



2019-2020

VP Finance Report

October 26, 2020

Introduction

The SFSS has seen some rather significant financial events this year. The service agreement between the SFSS and FIC has gone through a full fiscal year, which has increased the SFSS's revenue by around \$700,000. The fall kickoff concert saw a record shattering deficit of over \$100,000. And, the COVID-19 pandemic hit in mid-spring, forcing the SFSS to cancel events, move to remote services, and contribute \$150,000 to SFU's emergency COVID-19 fund to support students purchasing technology or a flight home. We also had a sizable increase in administrative costs with the hiring of four new administrative staff. However, even with these costs the SFSS still saw its equity rise, primarily due to yearly increases in the Build SFU levy, and the FIC service agreement. As such, the Society has continued to add to their unrestricted surplus which sits at just over \$2.7 million.

Overview of Revenue and Expenses

SFSS Fees

All undergraduate students contribute funds to the SFSS in the form of the Student Activity Fee and the Health and Dental Plan. The UPass, while negotiated by the SFSS, is administered by SFU. The Student Activity Fee full-time threshold is set at 4 credits and above. This is in line with SFU's Student Services Fee threshold. These fees collected almost \$11.5 million this year, with about a third of that going towards our General Fund, a third going towards the Health and Dental Plan, and the remaining being split among Build SFU Fund and some smaller funds. You can view the full activity fee breakdown below.

Fee Name	Full-Time	Part-Time
SFSS membership fee	\$42.74	\$21.38
SFSS Building Fund/Capital Levy	\$5.00	\$2.50
Build SFU Levy (May-December 2019)	\$60.00	\$30.00
Build SFU Levy (January 2020)	\$70.00	\$35.00
Accessibility Fund	\$0.75	\$0.38

First Nations Student Association	\$0.75	\$0.38
SFSS Food Bank Program	\$0.25	\$0.13

Independent Student Societies

The SFSS collects fees for multiple independent student societies. These are “pass through” fees in that we do not withhold these fees as they have been approved by the membership through referendum. These fees are all refundable if you request it during each organization’s refund period, often within the first week or two of each term. Please review each organization’s website for further details.

Organization	Full-Time	Part-Time
The Peak: Student Newspaper (Peak)	\$4.90	\$2.45
Simon Fraser Campus Community Radio Society (CJSF)	\$3.75	\$1.88
Simon Fraser Public Interest Research Group (SFPIRG)	\$3.00	\$1.50
World University Services of Canada Student Refugee Program (WUSC)	\$5.00	\$2.50
Embark Sustainability Society	\$3.50	\$1.75

Extended Health and Dental Plan Fees

For students beginning in:	Fall 2019
Extended Health Plan (Undergraduates) (part-time and full-time students)	\$86.18
Extended Dental Plan (Undergraduates) (part-time and full-time students)	\$168.18

