476
Interest and other	81,736	—	59,163	51,452	39,334	1,823	6,777	240,285	136,191
Total revenues	3,107,006	—	3,557,402	378,015	5,119,358	57,665	55,804	12,275,250	11,407,564
EXPENSES									
Retail services <i>[schedule 1]</i>	122,307	—	—	—	—	—	—	122,307	209,014
Administration and financial office <i>[schedule 2]</i>	896,685	—	—	—	—	—	—	896,685	508,513
General office <i>[schedule 2]</i>	320,250	—	—	—	—	—	—	320,250	289,098
Build SFU office <i>[schedule 2]</i>	—	—	9,324	—	—	—	—	9,324	9,590
Stadium costs	—	—	—	—	—	—	—	—	6,205
Building operating costs (net of tenant recoveries)	81,552	—	—	—	—	—	—	81,552	74,723
Total office, operating and administration	1,298,487	—	9,324	—	—	—	—	1,307,811	888,129
Building maintenance and renovation costs <i>[note 12]</i>	—	—	—	75,490	—	—	—	75,490	102,958
Activity and program expenditures <i>[schedule 3]</i>	914,916	—	—	—	4,653,465	7,444	1,600	5,577,425	5,759,413
Discretionary grants - departmental student unions	141,175	—	—	—	—	—	—	141,175	160,762
- clubs	237,093	—	—	—	—	—	—	237,093	243,203
Student bursaries	10,000	—	175,940	—	—	—	—	185,940	159,565
Total activity, programs and grants	1,303,184	—	175,940	—	4,653,465	7,444	1,600	6,141,633	6,322,943
Amortization - building and other	—	208,925	—	—	—	—	—	208,925	300,705
Loss on Copy Centre closure <i>[note 20]</i>	17,077	—	—	—	—	—	—	17,077	—
Loss on surrender of space <i>[note 17]</i>	—	—	—	—	—	—	—	—	1,433,618
Total expenses	2,741,055	208,925	185,264	75,490	4,653,465	7,444	1,600	7,873,243	9,257,367
Excess of revenues (expenses) for the year	365,951	(208,925)	3,372,138	302,525	465,893	50,221	54,204	4,402,007	2,150,197
Fund balances, beginning of year	3,433,618	1,327,473	9,455,764	2,362,112	73,813	80,621	307,508	17,040,909	14,890,712
Interfund transfers									
Purchase of tangible capital assets and intangible assets	(24,500)	24,500	—	—	—	—	—	—	—
Health Plan Reserve <i>[note 10(a)(i)]</i>	326,240	—	—	—	(326,240)	—	—	—	—
SFSS administration fee	68,750	—	—	—	(68,750)	—	—	—	—
Fund balances, end of year	4,170,059	1,143,048	12,827,902	2,664,637	144,716	130,842	361,712	21,442,916	17,040,909

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended April 30

	2019							2018	
	General Fund	Capital Asset Fund	Build SFU Fund	Space Expansion Fund	Undergraduate Health Plan Fund	First Nations Students Fund	Accessibility Fund	Total	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
OPERATING ACTIVITIES									
Excess of revenues (expenses) for the year	365,951	(208,925)	3,372,138	302,525	465,893	50,221	54,204	4,402,007	2,150,197
Items not involving cash									
Loss on surrender of space	—	—	—	—	—	—	—	—	1,433,618
Amortization of capital assets	—	208,925	—	—	—	—	—	208,925	300,705
Changes in non-cash working capital balances									
Accounts receivable	(5,919)	—	(24,978)	—	(27,110)	—	—	(58,007)	2,522
Inventory	17,339	—	—	—	—	—	—	17,339	16,665
Prepaid amounts - current	(44,252)	—	—	—	23,095	—	—	(21,157)	155,653
Accounts payable and accruals	112,901	—	2,973,783	—	(6,003)	—	—	3,080,681	2,144,592
Deferred revenue - current	26,742	—	—	—	(78,272)	—	—	(51,530)	60,469
Cash provided by operating activities	472,762	—	6,320,943	302,525	377,603	50,221	54,204	7,578,258	6,264,421
FINANCING ACTIVITIES									
Interfund transfers	370,490	24,500	—	—	(394,990)	—	—	—	—
Interfund loans	(255,148)	—	(174,488)	(14,796)	447,610	(2,534)	(644)	—	—
Bank loan proceeds	—	—	8,905,000	—	—	—	—	8,905,000	8,636,000
Cash provided by (used in) financing activities	115,342	24,500	8,730,512	(14,796)	52,620	(2,534)	(644)	8,905,000	8,636,000
INVESTING ACTIVITIES									
Purchase of tangible capital assets and intangible assets	—	(24,500)	—	—	—	—	—	(24,500)	(18,126)
Proceeds on sale of asset	—	—	—	—	—	—	—	—	425,231
Purchase of pre-acquisition and development costs	—	—	(15,642,218)	—	—	—	—	(15,642,218)	(13,395,067)
Cash provided by (used in) investing activities	—	(24,500)	(15,642,218)	—	—	—	—	(15,666,718)	(12,987,962)
Increase (decrease) in cash for the year	588,104	—	(590,763)	287,729	430,223	47,687	53,560	816,540	1,912,459
Cash, beginning of year	3,224,097	—	2,465,871	2,376,332	910,625	66,890	306,428	9,350,243	7,437,784
Cash, end of year	3,812,201	—	1,875,108	2,664,061	1,340,848	114,577	359,988	10,166,783	9,350,243

