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**FINANCIAL STATEMENTS**  
**SIMON FRASER STUDENT SOCIETY**

**April 30, 2023**

Limited Liability Partnership



**Tompkins Wozny**  
Chartered Professional Accountants

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**Simon Fraser Student Society****INDEX TO THE FINANCIAL STATEMENTS**

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April 30, 2023

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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, 2023, and the statements of operations and changes in fund balances (deficit), and cash flows for the year 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, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## *Basis for Opinion*

We conducted our audit 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 audit 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.
- 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.



## INDEPENDENT AUDITOR'S REPORT

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- 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.

*Tompkins Wozny LLP*

Vancouver, Canada  
Ugr go dgt "49."4245

Chartered Professional Accountants



## Simon Fraser Student Society

## STATEMENT OF FINANCIAL POSITION

As at April 30

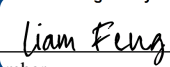
	2023									2022	
	General Fund \$	Capital Asset Fund \$	Build SFU Fund \$	Space Expansion Fund \$	Undergraduate Health Plan Fund \$	First Nations, Metis and Inuit Students Fund \$	Accessibility Fund \$	DNA Disability and Neurodivergent Student Support Fund \$	SOCA Black Student Support Fund \$	Total \$	Total \$
ASSETS											
Current assets											
Cash [note 3]	512,504	—	2,687,689	1,579,703	4,857,113	304,031	79,196	34,062	19,682	10,073,980	6,833,651
Investments - marketable securities [note 4]	4,955,851	—	—	—	—	—	—	—	—	4,955,851	4,846,309
Accounts receivable [note 5]	77,104	—	12,027	—	—	—	—	—	—	89,131	1,818,299
Prepaid amounts [note 6]	18,303	—	—	—	1,823,677	—	—	—	—	1,841,980	2,027,560
Due from (due to) other funds, no specific terms	(949,874)	—	55,956	2,302,015	(1,782,520)	2,467	376,259	(2,393)	(1,910)	—	—
Total current assets	4,613,888	—	2,755,672	3,881,718	4,898,270	306,498	455,455	31,669	17,772	16,960,942	15,525,819
Cash - held in trust [note 16]	—	—	5,854,852	—	—	—	—	—	—	5,854,852	4,466,580
Repair and replacement reserve fund [note 13(d)]	—	—	762,500	—	—	—	—	—	—	762,500	462,500
Tangible capital assets [note 7]	—	50,013,776	—	—	—	—	—	—	—	50,013,776	51,306,608
Intangible assets [note 8]	—	3,004	—	—	—	—	—	—	—	3,004	7,566
	4,613,888	50,016,780	9,373,024	3,881,718	4,898,270	306,498	455,455	31,669	17,772	73,595,074	71,769,073
LIABILITIES AND FUND BALANCES (DEFICIT)											
Current liabilities											
Bank loan - current portion [note 13(e)]	—	1,532,081	—	—	—	—	—	—	—	1,532,081	1,532,081
Accounts payable and accruals [note 9]	751,448	—	2,097,693	—	1,802,346	—	—	—	—	4,651,487	2,123,607
Stadium contribution payable - current [note 13(f)]	—	—	655,838	—	—	—	—	—	—	655,838	520,796
Deferred revenue [note 13(f)]	110,589	—	350,000	—	1,873,329	—	—	—	—	2,333,918	2,166,491
Total current liabilities	862,037	1,532,081	3,103,531	—	3,675,675	—	—	—	—	9,173,324	6,342,975
Stadium contribution payable - long-term [note 13(f)]	—	—	6,301,916	—	—	—	—	—	—	6,301,916	6,957,754
Bank loan - long-term [note 13(e)]	—	30,529,986	—	—	—	—	—	—	—	30,529,986	32,062,067
Total liabilities	862,037	32,062,067	9,405,447	—	3,675,675	—	—	—	—	46,005,226	45,362,796
Fund balances (deficit)											
Internally restricted [notes 10(a)(i) and 10(b)]	—	—	(32,423)	3,881,718	1,222,595	306,498	455,455	31,669	17,772	5,883,284	4,435,231
Future contingency reserve [note 10(a)(ii)]	650,000	—	—	—	—	—	—	—	—	650,000	650,000
COVID-19 Emergency Funding reserve [note 10(a)(iii)]	—	—	—	—	—	—	—	—	—	—	394,243
Invested in capital assets	—	17,954,713	—	—	—	—	—	—	—	17,954,713	17,720,026
Unrestricted	3,101,851	—	—	—	—	—	—	—	—	3,101,851	3,206,777
Total fund balances (deficit)	3,751,851	17,954,713	(32,423)	3,881,718	1,222,595	306,498	455,455	31,669	17,772	27,589,848	26,406,277
	4,613,888	50,016,780	9,373,024	3,881,718	4,898,270	306,498	455,455	31,669	17,772	73,595,074	71,769,073