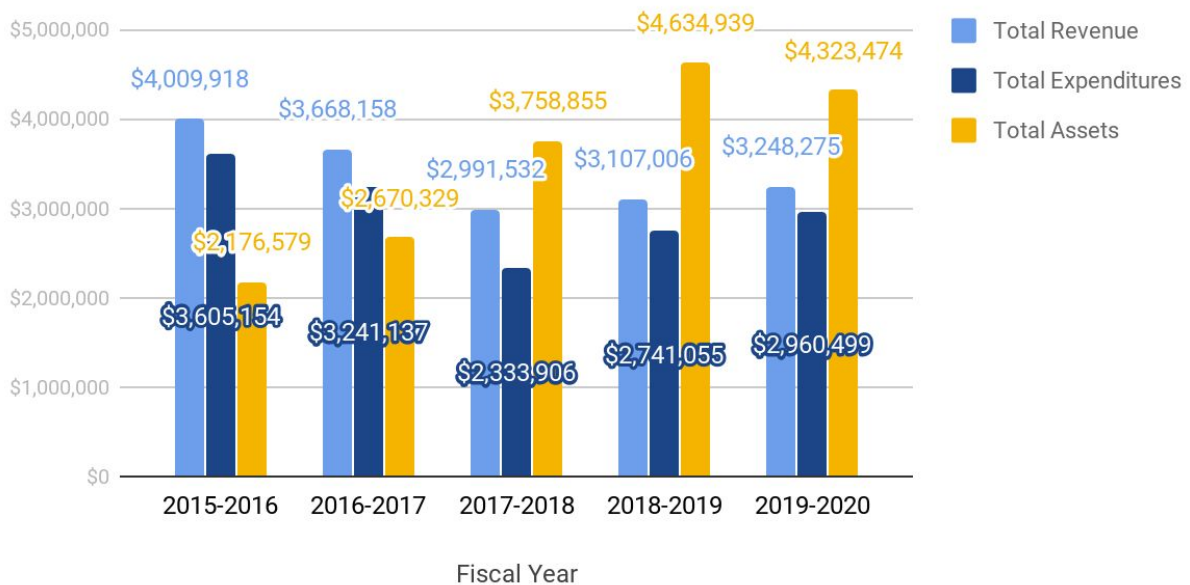
General Fund

The General Fund is the primary operating fund for the SFSS and pays for the majority of its programs, services, staff, student group funding, and other things. After the SFSS closed down it’s two main retail services (the Food and Beverage Services and the Copy Center), the vast

majority of its revenue came from student fees (92.6% in 2019-2020). Over the last five years, the SFSS has seen regular operating surpluses as well as one-off revenue increases due to selling off of space back to SFU. This has caused a sizable unrestricted surplus to build up which use needs to be determined.