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

1. NATURE OF ORGANIZATION

The Simon Fraser Student Society (the "Society") is a not-for-profit organization incorporated in the province of British Columbia that is exempt from income taxes pursuant to Section 149 of the Income Tax Act. The Society exists to improve the undergraduate student experience, as comprised of the following aspects: academic, social, financial, and health and wellbeing.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

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 amounts of revenues and expenses reported during the year. Significant areas requiring the use of management estimates relate to the determination of net recoverable value of assets, in particular as it relates to the useful lives of tangible capital assets and intangible assets. Actual results could differ from these estimates.

Fund Accounting

The Society follows fund accounting using the deferral method of accounting for contributions. The major funds are described below.

General Fund

Revenues and expenses related to program delivery, administrative activities and retail operations are reported in the general fund. This fund represents unrestricted resources.

The following funds are all internally restricted for the following purposes:

Capital Asset Fund

The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to the Society's capital assets.

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Space Expansion Fund

The Space Expansion Fund was originally established for the construction of additional space for student activities and renovation of existing Society space, and related costs. The use of the fund was subsequently amended through a referendum to include potential future expansion, renovations and ongoing maintenance of existing and future space for students, student groups and student activities. The capital fee levy portion of student activity fees is designated for the Space Expansion Fund. The fund is currently used to pay building maintenance and renovation costs as well as building capital costs.

Build SFU Fund [note 16]

Starting January 1, 2014, the members of the Society agreed to contribute \$10 per full-time student and \$5 per part-time student per semester to the Build SFU Fund for the purpose of building a new student union building and stadium. Effective January 1, 2015, 2016, 2017, 2018 and 2019, the contribution increased by \$10 per year to \$20, \$30, \$40, \$50 and \$60, respectively, per full-time student and by \$5 per year to \$10, \$15, \$20, \$25 and \$30, respectively, per part-time student per semester.

Pre-acquisition, development and construction costs will be included as an asset of Build SFU Fund until the complex is ready for occupancy and at that time, the costs of will be allocated to the Capital Asset Fund and will be amortized appropriately.

Pre-acquisition, development and construction costs will include all direct acquisition and development costs, interest and finance costs, and the direct wages and benefits of Society's staff, where applicable.

Undergraduate Health Plan Fund

The members of the Society have agreed to contribute up to \$254 per year for the purpose of offering both an enhanced health plan and dental plan for undergraduate students and \$198 per year for a basic health and dental plan.

First Nations Students Fund

The members of the Society have agreed to contribute \$0.75 cents per full-time student and \$0.38 per part-time student per semester to the First Nations Student Association ("FNSA").

Accessibility Fund

The members of the Society have agreed to contribute \$0.75 per student and \$0.38 per part-time student per semester, for the purpose of increasing the accessibility of, and removing barriers to, participation in campus activities and events for students with disabilities.

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Internally Restricted Fund Balances in the General Fund

i) Health Plan Reserve [note 10(a)(i)]

The Health Plan Reserve is funded by the Undergraduate Health Plan. The Society internally restricts a portion of the levy to fund future expenses relating to the management, promotion and maintenance of the Undergraduate Health Plan.

ii) Future Contingency Reserve

The Future Contingency Reserve sets aside six months of estimated operating costs. Funds may only be expended upon receipt of an approved Board motion that specifies the amount of funds to be spent and the expenditure has to be for significant items which are not typically part of the operating or capital budget.

Revenue Recognition

The Society follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and the collection is reasonably assured. Contributions for externally restricted purposes are recognized as revenue in the year in which the related expenses are incurred.

Student activity fees are recognized as revenue according to the academic terms and funds they relate to.