Commitments [note 13]

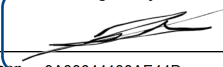
Other [note 19]

See accompanying notes to the financial statements

On behalf of the Board, signed by:


  
 Council Member AOCF50E9B84B49F...

DocuSigned by:


  
 Council Member 9A38644138AE44D...

## Simon Fraser Student Society

# STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES (DEFICIT)

Year ended April 30

	2023									2022	
	General Fund	Capital Asset Fund	Build SFU Fund	Space Expansion Fund	Undergraduate Health Plan Fund	First Nations, Metis and Inuit Students Fund	Accessibility Fund	DNA Disability and Neurodivergent Student Support Fund	SOCA Black Student Support Fund	Total	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES											
Activity fees and levies [note 11]	2,814,279	—	6,026,500	328,999	5,382,617	90,561	49,393	47,128	47,127	14,786,604	14,156,758
General office [schedule 1]	42,949	—	—	—	—	—	—	—	—	42,949	18,161
Rental revenue	138,463	—	—	—	—	—	—	—	—	138,463	60,886
Graduate Student Society service sharing revenue	11,855	—	—	—	—	—	—	—	—	11,855	11,855
Investment income (net of management fees \$37,675 [2022 - \$30,088])	117,171	—	310,891	50,606	168,379	9,339	2,230	721	472	659,809	218,335
Increase (decrease) in fair value of investments	18,927	—	—	—	—	—	—	—	—	18,927	(260,390)
Total revenues	3,143,644	—	6,337,391	379,605	5,550,996	99,900	51,623	47,849	47,599	15,658,607	14,205,605
EXPENSES											
Administration and financial office [schedule 1]	830,403	—	—	—	—	—	—	—	—	830,403	698,745
General office [schedule 1]	537,288	—	—	—	—	—	—	—	—	537,288	480,644
Build SFU office [schedule 1]	—	—	708,498	—	—	—	—	—	—	708,498	471,700
Building operating costs (net of tenant recoveries and SFU refund)	(294)	—	794,170	—	—	—	—	—	—	793,876	230,999
Total office, operating and administration	1,367,397	—	1,502,668	—	—	—	—	—	—	2,870,065	1,882,088
Building maintenance and renovation costs [note 12]	—	—	—	27,810	—	—	—	—	—	27,810	15,265
Activity and program expenditures [schedule 2]	1,693,630	—	—	—	5,526,587	38,293	15,291	16,180	29,827	7,319,808	6,341,664
Discretionary grants - departmental student unions	284,659	—	—	—	—	—	—	—	—	284,659	110,421
- clubs	296,355	—	—	—	—	—	—	—	—	296,355	114,276
Student bursaries	51,000	—	330,982	—	—	—	—	—	—	381,982	361,435
Total activity, programs and grants	2,325,644	—	330,982	—	5,526,587	38,293	15,291	16,180	29,827	8,282,804	6,927,796
Amortization - building and other	—	1,585,307	—	—	—	—	—	—	—	1,585,307	1,543,161
Interest expense	—	—	1,699,223	—	—	—	—	—	—	1,699,223	1,690,387
Bad debt expense	—	—	9,827	—	—	—	—	—	—	9,827	—
Stadium contribution [note 13(f)]	—	—	—	—	—	—	—	—	—	—	8,760,676
Total expenses	3,693,041	1,585,307	3,542,700	27,810	5,526,587	38,293	15,291	16,180	29,827	14,475,036	20,819,373
Excess (deficiency) of revenues for the year	(549,397)	(1,585,307)	2,794,691	351,795	24,409	61,607	36,332	31,669	17,772	1,183,571	(6,613,768)
Fund balances, beginning of year	4,251,020	17,720,026	(1,085,411)	3,604,796	1,251,832	244,891	419,123	—	—	26,406,277	33,020,045
Interfund transfers											
Purchase of tangible capital assets and intangible assets	(3,418)	287,913	(209,622)	(74,873)	—	—	—	—	—	—	—
Transfer of funds for loan principal repayment	—	1,532,081	(1,532,081)	—	—	—	—	—	—	—	—
SFSS administration fee	53,646	—	—	—	(53,646)	—	—	—	—	—	—
Fund balances (deficit), end of year	3,751,851	17,954,713	(32,423)	3,881,718	1,222,595	306,498	455,455	31,669	17,772	27,589,848	26,406,277