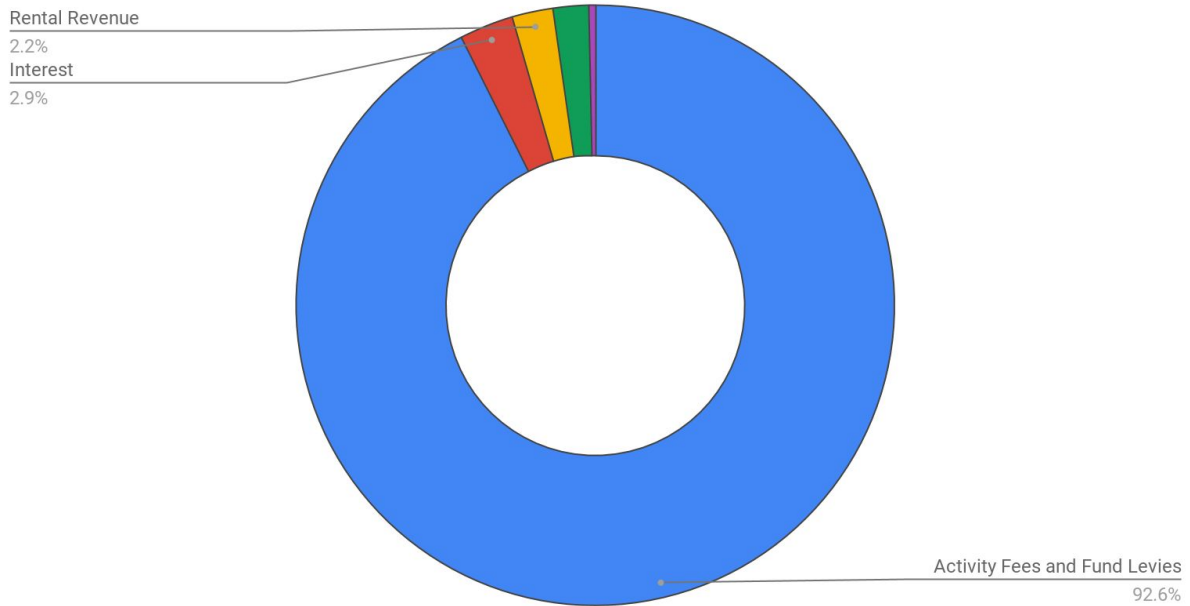
General Fund

5-Year History - Revenues, Expenditures, and Assets



General Fund - SFSS Revenue Breakdown

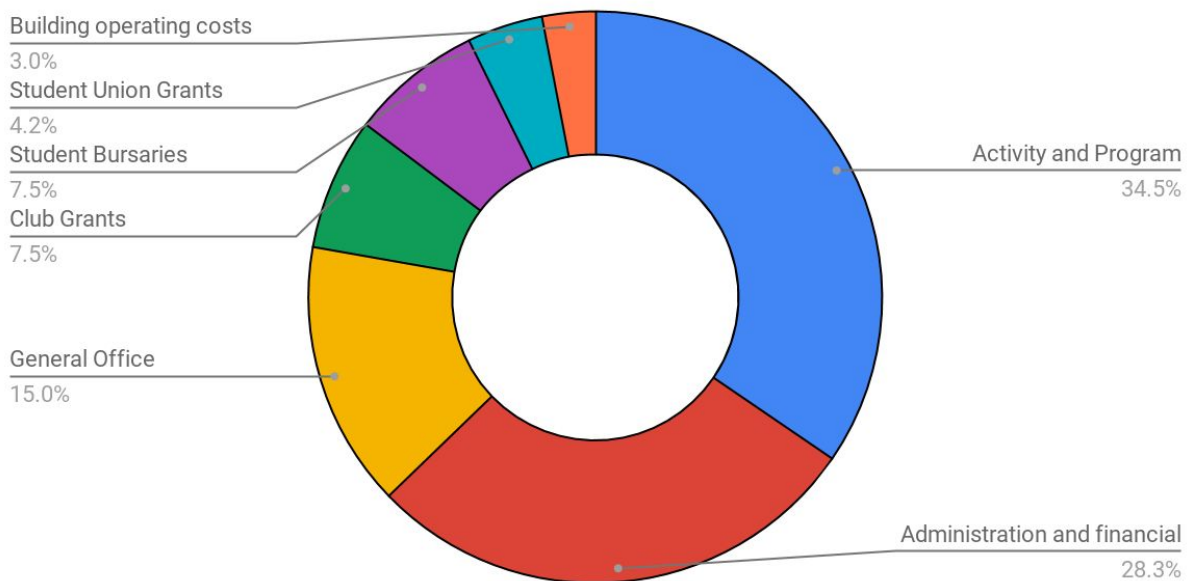
2019-2020



There has been a rapid increase in administrative costs over the last five years. This year being especially high with the hiring of a Finance Manager, Building Manager, an Administrative Supervisor, and Executive Assistant.