The Health Plan levies are recognized as revenue over the term of the plan coverage.

Revenue from all other sources is recognized when the service is provided or when the respective goods are sold to the customer.

Interest income is recognized in accordance with the terms of the underlying investment which is generally with the passage of time.

Contributed Services

Volunteers contribute their time to assist the Society in carrying out its activities. Due to the difficulty in determining the fair value of such services, the value of the donated services is not recognized in these financial statements.

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Measurement of Financial Instruments

The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, cash - held in trust and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accruals and bank loan.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Cash

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the year-end.

The Society's statement of cash flows is prepared on a net cash basis and cash flows from operating activities are reported using the indirect method.

Inventory

Inventory is valued at the lower of cost, determined on a first-in first-out basis, and net realizable value.

Tangible capital Assets

Purchased tangible capital assets are recorded at cost. Tangible capital assets are amortized on a straight-line basis at the rates outlined in [note 7]. Amortization expense is recorded in the Capital Asset Fund.

Construction costs for renovation projects of the existing space occupied by the Society are capitalized and are not amortized until the asset is fully constructed. Pre-acquisition costs will only be expensed if it is determined that the project will not be completed.

Pre-acquisition, development and construction costs incurred for the Build SFU complex will be included as an asset under Build SFU until the complex is ready for occupancy. At that time, the complex will be capitalized to the Capital Asset Fund and amortized appropriately.

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Intangible Assets**

The Society's website and database are amortized over its estimated useful life of four years on a straight-line method [note 8]. The asset is tested for impairment if events or changes in circumstances indicate that the carrying amount exceeds the fair value. The impairment test consists of a comparison of the fair value of the unamortized asset with its carrying amount. When the carrying amount exceeds the fair value, an impairment loss is recognized in an amount equal to the excess.

3. CASH

The following funds are internally restricted for use by the General Fund:

	2019 \$	2018 \$
Health Plan Reserve account [note 10(a)(i)]	1,313,543	1,064,839
Future Contingency Reserve account [note 10(a)(iii)]	776,065	760,400
	2,089,608	1,825,239

4. ACCOUNTS RECEIVABLE

	2019 \$	2018 \$
General Fund		
Operations	13,158	14,406
SFU	44,625	37,458
	57,783	51,864
Allowance for doubtful accounts	—	—
	57,783	51,864
Build SFU fund		
SFU	24,978	—
	24,978	—
Undergraduate Health Plan fund		
SFU	27,110	—
	27,110	—
	109,871	51,864

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

5. INVENTORY

	2019	2018
	\$	\$
Office supplies and postage	—	1,215
Paper and other	—	16,124
	—	17,339

Inventory held at year-end was written off when the Copy Centre closed [see note 20].

6. PREPAID AMOUNTS

Current prepaid amounts consist of the following items:

	2019	2018
	\$	\$
General fund	63,707	19,455
Undergraduate Health Plan fund		
Insurer's Premiums - Undergraduate Health Plan	1,572,257	1,594,555
SFU administrative fees - Undergraduate Health Plan	17,138	17,935
	1,589,395	1,612,490
	1,653,102	1,631,945

7. TANGIBLE CAPITAL ASSETS

	Rate	Cost \$	Accumulated Amortization \$	Net Book Value \$
2019	Lease term:			
Leasehold interest - building	10 to 30 years	4,094,192	2,993,503	1,100,689
Other Capital				
Computers, software and data processing equipment	4 years	295,575	276,355	19,220
Other furniture and equipment	5 years	445,464	442,166	3,298
		741,039	718,521	22,518
		4,835,231	3,712,024	1,123,207
2018	Lease term:			
Leasehold interest - building	10 to 30 years	4,094,192	2,812,525	1,281,667
Other Capital				
Computers, software and data processing equipment	4 years	278,950	267,055	11,895
Other furniture and equipment	5 years	472,861	467,406	5,455
		751,811	734,461	17,350
		4,846,003	3,546,986	1,299,017

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

7. TANGIBLE CAPITAL ASSETS (CONT'D)

The Society has a right to occupy its premises in the Maggie Benston Centre pursuant to a 30 year lease with the University, expiring in 2024. The lease may be extended for two additional 30 year periods. Annual rent of \$1 plus the Society's share of operating costs are payable to the University for the term of the lease [note 13 (a)].