See accompanying notes to the financial statements

## Simon Fraser Student Society

## STATEMENT OF CASH FLOWS

Year ended April 30

	2023									2022	
	General Fund	Capital Asset Fund	Build SFU Fund	Space Expansion Fund	Undergraduate Health Plan Fund	First Nations, Metis and Inuit Students Fund	Accessibility Fund	DNA Disability and Neurodivergent Student Support Fund	SOCA Black Student Support Fund	Total	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
OPERATING ACTIVITIES											
Excess (deficiency) of revenues for the year	(549,397)	(1,585,307)	2,794,691	351,795	24,409	61,607	36,332	31,669	17,772	1,183,571	(6,613,768)
Items not involving cash											
Amortization of capital assets	—	1,585,307	—	—	—	—	—	—	—	1,585,307	1,543,161
Increase (decrease) in market value of marketable securities (net)	(18,927)	—	—	—	—	—	—	—	—	(18,927)	260,391
Changes in non-cash working capital balances											
Accounts receivable	21,070	—	51,104	—	1,656,994	—	—	—	—	1,729,168	(988,103)
Prepaid amounts	(8,634)	—	—	—	194,214	—	—	—	—	185,580	12,717
Repair and replacement reserve fund	—	—	(300,000)	—	—	—	—	—	—	(300,000)	(300,000)
Accounts payable and accruals	396,822	—	913,552	—	1,217,506	—	—	—	—	2,527,880	424,237
Deferred revenue	14,297	—	50,000	—	103,130	—	—	—	—	167,427	327,609
Stadium contribution payable	—	—	(520,796)	—	—	—	—	—	—	(520,796)	7,478,550
Cash provided by (used in) operating activities	(144,769)	—	2,988,551	351,795	3,196,253	61,607	36,332	31,669	17,772	6,539,210	2,144,794
FINANCING ACTIVITIES											
Interfund transfers	50,228	1,819,994	(1,741,703)	(74,873)	(53,646)	—	—	—	—	—	—
Interfund loans	(663,753)	—	(19,926)	38,472	635,306	4,994	604	2,393	1,910	—	—
Net purchase of investments - marketable securities	(90,615)	—	—	—	—	—	—	—	—	(90,615)	(1,054,278)
Bank loan repayments	—	(1,532,081)	—	—	—	—	—	—	—	(1,532,081)	(1,310,380)
Cash provided by (used in) financing activities	(704,140)	287,913	(1,761,629)	(36,401)	581,660	4,994	604	2,393	1,910	(1,622,696)	(2,364,658)
INVESTING ACTIVITIES											
Purchase of tangible and intangible capital assets	—	(287,913)	—	—	—	—	—	—	—	(287,913)	(536,971)
Cash used in investing activities	—	(287,913)	—	—	—	—	—	—	—	(287,913)	(536,971)
Increase (decrease) in cash for the year	(848,909)	—	1,226,922	315,394	3,777,913	66,601	36,936	34,062	19,682	4,628,601	(756,835)
Cash, beginning of year	1,361,413	—	7,315,619	1,264,309	1,079,200	237,430	42,260	—	—	11,300,231	12,057,066
Cash, end of year	512,504	—	8,542,541	1,579,703	4,857,113	304,031	79,196	34,062	19,682	15,875,088	11,300,231

See accompanying notes to the financial statements

**Simon Fraser Student Society****NOTES TO FINANCIAL STATEMENTS**

April 30, 2023

**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.





**Simon Fraser Student Society****NOTES TO FINANCIAL STATEMENTS**


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April 30, 2023

**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]*

Effective January 1, 2014, the members of the Society contributed \$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. This amount increased by \$10 and \$5 per years until the end of December 31, 2022 and then these amounts will increase by inflation every year. Effective January 1, 2023, the contributions are \$94.32 per full-time student and \$47.16 per part-time student per semester.