General Fund - SFSS Expenditure Breakdown

2019-2020

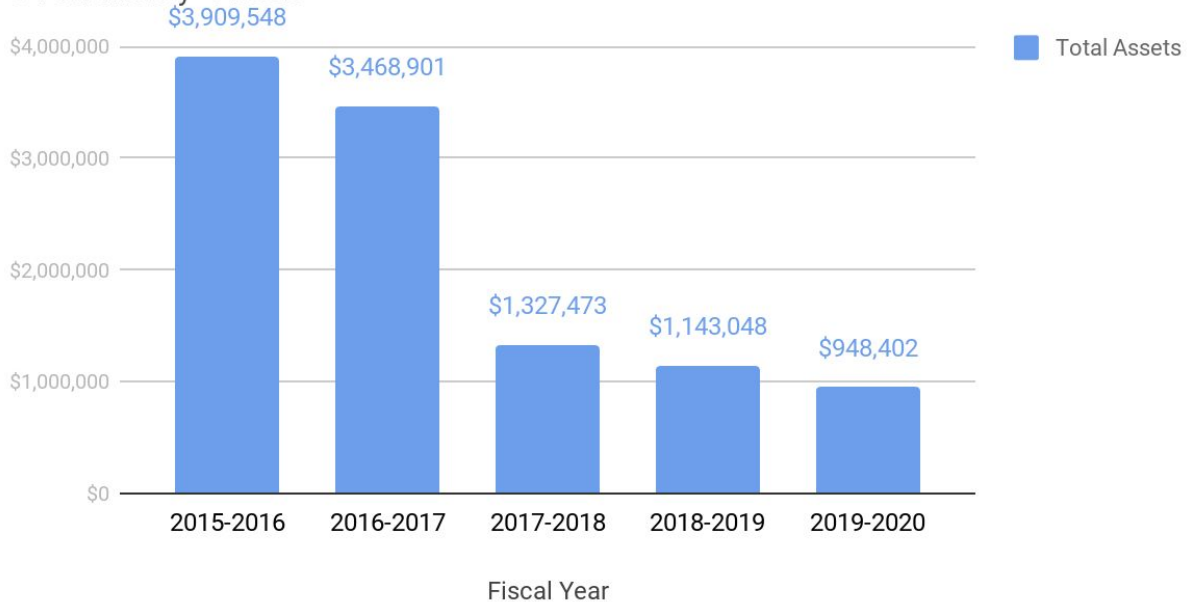


Capital Asset Fund

The Capital Assets Fund tracks the value (and depreciation) of the SFSS's physical assets like equipment and buildings, as well as intangible assets like software and website costs. The fund saw a significant decrease in value in 2017-2018 due to the SFSS selling their Food and Beverage Services space (the Pub and coffee shop space) as well as their control over the MBC cafeteria.

Capital Assets Fund

5-Year History - Assets

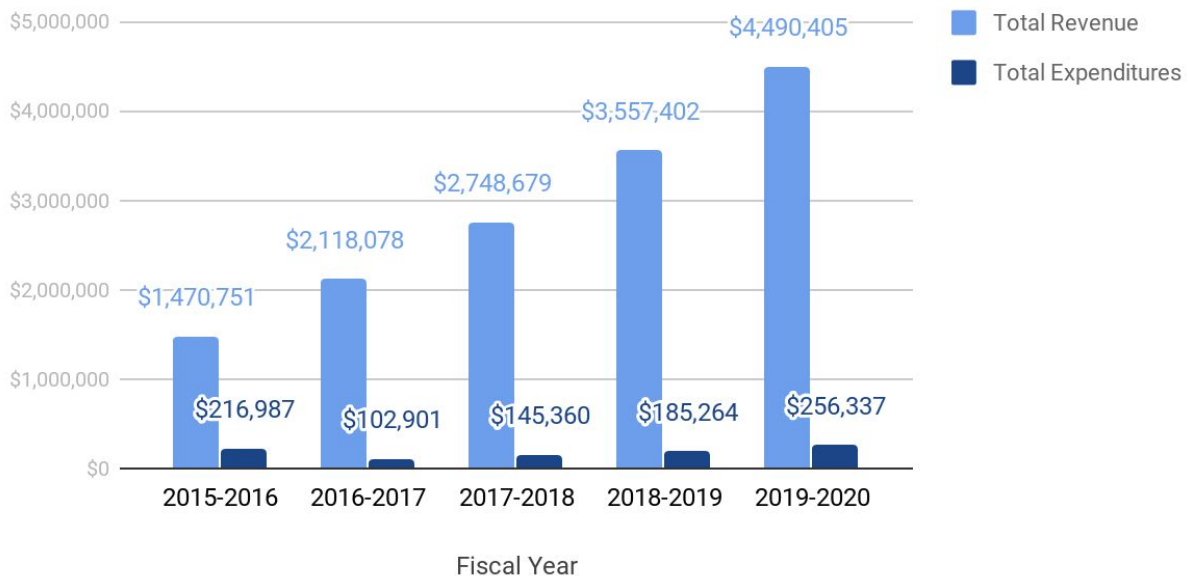


Build SFU Fund

The Build SFU Fund tracks the ongoing costs of the SUB and Stadium project including the construction costs, office operating costs, and other such expenditures.

Build SFU Fund

5-Year History - Revenue (Levy) and Expenditures (Dept.)



Space Expansion Fund

This fund is used to pay for the maintenance and renovations of leased SFSS space which for many years included the MBC cafeteria, MBC 0000-level study space, and the MBC offices. Students used to contribute \$20/term (full-time) or \$10/term (part-time) to this fund, but starting in 2011-2012, the fund has seen a few reallocations to the general fund to pay for increased programming. It now collects \$5.00/term (full-time), \$2.50/term (part-time) which including interest, generated over \$400,000 in revenue in 2019-2020. The fund itself has seen a sizable surplus and future Boards need to discuss how the fund should be used in the future, be it to

save up for another building (Surrey or Vancouver), or another project.