8. INTANGIBLE ASSETS

	Cost \$	Accumulated Amortization \$	Net Book Value \$
2019			
Finite-life intangible assets			
- Website	113,805	96,683	17,122
- Software	72,244	69,525	2,719
	186,049	166,208	19,841
2018			
Finite-life intangible assets			
- Website under construction	105,930	85,684	20,246
- Software	72,244	64,034	8,210
	178,174	149,718	28,456

9. ACCOUNTS PAYABLE AND ACCRUALS

	2019 \$	2018 \$
General fund		
Operations	288,206	182,054
SFU	33,923	40,124
Cash and deposits held in trust	94,982	87,709
Government remittances - GST/PST	140	1,252
- Payroll	19,494	12,705
	436,745	323,844
Build SFU Fund		
SFU (including construction holdback)	7,218,473	4,244,690
	7,218,473	4,244,690
Undergraduate Health Plan Fund		
Health and dental plan premiums	454,111	460,114
	454,111	460,114
	8,109,329	5,028,648

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

10. INTERNALLY RESTRICTED FUND BALANCES AND RESERVES**(a) General Fund****i) Internally Restricted Fund Balances**

	2019	2018
	\$	\$
Health Plan Reserve		
Balance, beginning of year	832,907	658,354
Interfund transfer from the Undergraduate Health Plan Fund	326,240	190,303
Expenses [schedule 3]	(75,000)	(15,750)
Balance, end of year	1,084,147	832,907

ii) Repair and Replacement Reserves

	2019		2018	
	Premises Repair Reserve \$	Equipment Replacement and Repair Reserve \$	Total \$	Total \$
Transfer from (to) unrestricted net assets	—	—	—	(45,520)
Expenditures	—	—	—	—
Increase during the year	—	—	—	(45,520)
Balances, beginning of year	—	—	—	45,520
Interfund transfer	—	—	—	—
Balances, end of year	—	—	—	—

In 2018, the Society totally discontinued its food and beverage operations and entered into an agreement with SFU to surrender their leased space relating to the food and beverage operations [note 17].

As a result, in 2018, the repair and replacement reserves were discontinued and the remaining balance in the premises repair reserve was transferred to unrestricted fund balances in the General Fund.

iii) Future Contingency Reserve

In 2017, \$650,000 was internally restricted for a future contingency reserve.

(b) Other Funds

The purpose of the other internally restricted fund balances for the Build SFU Fund, Space Expansion Fund, Undergraduate Health Plan Fund, First Nations Students Fund, Accessibility Fund and Future Contingency Reserve are disclosed in note 2.

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

10. INTERNALLY RESTRICTED FUND BALANCES AND RESERVES (CONT'D)

(c) Accessibility Fund Restriction Transfer

In 2016, the Society restricted \$222,000 in the Accessibility fund for up to \$200,000 to be spent on a second passenger elevator and up to \$22,000 for emergency call buttons in accessible washrooms and photo luminescent paint for handrails in the new Student Union Building. In 2017, this amount was transferred to the Build SFU Fund.

11. NON-DISCRETIONARY ALLOCATIONS

During the year, the Society collected fees on behalf of the following autonomous organizations:

	2019 \$	2018 \$
Peak Publications Society	305,371	304,211
Simon Fraser Campus Radio Society (CJSF)	233,745	232,858
Simon Fraser Public Interest Research Group (SFPIRG)	186,962	186,252
Embark Sustainability Society (formerly: Sustainable SFU)	218,122	195,145
World University Services of Canada	155,801	155,210
	1,100,001	1,073,676

As these fees are collected on behalf of the other organizations, they are not included in the statement of operations.

12. BUILDING MAINTENANCE AND RENOVATION COSTS

During the year, the Society incurred the following expenses in the Space Expansion Fund:

	2019 \$	2018 \$
Building maintenance	63,915	102,958
Repairs and renovations	11,575	—
	75,490	102,958

13. COMMITMENTS

(a) Maggie Benston Centre

The Society is committed to building operating costs to the University for the space it occupies in the Maggie Benston Centre and the new student union building, once the Society moves into the building.

The estimated monthly operating costs while occupying the Maggie Benston Centre is approximately \$12,235 per month and approximately \$62,812 per month once the new student union building is occupied. There may be one month where the Society is required to pay the operating costs for both spaces.

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

13. COMMITMENTS (CONT'D)

(b) Ombudsperson and Office

The Society contributes office space in lieu of financial funding.

(c) Undergraduate Health Plan

On June 12, 2018, the Society entered into an agreement to implement a new retention accounting underwriting model with the premiums and coverage being revised annually. This agreement is effective until August 31, 2021. The health and dental plan benefits are provided to all undergraduate students at a cost of \$189 per student per year (enhanced plan \$233 per student per year).