Pre-acquisition, development and construction costs were included as an asset of Build SFU Fund until the complex was ready for occupancy and at that time, the costs were allocated to the Capital Asset Fund and are amortized appropriately. The building was deemed completed on October 1, 2020 and amortization commenced at that time.

*Undergraduate Health Plan Fund*

The members of the Society have agreed to contribute up to \$267.08 [2022 - \$254] per year for the purpose of offering both an enhanced health plan and dental plan for undergraduate students and \$207.40 [2022 - \$198] per year for a basic health and dental plan. Pursuant to the 2017 referendum, the members gave the Board of Directors (now Council) the power to approve an increase or decrease in the Health and Dental fee by up to 5% a year in the subsequent five years. The increase was approved by the Council in April 2022.

*First Nations, Metis and Inuit Students Fund*

Effective September 1, 2022, the members of the Society have agreed to contribute \$1.50 cents per full-time student and \$0.75 per part-time student per semester (previously \$0.75 and \$0.38, respectively) to the First Nations, Metis and Inuit Students Fund ("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.

**Simon Fraser Student Society****NOTES TO FINANCIAL STATEMENTS**

April 30, 2023

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)***DNA Disability and Neurodivergent Student Support Fund*

Effective September 2022, the members of the Society have agreed to contribute \$1.00 per student and \$0.50 per part-time student per semester, for the purpose of community building, cultural awareness and support services for the Disability and Neurodiversity Alliance (DNA) group.

*SOCA Black Student Support Fund*

Effective September 2022, the members of the Society have agreed to contribute \$1.00 per student and \$0.50 per part-time student per semester, for the purpose of community building, cultural awareness and support services for the Students of Caribbean and African Ancestry (SOCA) group.

*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.

*iii) COVID-19 Reserve*

In 2021, \$400,000 was internally restricted for COVID-19 Emergency Funding purposes. During fiscal 2023, the remaining unspent funds were returned to the General Fund [see note 10(a)(iii)].

**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.



**Simon Fraser Student Society****NOTES TO FINANCIAL STATEMENTS**

April 30, 2023

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Revenue Recognition (Cont'd)**

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

The change in the fair value of marketable securities is recorded as income or loss, whichever applicable.

**Investments - Marketable Securities**

Investments in marketable securities are recorded at market value.

**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.

**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, stadium contribution payable 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.

Financial assets measured at fair value include marketable securities.

**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.



## Simon Fraser Student Society

## NOTES TO FINANCIAL STATEMENTS

April 30, 2023

**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 fund are internally restricted for use by the General Fund:

	2023 \$	2022 \$
Future Contingency Reserve account [note 10(a)(ii)]	314	171,618

**4. INVESTMENTS - MARKETABLE SECURITIES**

The Society's investments, which are managed by Raymond James, consist of the following:

	2023		2022	
	Market \$	Cost \$	Market \$	Cost \$
Fixed income	3,187,995	3,447,919	3,121,465	3,434,458
Canadian Equities	1,767,856	1,712,095	1,724,844	1,634,941
	4,955,851	5,160,014	4,846,309	5,069,399

## Simon Fraser Student Society

## NOTES TO FINANCIAL STATEMENTS

April 30, 2023

## 5. ACCOUNTS RECEIVABLE

	2023 \$	2022 \$
<b>General Fund</b>		
Operations	6,506	18,948
SFU	70,598	79,226
	77,104	98,174
Allowance for doubtful accounts	—	—
	77,104	98,174
<b>Build SFU Fund</b>		
SFU	12,027	13,981
Fraser International College Ltd.	—	19,150
Other	—	30,000
	12,027	63,131
<b>Undergraduate Health Plan Fund</b>		
Pacific Blue Cross - premium adjustment	—	1,656,994
	—	1,656,994
	89,131	1,818,299

## 6. PREPAID AMOUNTS

Current prepaid amounts consist of the following items:

	2023 \$	2022 \$
<b>General Fund</b>	18,303	9,669
<b>Undergraduate Health Plan Fund</b>		
Insurer's Premiums - Undergraduate Health Plan	1,804,839	2,000,264
SFU administrative fees - Undergraduate Health Plan	18,838	17,627
	1,823,677	2,017,891
	1,841,980	2,027,560

## Simon Fraser Student Society

## NOTES TO FINANCIAL STATEMENTS

April 30, 2023

## 7. TANGIBLE CAPITAL ASSETS

	Rate	Cost \$	Accumulated Amortization \$	Net Book Value \$
<b>2023</b>	Estimated life			
Leasehold interest - SUB building	38 to 40 years	52,278,108	3,360,655	48,917,453
Leasehold interest - MBC building	10 to 30 years	932,782	846,841	85,941
		<b>53,210,890</b>	<b>4,207,496</b>	<b>49,003,394</b>
<b>Other Capital</b>				
Computers, software and data processing equipment	4 years	139,416	59,387	80,029
Other furniture and equipment	5 & 7 years	1,426,471	496,118	930,353
		<b>1,565,887</b>	<b>555,505</b>	<b>1,010,382</b>
		<b>54,776,777</b>	<b>4,763,001</b>	<b>50,013,776</b>
<b>2022</b>	Estimated life			
Leasehold interest - SUB building	39 to 40 years	52,068,486	2,053,212	50,015,274
Leasehold interest - building	10 to 30 years	932,782	805,707	127,075
		<b>53,001,268</b>	<b>2,858,919</b>	<b>50,142,349</b>
<b>Other Capital</b>				
Computers, software and data processing equipment	4 years	107,827	30,690	77,137
Other furniture and equipment	5 & 7 years	1,379,769	292,647	1,087,122
		<b>1,487,596</b>	<b>323,337</b>	<b>1,164,259</b>
		<b>54,488,864</b>	<b>3,182,256</b>	<b>51,306,608</b>

The Society has a right to occupy its share of 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)]. The Society also has right to occupy its premises in the new SUB building pursuant to a 50 year lease with the University, expiring in 2070 [note 13(d)] with two 10 year renewal periods.

## Simon Fraser Student Society

## NOTES TO FINANCIAL STATEMENTS

April 30, 2023

## 8. INTANGIBLE ASSETS

	Cost \$	Accumulated Amortization \$	Net Book Value \$
<b>2023</b>			
Finite-life intangible assets			
- Website	16,543	16,543	—
- Software	18,249	15,245	3,004
	34,792	31,788	3,004
<b>2022</b>			
Finite-life intangible assets			
- Website under construction	16,543	16,543	—
- Software	18,249	10,683	7,566
	34,792	27,226	7,566

## 9. ACCOUNTS PAYABLE AND ACCRUALS

	2023 \$	2022 \$
<b>General Fund</b>		
Operations	295,288	153,484
SFU	298,521	33,101
Cash and deposits held in trust	130,922	140,444
Government remittances - GST/PST	2,718	2,860
- Payroll	23,999	24,737
	751,448	354,626
<b>Build SFU Fund</b>		
SFU	2,097,693	1,184,141
	2,097,693	1,184,141
<b>Undergraduate Health Plan Fund</b>		
Health and dental plan premiums	1,802,346	584,840
	1,802,346	584,840
	4,651,487	2,123,607

## Simon Fraser Student Society

## NOTES TO FINANCIAL STATEMENTS

April 30, 2023

## 10. INTERNALLY RESTRICTED FUND BALANCES AND RESERVES

## (a) General Fund

## i) Internally Restricted Fund Balances

	2023 \$	2022 \$
<b>Health Plan Reserve</b>		
Balance, beginning of year	—	109,512
Expenses [schedule 2]	—	(5,408)
Interfund transfer to the Undergraduate Health Plan Fund	—	(104,104)
<b>Balance, end of year</b>	<b>—</b>	<b>—</b>

Health Plan reserve expenses incurred in the Operating Fund will be funded by the Operating Fund until further contributions are made to the Health Plan reserve in the future.

## ii) Future Contingency Reserve

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

## iii) COVID-19 Emergency Funding Reserve

In 2021, \$400,000 was internally restricted for a COVID-19 Emergency Funding. During the year, \$2,772 [2022 - \$5,757] was spent from this reserve and the Council authorized the remaining \$391,471 to be unrestricted and transferred to the General Fund.