Space Expansion Fund

5-Year History - Revenues, Expenditures, and Assets



Undergraduate Health Plan Fund

Students contribute around \$5,000,000 a year to this fund to pay for extended health and dental benefits. These plans help reduce or eliminate costs for physical and mental health care, vision, dental, and prescriptions. The 2019-2020 Board has also looked into ways to support the costs of psychoeducational assessments to help reduce the financial burden of being assessed for potential learning disabilities. Surplus funds are saved in a Health Plan reserve fund in case there is an unexpected increase in plan costs which occurred this year. Due to increased usage of the plan and service costs, there was an almost \$700,000 deficit that was owed to our insurance provider. The reserve fund was able to cover this cost and still has funds leftover.

Undergraduate Student Health Plan

5-Year History - Revenues, Expenditures, and Assets



First Nations Students Fund

This fund supports the activities and programming of the First Nations Student Association, which supports indigenous students at SFU. They have reduced program spending over the last few years to save up funds for when they move into the SUB. The FNSA board contributed \$40,000 in spring 2020 to support indigenous students with unexpected expenses due to the COVID-19 pandemic.

First Nations Student Fund

5-Year History - Revenues, Expenditures, and Assets

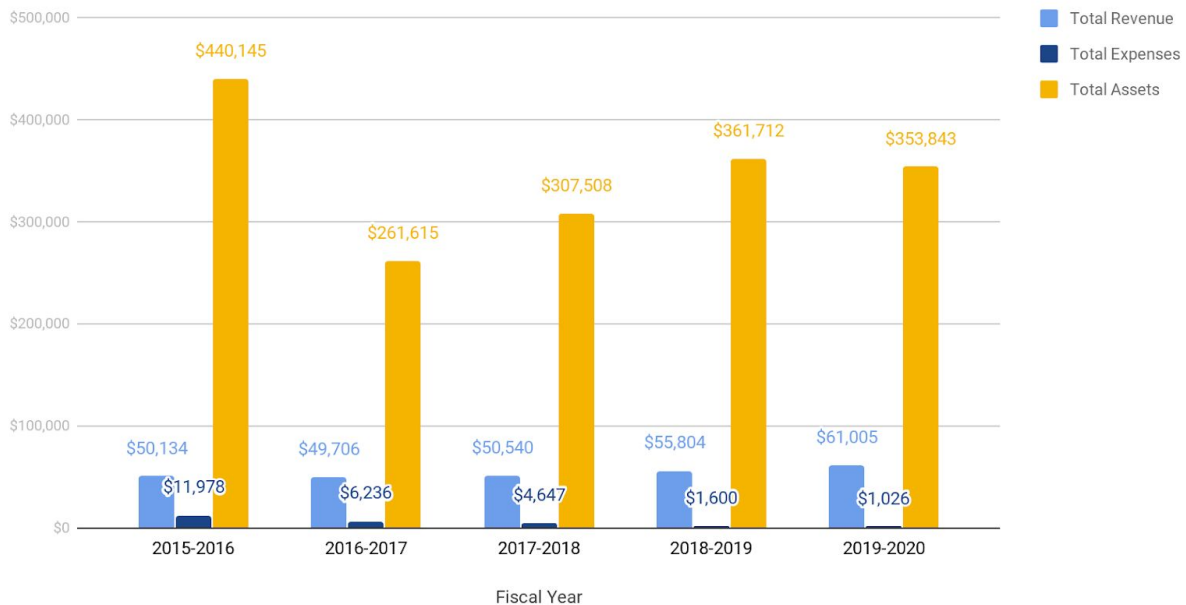


Accessibility Fund

Students contribute to the Accessibility Fund to help reduce barriers for students to attend events and activities in SFSS and at SFU. Students can access the fund by applying for an accessibility grant which is reviewed and approved by the Accessibility Advisory Committee. Past grants have gone to pay for ASL interpreters and purchase technological aids. Additionally, the Fund has been used by the SFSS to improve accessibility in the SUB with the purchase of a second elevator in 2016 (\$220,000) and emergency lighting in 2019 (\$67,848). Historically, the Fund has been underutilized, with some years only just a few thousand dollars spent. The 2020-2021 Accessibility Advisory Committee is exploring additional ways to use the Fund to reduce barriers for students.