(d) Surrey Campus Space

The Society has signed a lease with the University for a student union office and space totaling 47.79 square meters at the Surrey university campus. The lease agreement was effective May 1, 2007. The term of the lease is for a period of ten (10) years and with two renewal periods of ten years each. The Society pays \$1 per year as an annual basic rent plus additional rent payable monthly. The additional rent covers occupancy costs that the University incurs on behalf of the Society in the approximate amount of \$6,891 per year.

(e) Rotunda

The Society has a lease with the University for occupying rotunda space totaling 850.82 square meters at the Burnaby university campus. The lease is currently on a month-to-month basis that runs concurrently with the construction of the SUB. The Society pays \$1 per year as an annual basic rent plus additional rent payable monthly in the amount of \$3,810 plus GST. The additional rent covers occupancy costs that the University incurs on behalf of the Society.

(f) New Student Union Building Lease

On December 16, 2015, the Society signed a lease agreement with the University to lease the premises of the new student union building that is currently under construction. The lease term is 50 years with two 10 year renewal periods. The lease commencement date will be the date the Building is substantially completed and the Society can take possession of the premises. The Society has agreed to pay a minimum rent of \$1 per year including GST, plus proportionate operating costs, property taxes and utilities, as applicable. The Society will also be charged building costs less \$250,000 which is contingent on the Society funding the annual Major Repair and Replacement Fund as described below.

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

13. COMMITMENTS (CONT'D)

(f) New Student Union Building Lease (Cont'd)

The Society has also agreed to pay to the University \$300,000 annually for a "Major Repair and Replacement Fund" during the term of the lease. The funds are to be held by the University in an interest bearing account for the benefit of the Society and only paid out to fund repairs and replacements to the building pursuant to the lease agreement and as directed by the Society. Upon termination of the lease, any remaining balance in the Fund will revert to the control of the University to be used as determined by the University.

(g) Bank Loans and Interest Rate Swap

On December 16, 2015 and subsequently, the Society negotiated four credit facilities under one banking agreement consisting of (1), an overdraft for general operating requirements and for advances requested between regularly scheduled advances under Facility (2) to the extent of \$1,000,000; (2), a non-revolving interim loan to assist in financing construction of the new student union building to the extent of \$44,300,000; (3), a non-revolving term loan to facilitate pay-out of Facility (2) upon project completion to the extent of \$44,300,000; and (4), an option to enter into Interest Rate Swap transactions which are limited to Canadian currency and for terms not exceeding 28.25 years with mutual put options every 5 years. The aggregate amount of all outstanding transactions under Facility (4) at any one time is not to exceed \$44,300,000.

The loans bear interest at the Bank of Nova Scotia's prime lending rate, with interest payable monthly on credit facility (1) and (3) and interest accruing monthly on credit facility (2). Credit facilities (2) and (3) include annual Bankers' Acceptance Fees of 1.125% per annum, subject to a minimum fee of \$500 per transaction. The Society has pledged all of its assets to the bank through a general security agreement.

Facility (1) was never accessed or extended by the Society, and did not require repayment. Repayment terms for Facility (2) require advances and interest due in full upon the availment of Facility (3), or by September 30, 2019, whichever comes first. Repayment terms for Facility (3) is a 5 year term loan with a 25 year amortization period. Year 1 of the Facility (3) advance is repayable in 12 initial interest only monthly installments and years 2 - 5 have minimum principal payments in the aggregate amount of \$1,000,000 per year plus monthly interest. A final payment of the balance of principal and interest then outstanding will be due in the 60th month after the draw down of Facility (3).

During the year, the Society converted Facility 2 from a Prime based loan at Prime + 0.0% to a rolling 30 day Bankers Acceptance based loan at a rate of BA + 1.125% effective August 31, 2018. All additional draws on Facility 2 will be converted and added to the rolling 30 day Bankers Acceptance based loan until Facility 2 is paid out by Facility 3 or until otherwise converted back to a Prime based loan by the Society.

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

13. COMMITMENTS (CONT'D)

(g) Bank Loans and Interest Rate Swap (Cont'd)

As of April 30, 2019, the Society has been advanced \$19,851,000 [2018 - \$10,946,000] of credit facility (2) as described above.

The Society also entered into an interest rate swap agreement to assist in managing its interest rate exposure. The amounts receivable or payable under the interest rate swap will be accrued and recorded as adjustments to interest expense. The swap agreement commences on September 30, 2019 with a fixed rate of 3.19% per annum for a term up to 20 years.