## (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, Metis and Inuit Students Fund, Accessibility Fund, Future Contingency Reserve and COVID-19 Emergency Funding Reserve are disclosed in note 2.

## 11. NON-DISCRETIONARY ALLOCATIONS

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

	2023 \$	2022 \$
Peak Publications Society	301,407	308,177
Simon Fraser Campus Radio Society (CJSF)	230,712	235,895
Simon Fraser Public Interest Research Group (SFPIRG)	184,535	188,680
Embark Sustainability Society	215,291	220,127
World University Services of Canada	307,559	314,467
	<b>1,239,504</b>	<b>1,267,346</b>





**Simon Fraser Student Society****NOTES TO FINANCIAL STATEMENTS**

April 30, 2023

**11. NON-DISCRETIONARY ALLOCATIONS (CONT'D)**

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:

	2023	2022
	\$	\$
Repairs and renovations	27,810	15,265

**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 operating costs while occupying the remaining space in the Maggie Benston Centre are \$Nil pursuant the original premise lease.

**(b) Undergraduate Health Plan**

On February 19, 2021, the Society extended its agreement for the premiums with the coverage being revised annually and cancelled the retention account underwriting model. This agreement extension is effective until August 31, 2023. The health and dental plan benefits are provided to all undergraduate students at a cost of \$210 per student per year (enhanced plan \$260 per student per year).

**(c) 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 is approximately \$8,066 per year.



**Simon Fraser Student Society****NOTES TO FINANCIAL STATEMENTS**

April 30, 2023

**13. COMMITMENTS (CONT'D)****(d) 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 was completed in 2021. The lease term, which is effective October 15, 2020, is for 50 years with two 10 year renewal periods. The Society has agreed to pay a minimum rent of \$1 per year plus proportionate operating costs, property taxes and utilities, as applicable. The Society will also be charged building costs less \$250,000 annually which is contingent on the Society funding the annual Major Repair and Replacement Fund as described below.

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.

As at April 30, 2023, the Society has a receivable from SFU in the amount of \$762,500 [2022 - \$462,500] relating to the Major Repair and Replacement Fund described above. The \$762,500 and future payments to the reserve will be placed in interest accruing trust account held by SFU on behalf of the Society.

**(e) Bank Loan and Interest Rate Swap**

The bank loan is a non-revolving 5 year term loan with a 25 year amortization period. In the first year of the loan, only interest is payable. Commencing in year 2 of the loan, principal is repaid at \$83,333 per month along with the monthly interest. The monthly repayment increased to \$127,673 on October 29, 2021. The principal and interest is repaid with 30 day rolling Banker Acceptances ("BA") based on an interest rate of BA plus 1.125%. The loan is secured by all property of the Society.

	2023	2022
	\$	\$
Total bank loan	32,062,067	33,594,148
Less: current portion	1,532,081	1,532,081
	<b>30,529,986</b>	<b>32,062,067</b>

The estimated principal payments due on the bank loan for the next two years are as follows:

	\$
2024	1,532,081
2025 and on	30,529,986
	<b>32,062,067</b>



**Simon Fraser Student Society****NOTES TO FINANCIAL STATEMENTS**

April 30, 2023

**13. COMMITMENTS (CONT'D)****(e) Bank Loan and Interest Rate Swap (Cont'd)**

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 commenced on September 30, 2019 with a fixed rate of 3.19% per annum for a term up to 20 years.

**(f) 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, including the amount of \$205,244 which the Society has already contributed to the initial schematic design phase. The \$10,000,000 contribution will be funded by the "Build SFU Levy" which will be collected and held by SFU.

SFU will pay to the Society \$50,000 per year from 2016 to 2030 for a Student Financial Hardship Fund from 2016 to 2030, inclusive. The payments will accrue to the Society until the stadium contribution becomes payable and thereafter the annual payments will commence. As at April 30, 2023, \$350,000 [2022 - \$300,000] has been received and is included in deferred revenue - Build SFU Fund.

The \$10,000,000 will be payable to SFU from the date the stadium is substantially complete which was deemed to be June 9, 2021.