Accessibility Fund

5-Year History - Revenues, Expenditures, and Assets



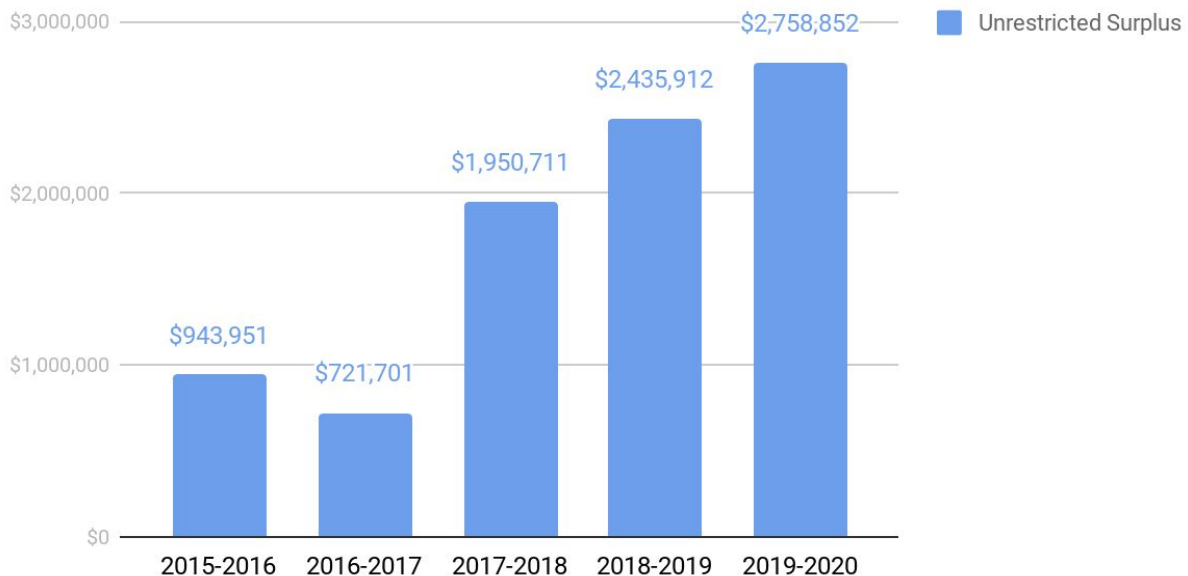
Key Highlights

Unrestricted Surplus

As mentioned in the General Fund description, the SFSS has seen a steady increase in its unrestricted surplus. Even with an additional \$150,000 in bursary spending to support SFU's Emergency COVID-19 Community Fund, the 2019-2020 fiscal year still saw over \$300,000 in unrestricted surplus. A nonprofit organization is required to spend its resources on carrying out its mission. Having an operating surplus is not necessarily a bad thing if the organization needs to save up funds for a new pilot project or other purpose in the future. The key thing is that excess funds need to be applied for a purpose. Currently, the SFSS has not set what that purpose is.

General Fund - Unrestricted Surplus

5-Year History



Build SFU

With the SUB almost complete, the Build SFU fund has seen a significant increase in assets (~\$62,000,000) and spending (~\$49,000,000). As the Build SFU Levy maxes out at \$90/term (full-time), \$45/term (part-time) in spring 2022, this will generate around \$5,000,000 a year in revenue, which will be used to pay down the bank loan. It will take approximately 18 years to pay off the loan.