(h) Stadium Project Contribution Agreement

During 2017, the Society entered into a stadium project contribution agreement with SFU whereby the Society would contribute up to \$10,000,000 towards the cost of the construction of a stadium. The \$10,000,000 contribution will be funded by a special student levy (the "Build SFU Levy") which will be collected and held by SFU.

The \$10,000,000 will be payable to SFU from the date of substantial completion (estimated to be August 2020) as follows:

	\$
Date of substantial completion	845,000
November 15, 2020 or the date of substantial completion, whichever is later	515,000
November 15, 2021 to November 15, 2031 (amounts varying from \$600,000 to \$860,000 per year)	8,640,000
Total	10,000,000

(i) Construction Commitments

The Society is committed to various contracts in the normal course of construction of Build SFU [see note 16].

(j) Campus Vibe

In 2019, the Society entered into a three year online branding and platform system delivery contract with 3rd Age Systems, also known as Campus Vibe, effective from May 1 2018 to Apr 30, 2021. In 2019, the total fees were \$18,500 plus GST. In 2020 and in 2021, the total fees will be \$18,500 plus GST and \$19,500 plus GST, respectively.

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

14. RELATED PARTY TRANSACTIONS

For the year ending April 30, 2019, the Society paid stipends and benefits to executive board members and other elected personnel in the amount of \$231,186 [2018 - \$240,292]. Of the amount, \$221,297 [2018 - \$233,310] is included in stipends expense [schedule 3] and \$9,889 [2018 - \$6,982] is included in elections expense [schedule 3].

Pursuant to the British Columbia Societies Act, the Society is required to disclose the remuneration paid to directors based on their position. The amount above includes payments made to the following elected Executives during the year:

	2019	2018
	\$	\$
Vice-President - Student Services	21,875	21,111
Vice-President - Finance	21,822	21,866
Vice-President - Student Life	21,560	21,604
Vice-President - University Relations	21,285	21,814
Vice-President - External Relations	20,847	21,814
At-large Representative	10,850	10,855
Education Representative	10,850	10,847
Business Representative	10,850	10,801
Environment Representative	10,850	10,212
Communication, Art and Technology Faculty Representative	10,850	10,034
Science Representative	10,824	10,046
Applied Sciences Representative	10,530	10,617
Health Sciences Faculty Representative	9,946	9,698
Other directors	7,955	7,627
Board parking, U-pass and mileage reimbursement	7,560	—
President	7,308	21,814
Arts and Social Sciences Representative	3,616	10,233
At-large Representative	1,330	10,665
Less recovery of uncashed cheques from prior directors	—	(8,348)
	220,708	233,310

15. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. The following analysis presents the Society's exposures to significant risk as at April 30, 2019.

Credit Risk

The Society is exposed to credit risk in the event of non-payment of its accounts receivable. The Society does not obtain collateral or other security to support its accounts receivable but mitigates credit risk by dealing mainly with Simon Fraser University and, accordingly, does not anticipate significant credit loss.

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

15. FINANCIAL INSTRUMENTS (CONT'D)

The Society is also exposed to credit risk with respect to its cash. The Society reduces this risk by placing its cash with a major chartered bank.

Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments.

The Society manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to interest rate risk on its cash and bank loan [note 13(g)].

16. BUILD SFU

In 2012, the members of the Society passed a referendum to implement a new membership levy of \$10 per semester, commencing January 1, 2014, for the purpose of funding the construction, maintenance, and building operating costs for a new Student Union space. The levy will increase by \$10 on January 1st of each subsequent year until 2022, at which point it will be capped at \$90 and adjusted annually for inflation according to the Canadian Consumer Price Index. The levy will be pro-rated for part-time students according to existing Society policy. A procedure has been established for students who demonstrate financial distress to apply for assistance in paying this levy.

All expenses and capital costs for this project have been funded through the Space Expansion Fund and the Build SFU Fund as well as \$3,500,000 relating to the partial surrender of leased premises. As of April 30, 2019, the Society has incurred \$41,576,663 [2018 - \$25,934,445] of pre-acquisition, development, construction and interest costs which have been capitalized and included in the Build SFU Fund.

As at April 30, 2019, \$758,029 [2018 - \$193,681] of interest expense has been capitalized.

The Society has budgeted this project to cost approximately \$55,000,000 for a space of approximately 100,000 square feet, plus up to a \$10,000,000 non-repayable financial contribution towards the cost of a stadium which will be paid to SFU [see note 13(h)].