The \$10,000,000 is payable to SFU as follows:

	\$
Date of substantial completion (paid in the 2022 fiscal year)	845,000
October 15, 2021 (paid in the 2022 fiscal year)	515,000
November 15, 2022 (paid in the year)	735,000
November 15, 2023	835,000
November 15, 2024	845,000
November 15, 2025	855,000
November 15, 2026	870,000
November 15, 2027	880,000
November 15, 2028	890,000
November 15, 2029	900,000
November 15, 2030	910,000
November 15, 2031	920,000
<b>Total stadium contribution payable</b>	<b>10,000,000</b>

As the stadium reached substantial completion in 2022, the total expense (see below) was recorded as an expense to the Build SFU Fund in 2022.



**Simon Fraser Student Society****NOTES TO FINANCIAL STATEMENTS**

April 30, 2023

**13. COMMITMENTS (CONT'D)****(f) Stadium Project Contribution Agreement (Cont'd)**

In addition, as the \$10,000,000 obligation is non-interest bearing, the total obligation was discounted on a net present value at the Society's incremental cost of borrowing at June 2021 which was determined to be 2.575%. As a result:

	2023 \$	2022 \$
Opening balance of the \$10,000,000 obligation discounted on a net present value	7,478,550	8,760,676
Amount paid to SFU in the year, net of interest expense of \$214,204 [2022 - \$77,874]	(520,796)	(1,282,126)
Balance owing at April 30th	6,957,754	7,478,550
Less: current portion	(655,838)	(520,796)
<b>Total</b>	<b>6,301,916</b>	<b>6,957,754</b>

**14. RELATED PARTY TRANSACTIONS**

For the year ending April 30, 2023, the Society paid stipends and benefits to executive board members and other elected personnel in the amount of \$443,696 [2022 - \$405,952]. Of the amount, \$386,627 [2022 - \$367,502] is included in stipends expense [schedule 2] and \$57,069 [2021 - \$38,450] is included in elections expense [schedule 2].

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:

	2023 \$	2022 \$
Council members (2023 - 62 Council members [2022 - 61])	183,698	189,881
Vice-President - External and Community Affairs	30,014	26,487
Vice-President - Finance and Services	29,514	26,937
Vice-President - Internal and Organizational Development	29,240	26,575
Vice-President - Events and Student Affairs	29,153	26,069
President	28,960	18,207
Vice-President - Equity and Sustainability	28,662	26,714
Vice-President - University and Academic Affairs	27,386	26,632
	<b>386,627</b>	<b>367,502</b>

**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, 2023.



**Simon Fraser Student Society****NOTES TO FINANCIAL STATEMENTS**

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April 30, 2023

**15. FINANCIAL INSTRUMENTS (CONT'D)****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.

The Society is also exposed to credit risk with respect to its cash and marketable securities. The Society reduces this risk by placing its cash with a major chartered bank and by having its marketable securities managed by professional investment managers.

**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, marketable securities and bank loan [note 13(e)].

**Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of risk: interest rate risk, currency risk and other price risk.

*Interest Rate Risk*

The Society is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the Society to a fair value risk while the floating rate instruments subject it to a cash flow risk. The Society is exposed to this type of risk as a result of investment in marketable securities [note 4].

*Currency Risk*

The Society does not have any marketable securities that are denominated in a foreign currency and thus is not exposed to the financial risk of earnings fluctuations arising from changes in foreign exchange rates and the degree of volatility of these rates.

**Simon Fraser Student Society****NOTES TO FINANCIAL STATEMENTS**

April 30, 2023

**15. FINANCIAL INSTRUMENTS (CONT'D)***Other Price Risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is exposed to other price risk through its investment in equity based investments.

**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, 2023, the Society has incurred \$52,278,108 [2022 - \$52,068,486] of pre-acquisition, development, construction and interest costs which have been capitalized and had been included in the Build SFU Fund. During 2021, the Building was completed and the Society moved into the building in October 2020 and completed the partial surrender of leased premises in the Maggie Benston Centre. In 2023, an additional \$209,622 [2022 - \$320,949] of costs were incurred and funded by the Build SFU Fund and \$Nil [2022 - \$13,469] of new renovations costs were funded by the Space Expansion Fund.

The Society had 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(f)].

