

1. CALL TO ORDER

Call to Order – 10:09 AM

2. TERRITORIAL ACKNOWLEDGMENT

We respectfully acknowledge that the SFSS is located on the traditional, unceded territories of the Coast Salish peoples, including the x^wməθk^wəy̓əm (Musqueam), Sḵwx̱wú7mesh Úxwumixw (Squamish), Selílwitulh (Tsleil-Waututh), k^wik^wəł̓əm (Kwikwetlem) and ǰícəy̓ (Katzie) Nations. 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 Finance and Administrative Services Committee Composition

VP Finance and Services (Chair) Abhishek Parmar
 Ex-officio (President) Helen Sofia Pahou
 VP Internal and Organizational Development (Vice-Chair)
 Faculty of Communication, Art, and Technology Rastko Koprivicia
 Geography Councillor Natasha Kearns
 Mathematics Councillor Ben Tischler
 Earth Science Councillor Eden Lien
 Student-At-Large Amelia Hunt

3.2 Society Staff

Temporary Operations Organizer Sindhu Dharmarajah
 Administrative Assistant Phanie Phan

3.3 Regrets

Mathematics Councillor Ben Tischler

3.4 Guests

Tompkins Wozny Independent Auditor Gary Wozny
 Tompkins Wozny Senior Auditor Pamela Felix

3.5 Absents

Faculty of Communication, Art, and Technology Rastko Koprivicia
 Geography Councillor Natasha Kearns

4. CONSENT AGENDA

4.1 CONSENT AGENDA

Be it resolved to adopt the consent agenda by unanimous consent.

CARRIED UNANIMOUSLY

4.1.1. MATTERS ARISING FROM THE MINUTES-MOTION FASC 2022-09-23:01:01

Be it resolved to receive and file the following minutes:

- FASC 2021-07-22

4.1.2. RATIFICATION OF REGRETS-MOTION FASC 2022-09-23:02

SUBMITTED BY: Mathematics Councillor “Ben Tischler”

Be it resolved to ratify the regrets from Ben Tischler: Mathematics Councillor due to academic conflict at this time.

5. ADOPTION OF THE AGENDA

5.1 MOTION FASC 2022-09-23:03

Abhishek / Eden

Be it resolved to adopt the agenda as presented.

CARRIED AS AMENDED

- Strike ‘Presentation’ item:
 - Executive Committee Half Hour Pay Abolition

6. PRESENTATION

6.1 Auditor Draft Financial Statements

SUBMITTED BY: VP Internal and Organizational Development

PRESENTED BY: Tompkins Wozny Independent Auditor “Gary Wozny” and Tompkins Wozny Senior Auditor “Pamela Felix”

- ‘Statement of Financial Position’ or ‘Balance Sheet’
 - Gary explained that the ‘Statement of Financial Position’ outlines the SFSS’ assets, liabilities, and equities at the end of each fiscal year and that it showcases the different funds the SFSS has.
 - Gary outlines what each of the funds is used for:
 - General Fund: Handled SFSS’ day-to-day activities.
 - Capital Asset Fund: Used for the building, furniture, equipment, and etc.
 - Build SFU Fund: Helped construct the SUB and the fund carries on because it pays off the mortgage and related bank debt.
 - Space Expansion Fund: Used for improvements to spaces.
 - Undergraduate Health Plan Fund
 - First Nations, Metis and Inuit Student Fund
 - Accessibility Fund

- Gary went over each of the funds, their amounts, and explained how they were being used.
- Gary stressed that the SFSS and the Finance Department needs to be aware of the amount of the liabilities as they need to be repaid by the end of April 2023.
- Pamela added that the amount in the Build SFU payable includes operating costs that have not been paid in the past two years and are being held off, as SFU is determining the correct charge.
- Gary elaborated on the stadium contribution payable, saying that because the SFSS did not have the right to control its interest in the stadium, when the it was substantially completed, the contribution is an expense when the amount comes due.
 - Gary said that the total liabilities of the SFSS increased from \$38 million to \$45 million primarily due to the stadium contribution.
- **‘Statement of Operations and Changes in Fund Balances’ or ‘Income Statement’**
 - Gary explained that the ‘Statement of Operations and Changes in Fund Balances’ covers the SFSS’s operations for the fiscal year, while the ‘Statement of Financial Position’ is a point in time.
 - Gary pointed out that the total of the activity fees and levies increased from \$13.7 million to \$14.1 million due to the increase in fees during the year for the Build SFU fund.
 - Gary further pointed out that the general funds, or actual operating fees, decreased by \$137,000 due to the decrease in FIC fees over the year.
 - There was a decline of \$260,000 in investments due to changes in market value.
 - There is also a gain in funds, as the SFSS gave back the space they were previously renting in Maggie Benson Centre.
 - The expenses for the total discretionary grants, the DSU, student clubs, and student bursaries have increased.
 - The amortization expenses are higher because the SUB did not get amortized until it was substantially completed, which is half-way through the fiscal 2021-2022 year.
 - Gary explained that, on paper, the SFSS has a great loss but it is primarily due to the contribution to the stadium.