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

16. BUILD SFU (CONT'D)

In 2015, the Society entered into an agreement with Simon Fraser University (“SFU”) whereby the Society would surrender part of its leased premises (“Surrendered Premises”) effective September 30, 2017 (“Surrender Date”) for \$3,500,000. The \$3,500,000 would be placed into a trust account held by SFU for the benefit of the Society and would be used for Build SFU [see below] project architectural design development costs and other Build SFU costs. As at April 30, 2019, \$3,500,000 [2018 - \$3,500,000] has been drawn down from the \$3,500,000 for construction.

If the Society fails to vacate the Surrendered Premises by September 30, 2017, unless the Society is unable to vacate the premises (see below), the \$3,500,000 will be repayable to SFU by no later than September 30, 2020. If the Society fails to repay the \$3,500,000 to SFU by September 30, 2020, interest will accrue at prime plus 6% compounded monthly, calculated on the overdue amounts from the date of default until SFU receives full payment.

The Society was unable to vacate the Surrendered Premises by September 30, 2017 due to a delay in the completion of Build SFU, however, the Surrender Date will not be postponed by more than three months after an occupancy certificate has been issued for the new student union building and in any event will not be postponed beyond September 30, 2019. The Society is in discussions with SFU to amend this timeline to accommodate the revised Build SFU construction schedule.

The postponement of the Surrender Date will not release the Society from the covenants and performance of its obligations in the agreement.

	2019	2018
	\$	\$
Cash held in trust by SFU, beginning of year	597,145	233,295
Cash transfers to SFU plus interest on trust funds	12,070,731	11,199,104
Costs incurred on Society's behalf	(12,594,721)	(10,835,254)
Cash in trust, end of year	73,155	597,145

17. FOOD AND BEVERAGE SERVICES

In 2017, the Society decided to discontinue its food and beverage services. As at April 30, 2017, the Highland Pub and the Ladle were closed and the Higher Grounds Coffee Bar was closed on June 15, 2017.

During 2018, the Society entered into a lease surrender agreement with SFU relating to the food and beverage court space. The Society surrendered the space for proceeds of \$433,608 (\$450,000 less \$16,392 for inventory) and is entitled to 35% of the respective tenants’ annual minimum rents for 10 years.

NOTES TO FINANCIAL STATEMENTS

April 30, 2019

17. FOOD AND BEVERAGE SERVICES (CONT'D)

A summary of the 2018 lease surrender is as follows:

	2019	2018
	\$	\$
Net proceeds (net of \$8,377 legal costs)	—	425,231
Net book value of related leasehold improvements and furniture and equipment	—	(1,858,849)
Loss on lease surrender	—	(1,433,618)

18. WAGES AND BENEFITS

Pursuant to the British Columbia Societies Act, the Society is required to disclose salaries and benefits paid to employees of \$75,000 or more during the fiscal year. During the year, \$373,918 [2018 - \$249,231] was paid to three employees [2018 - two employees]. Of this amount, \$301,332 [2018 - \$147,632] is recorded in wages and benefits - Administration and Financial office [schedule 2], \$72,586 [2018 - \$95,395] is capitalized in pre-acquisition and development costs, and \$Nil [2018 - \$6,205] is included in stadium costs.

19. OTHER INFORMATION - SERVICE AGREEMENT WITH FRASER INTERNATIONAL COLLEGE

On April 7, 2018, the Society entered into an agreement with Fraser International College Ltd. ("FIC") to provide access to student services, excluding the Society's Health and Dental Plan and Universal Transit Pass program for a term of two years effective January 2, 2019. The agreement may be renewed at the end of the term. FIC shall will remit to the Society fees of \$98.74 per FIC student per semester for participation in the SFU program. This fee will increase annually for the annual increase in the Build SFU fee charged to the Society's members.

20. OTHER INFORMATION - CLOSURE OF COPY CENTRE

During 2019, the Society discontinued its copy centre operations services. Effective April 5, 2019, the last orders were completed and the centre was closed. Unsold inventory and equipment disposal was written off net of one sale for \$3,500 for a net loss on closure of \$17,077 [2018 - \$Nil].

21. COMPARATIVE FIGURES

Certain of the 2018 comparative figures have been reclassified to conform with the current year's financial statement presentation.