Cash held in trust by SFU for Build SFU is as follows:

	2023 \$	2022 \$
Cash held in trust, beginning of year	4,466,580	4,406,523
Cash transfers from SFU to SFSS plus interest on trust funds	5,506,646	4,979,628
Costs incurred on Society's behalf	(2,586,293)	(3,609,191)
Bank loan principal repayment	(1,532,081)	(1,310,380)
<b>Cash in trust, end of year</b>	<b>5,854,852</b>	<b>4,466,580</b>

**Simon Fraser Student Society****NOTES TO FINANCIAL STATEMENTS**

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April 30, 2023

**17. 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, \$382,306 [2022 - \$310,608] was paid to four employees [2022 - three employees]. Of this amount, \$262,924 [2022 - \$193,283] is recorded in wages and benefits - Administration and Financial office [schedule 2] and \$119,382 [2022 - \$117,325] is recorded in wages and benefits - Build SFU Office..

**18. 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 was renewed effective January 2, 2021 for a five (5) year term. FIC shall will remit to the Society fees of \$128.74 per FIC student per semester for participation in the Society's programs and services. This fee will increase annually for the annual increase in the Build SFU fee charged to the Society's members.

**19. OTHER - COVID**

In March 2020, the COVID-19 outbreak occurred and the Society closed their offices under the physical distancing rules and moved their operations virtual. The Society would return to normal operations once it was deemed safe to do so. As of September 1, 2021, the Society opened the new SUB building for student use but still practiced safe physical distancing practicing as advised under the provincial health guidelines when required. During the 2023 fiscal year, the Society's operations returned to pre-pandemic levels. However, the Society staff continues to work using a hybrid model of working partially onsite and partially remotely.

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

Year ended April 30

	2023	2022
	\$	\$
<b>GENERAL OFFICE</b>		
<b>Revenues</b>		
Vendor permits and other	8,705	624
Foodbank	34,244	17,537
	<b>42,949</b>	<b>18,161</b>
<b>Expenses</b>		
Telephone and fax	1,961	2,113
Other	3,240	176
Office supplies, bank charges and other	16,180	18,464
Foodbank	64,244	41,940
Wages and benefits	451,663	417,951
	<b>537,288</b>	<b>480,644</b>
<b>ADMINISTRATION AND FINANCIAL OFFICE</b>		
<b>Expenses</b>		
Negotiations and consulting	5,198	532
Legal services	25,812	25,109
Professional fees	25,781	22,470
Insurance	45,778	39,023
Office, information technology, bank charges and other	91,848	104,208
Wages and benefits	635,986	507,403
<b>Total administration and financial office expenses</b>	<b>830,403</b>	<b>698,745</b>
<b>BUILD SFU OFFICE</b>		
<b>Expenses</b>		
Advertising and other	13,706	20,451
Insurance	92,466	99,150
Legal services	8,997	15,934
Wages and benefits	593,329	336,165
<b>Total Build SFU administration and office expenses</b>	<b>708,498</b>	<b>471,700</b>



## ACTIVITIES AND PROGRAMS SCHEDULE OF EXPENSES

Year ended April 30

	2023	2022
	\$	\$
<b>Student engagement</b>		
Activity days, events and other initiatives	91,625	79,978
Ticketed events (net of ticket sales for event of \$20,039 [2022 - \$Nil])	13,961	—
Donations	17,500	16,987
Elections [note 14]	62,680	41,071
Stipends and benefits [note 14]	386,627	367,502
Travel and conferences	10,993	—
Office, printing and other	7,781	8,652
	<b>591,167</b>	<b>514,190</b>
<b>Advocacy and representation</b>		
Student Union office	108,260	107,622
Communications office	146,059	123,444
Campaigns, Research and Policy	168,602	123,913
	<b>422,921</b>	<b>354,979</b>
<b>Other student programs and services</b>		
Health Plan Reserve expenses [note 10(a)(i)]	8,725	5,408
Accessibility Office	97,211	48,118
SOCA Black Student Support Centre	86,286	69,833
First Nations, Metis and Inuit Student Association coordinator	45,210	44,923
Women's Centre	152,322	134,452
Out on Campus	143,043	103,596
Student Advocate	70,549	64,608
Surrey Campus	76,196	54,104
	<b>679,542</b>	<b>525,042</b>
<b>Total general fund activity and program expenses</b>	<b>1,693,630</b>	<b>1,394,211</b>

The above expenses include wages and benefits of \$1,410,707 [2022 - \$1,184,423].