- **Notes on Financial Statements**

- Gary explained that as a not-for-profit organization but not a registered charity organization, the SFSS is incorporated in the Societies Act of British Columbia and has to file two tax returns.
- The SFSS falls under the Canadian accounting standards not-for-profit organizations and follows fund accounting, which is the best way to lay out all the different funds and reasons why these funds are received from the SFSS members.
- The SFSS follows the deferral method of accounting for contributions (revenue), meaning that when the SFSS receives money, it is restricted by a third party.
- Gary explained that student activity fees are recognized as revenue, revenue from other source is recognized when the service provided or respective goods are sold to the customer, and that interest income is recognized in accordance with the terms of the investment.
- Gary explained that the SFSS does not have a lot of risk on its receivables, as the vast majority of the revenues flow through the university.
- Gary suggested that the SFSS match its contingency cash spending to the one they have set aside
 - The SFSS has allocated \$171,000 but should try to match the \$650,00 set.
- Gary explained that investment equities were doing well at the end of the fiscal year, since interest rates were low.
- The accounts receivable section gives a breakdown of all the funds.
- Gary mentioned that when the SFSS and him discussed the accounts receivables, the SFSS expressed that they are confident they will collect the \$19,000 that are due from FIC.
- The biggest items under the prepaid amounts are the undergraduate health plan and the insurer's premium.
- The tangible capital assets outline the standard disclosure for the SFSS' costs, cumulative amortization, and net book value.
- The intangible assets have a standard disclosure that is similar to the capital assets.
- The accounts payable outline if there are any fees that are due to government bodies, like GST and payroll, and it also gives a breakdown of operations that are related to Build SFU.
- Gary mentioned that there were discussions surrounding employees taking claim for overtime and the SFSS was going to discuss it with its lawyer.

- Abhi said that he can follow-up with Gary on the status of the discussion between the SFSS and the lawyer.
 - The internal restricted fund balances and reserves are the legal obligations the money is spent on, like the health plan.
 - Non-discretionary allocations are revenues are not the SFSS' but the SFSS is the agent, as in they collect the revenue on behalf of organizations, like the Peak, Embark, and more.
 - Building maintenance and renovation costs cover fees that are used to conduct major repairs of the building.
 - Gary stressed that the SFSS needs to keep track of the Student Union Building lease, as the money goes into a replacement fund and if the SFSS does not spend the money when the lease comes due, it will go to SFU.
 - Under the bank loan and interest rate swap section, Gary pointed out that in a few years, the SFSS will have to pay \$1.5 million in principal and \$1.6-\$1.8 million in interest.
 - Gary mentioned that the SFSS has a \$10 million payable to the SFSS for the stadium contribution that will be paid for 10 years until 2031.
 - The related party transactions break down the total amount each Executive members, how much Council, and the individual faculty representatives were paid.
 - The Build SFU section gives a history of transactions happened under the fund.
- **General, Administration and Financial and Build SFU Offices Schedule of Revenue and Expenses**
 - The general offices expenses include spending on office supplies, bank charges, telephone and fax, wages, and other.
 - The administration and financial office expenses include legal services, insurance, wages and benefits, and other.
 - Build SFU expenses include insurance, legal services that dealt with some disputes, wages and benefits, and other.
- **Activities and Programs Schedule of Expenses**
 - Student engagement includes stipends and benefits, donations that were made for residential school survivors and other causes, elections, office supplies, and other.
 - Advocacy and representation include expenses for campaigns, research and policy, ombuds office, and other.

- The other student programs and services include expenses for the accessibility office, SOCA, FNMISA, Out on Campus, Women's Centre, Student Advocacy, and other.
- VP Finance wanted to know which of the report items is a helpful indicator for the students to look at to understand how the SFSS is doing.
 - Gary said that students will most likely want to know why there was a loss for the year, which can be primarily explained by the stadium contribution expenses.
 - Gary explained that is that is taken into account the SFSS had a successful year.
 - Pamela added that the SFSS was close to break even.
 - Gary suggested that it is important to consider Build SFU, as there is a big commitment there.
 - Gary said that there can be a question about why the amortization was higher, which can be explained due to the timing of the building.
 - Gary explained that Build SFU has more expenses because there are additional services provided.
 - Pamela pointed out that the Health and Dental premiums expenses will be higher next year.
 - Gary said that it will be helpful to look at the auditor's report.
- Gary concluded that there are no serious deficiencies in internal control but there are some points that need to be responded to in a timely manner.

7. IN-CAMERA

7.1 MOTION FASC 2022-09-23:04

Abhishek / Eden

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

CARRIED UNANIMOUSLY

- **Audit Finding Response**

8. EX-CAMERA

8.1 MOTION FASC 2022-09-23:05

Abhishek / VP IOD

Be it resolved to go ex-camera.

CARRIED UNANIMOUSLY

9. ADJOURNMENT

9.1 MOTION FASC 2022-09-23:06

Abhishek / VP IOD

Be it resolved to adjourn the meeting at 11:14 AM

CARRIED UNANIMOUSLY