**RETAIL SERVICES
SCHEDULE OF REVENUES AND EXPENSES**

Year ended April 30

	Copy Centre \$	Food and Beverage \$	Total \$
2019	<i>[Schedule 4]</i>	<i>[Schedule 5]</i>	
Revenues			
Sales	86,587	—	86,587
Other income (net)	—	—	—
Total revenues	86,587	—	86,587
Expenses			
Cost of sales	38,997	—	38,997
Direct expenses	—	—	—
Other expenses	83,310	—	83,310
Total expenses	122,307	—	122,307
Excess of expenses for the year	(35,720)	—	(35,720)
2018			
Revenues			
Sales	106,243	20,023	126,266
Other income	—	2,434	2,434
Total revenues	106,243	22,457	128,700
Expenses			
Cost of sales	46,570	7,866	54,436
Direct expenses	—	33,045	33,045
Other expenses	96,101	25,432	121,533
Total expenses	142,671	66,343	209,014
Excess of expenses for the year	(36,428)	(43,886)	(80,314)

**GENERAL, ADMINISTRATION AND FINANCIAL AND BUILD SFU
OFFICES SCHEDULE OF REVENUES AND EXPENSES**

Year ended April 30

	2019	2018
	\$	\$
GENERAL OFFICE		
Revenues		
Craft Fair	2,505	3,082
Advertising and other	5,362	20,646
Conference room rental	6,069	7,316
Vendor permits, net of SFU food bank donations	18,593	19,680
Foodbank	29,161	48,715
	61,690	99,439
Expenses		
Copying	175	147
Telephone and fax	1,876	1,449
Craft Fair	4,050	2,765
Office supplies, bank charges and other	8,380	7,484
Foodbank	49,151	48,715
Wages and benefits	256,618	228,538
	320,250	289,098
ADMINISTRATION AND FINANCIAL OFFICE		
Expenses		
Negotiations and consulting	—	4,150
Legal services	13,518	12,283
Professional fees	25,270	20,383
Insurance	47,393	47,004
Office, information technology, bank charges and other	78,526	41,400
Placement fees	44,589	—
Wages and benefits	687,389	383,293
Total administration and financial office expenses	896,685	508,513
BUILD SFU OFFICE		
Expenses		
Advertising and other	9,324	9,590
Total Build SFU administration and office expenses	9,324	9,590

**ACTIVITIES AND PROGRAMS
SCHEDULE OF EXPENSES**

Year ended April 30

	2019	2018
	\$	\$
Student engagement		
Activity days and events	62,246	38,812
Concerts and events (net of concert revenue of \$2,000 [2018 - \$126,381])	12,505	17,926
Elections <i>[note 14]</i>	12,625	13,025
Surrey campus representation	4,709	5,188
Stipends and benefits <i>[note 14]</i>	221,297	233,310
Travel and conference	2,461	5,996
Office, printing and other	10,099	7,844
	325,942	322,101
Advocacy and representation		
Student Union organizer	80,800	80,767
Advocacy	12,399	10,303
Member engagement	16,992	19,663
Ombuds office	2,694	2,684
Communications office	103,848	111,124
Campaigns, Research and Policy	75,717	72,750
	292,450	297,291
Other student programs and services		
Health Plan Reserve expenses <i>[note 10(a)(i)]</i>	75,000	15,750
Women's Centre	92,798	93,068
Out on Campus	73,009	69,354
Surrey Campus	55,717	69,744
	296,524	247,916
Total general fund activity and program expenses	914,916	867,308

The above expenses include wages and benefits of \$659,180 [2018 - \$675,624].

**COPY CENTRE
SCHEDULE OF REVENUES AND EXPENSES**

Year ended April 30

	2019	2018
	\$	\$
Revenues		
Copying and printing	86,587	106,243
	86,587	106,243
Cost of sales		
Copying	14,677	17,617
Printing supplies	24,320	28,953
	38,997	46,570
Gross profit	47,590	59,673
Expenses		
Office and administration (recovery)	(74)	1,610
Bank charges and interest	2,594	2,272
Operating costs	7,818	8,844
Repairs and maintenance	9,025	6,791
Telephone	641	728
Wages and employee benefits	63,306	75,856
	83,310	96,101
Excess of expenses for the year	(35,720)	(36,428)

**FOOD AND BEVERAGE SERVICES
SCHEDULE OF REVENUES AND EXPENSES**

Year ended April 30

	2019	2018
	\$	\$
Revenues	—	20,023
Cost of sales	—	7,866
Gross profit	—	12,157
Direct expenses	—	33,045
	—	(20,888)
Other revenues		
Arcade, vending machines and other	—	2,434
Advertising	—	—
	—	2,434
	—	(18,454)
Expenses		
Administration and office	—	4,309
Advertising	—	981
Bank charges, credit card merchant fees and armoured car	—	4,400
Entertainment and event night security	—	1,422
Insurance	—	2,569
Operating costs	—	9,944
Professional fees	—	161
Repairs and maintenance	—	1,646
Total expenses	—	25,432
Excess of expenses for the year	—	(43,886)

Discontinuance of the food and beverage services [note 17]