Club, Student Union, and Bursary Funding

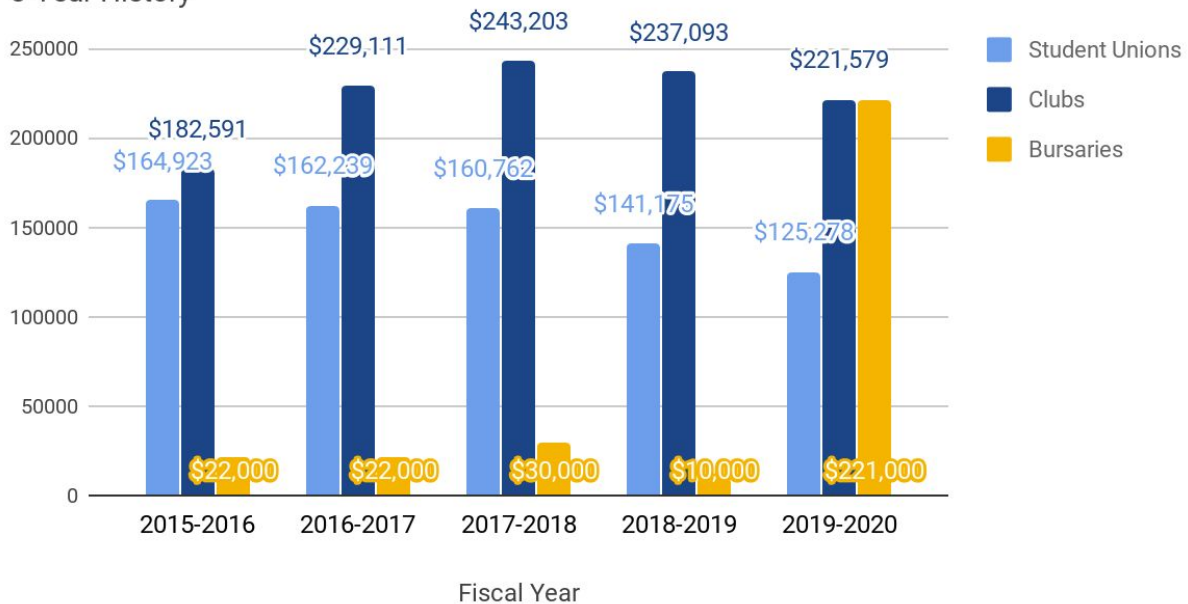
Funding for these groups has been relatively consistent over the last five years, however, in 2019-2020 the SFSS budgeted over \$300,000 for club funding (petty cash and grants) but only just over \$220,000 was actually spent. This could be due to a combination of less active clubs, smaller grant requests, and/or smaller grants being approved. The 2020-2021 Board is reviewing the funding models for student unions and clubs as well as the granting process to look for bottlenecks or other barriers.

Bursary spending has ranged from \$10,000-\$30,000 a year for the last five years. However, due to the COVID-19 pandemic, the 2019-2020 Board approved contributing \$150,000 to SFU's emergency fund to support students purchasing new technology with the switch to remote

learning, or to pay for flights home. These funds supported 150 undergraduate students, equally split between international and domestic students.

General Fund - Student Union, Club, and Bursary Funding

5-Year History



FIC

This was the first time FIC students paid service fees to the SFSS for the whole fiscal year. This generated around \$700,000 in revenue split between Build SFU, Space Expansion Fund, and our General Fund. The fees to the general fund have gone towards paying for additional Members Services and Administrative staff. The service agreement will need to be renegotiated before the end of December 2020.

Concerns

Concert

The Fall Kickoff concert went significantly over budget this year with a final amount of \$111,941, which is over twice the previous record set in the 2014-2015 fiscal year. The losses have been attributed to lower than expected ticket sales, increased costs due to a change in location (Strand Hall parking lot) and increased artists and production costs. The 2019-2020 Board

decided not to conduct an internal audit of the concert due to the proposed cost of the audit and the desire to save funds to support students during the COVID-19 pandemic.

Due to the high risk nature of these events, our auditor has recommended that we review if the Society wishes to keep planning and running this type of event. This review will be conducted in the 2020-2021 year.

Conclusion

The 2020-2021 Board has inherited an SFSS that will be like no other. The SUB is almost complete, it has a sizable surplus to help cover unexpected costs, and they will operate during a pandemic. With less in-person activities they will have the opportunity to review some core aspects of the SFSS from its governance and staffing structures, to financial policies and agreements. There are many big decisions that need to be made in regards to the surpluses it has built up over the last 5+ years. Areas of the organization have been underfunded for years (ex. advocacy). It is unclear how the pandemic will impact the SFSS's finances in the short run, but with careful planning and review, the SFSS should come out of this stronger than before.