

VP FINANCE REPORT

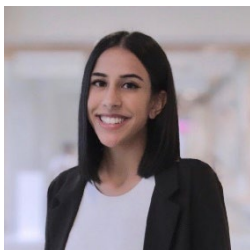
2023-2024

simon fraser
student society

OCTOBER 30, 2024

SIMON FRASER STUDENT SOCIETY

Simar Sahota, Vice President Finance & Services



INTRODUCTION

The Simon Fraser Student Society (SFSS) is committed to serving the needs of undergraduate students at Simon Fraser University by providing essential services and resources funded through student activity fees. Our priority is to enhance the health, well-being, and overall experience of our members by partnering with trusted organizations and offering programs that directly benefit the student community. We strive for transparency in our financial practices, ensuring that members are informed about how their contributions are allocated, and encouraging their active participation in shaping the future direction of the Society.

This financial report for the 2023-2024 fiscal year offers a comprehensive overview of SFSS's revenue and expenditures during the 2023-2024 period. By examining and comparing financial trends from previous years, we aim to highlight key shifts in funding, address the reasons behind these changes, and identify emerging concerns. This information empowers members to advocate for improvements and helps to maintain the long-term financial health of the organization.

***“Working together to improve
the student experience”***

OVERVIEW OF REVENUES AND EXPENSES

SFSS Fees

SFSS fees are mandatory fees collected from undergraduate students at SFU to fund a variety of student services, resources, and initiatives. These fees are included in students' tuition payments to be collected each semester that students are enrolled in classes and are allocated to different areas that enhance the student experience

Definition of Full-Time Student and Part-Time Student:

- “Part-Time Student” means a student at Simon Fraser University taking two (2) or fewer course hours per semester
- “Full-Time Student” means any undergraduate student at Simon Fraser University other than a Part-Time Student

The full activity fee breakdown is shown below:

Student Society Fee Name	Full-Time Student Fee	Part-Time Student Fee
SFSS Membership Fee	\$42.74	\$21.38
SFSS Building Fund/Capital Levy	\$5.00	\$2.50
Build SFU Levy (Effective until December 31, 2024)	\$100.26	\$50.13
Build SFU Levy (January 1, 2025)	\$103.66	\$51.83
Accessibility Fund	\$0.75	\$0.38
FNMISA Fund	\$1.50	\$0.75
SOCA Black Student Support Fund	\$1.00	\$0.50
DNA Disability and Neurodivergent Support Fund	\$1.00	\$0.50
SFSS Food Bank Program	\$0.25	\$0.13

- Effective January 1, 2024: \$100.26 for full-time and \$50.13 for part-time. Increase of \$5.94 based on annual CPI in December 2023 of 6.3%.
- Effective January 1, 2025: \$103.66 for full-time and \$51.83 for part-time. Increase of \$3.40 based on annual CPI in December 2023 of 3.4%.

Independent Student Societies

The SFSS collects fees for multiple independent student societies. These are "pass-through" fees, meaning we do not withhold these fees, as they have been approved by the membership through a referendum. In simpler terms, SFU collects tuition, SFSS fees, and independent student society fees. They then give the SFSS the SFSS fees and the independent student society fees. The SFSS then distributes the independent student society fees to each organization.

The independent student society fees are fully refundable if you request them 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 Student Fee	Part-Time Student Fee
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

Universal Transit Pass

The U-Pass, while negotiated by the SFSS, is administered by SFU. The U-Pass fee increase that was passed via referendum in 2019 came into effect May 1, 2023 (\$46.00 per month for all students through April 30, 2025).

Health and Dental Plan Fees

Through our vendors that we work with, the SFSS offers both basic & extended dental health plan coverage. Below are the figures for what the plan entails:

Enhanced Health and Dental Plan Total: \$267.08

- Enhanced Health: \$90.49
- Enhanced Dental: \$176.59

Basic Health and Dental Plan: \$207.40

- Basic Health: \$65.89
- Basic Dental: \$141.51

General Fund

The General Fund is the primary operational fund for the SFSS, supporting most of its programs, services, staffing, student group funding, and other key expenditures. From 2015 to 2021, the SFSS consistently generated operating surpluses, thanks in part to a one-time revenue boost from the sale of space in the Maggie Benston Centre back to SFU, as well as reduced spending on student activities during the COVID-19 pandemic in 2020 and 2021. However, with the return to regular programming post-pandemic, the SFSS now faces significant projected deficits in its operating budget. In 2021 and 2022, the SFSS expanded its services and staffing (excluding Student Union Building operations) and incurred additional expenses through new bursary agreements and large donations, contributing to the budgetary shortfall.

In the 2023-2024 fiscal year, the revenue for the SFSS General Fund remained stable, supported by consistent SFU student fees and supplemented by external fees from FIC. The SFSS increased its investment in student services, while also expanding financial support for student clubs and groups. This increase in costs led to a deficit of \$473,758.

General Fund Revenues

The SFSS General Fund revenues for 2023-2024 primarily come from a combination of student fees, sponsorships, and rental and investment income. These revenues enable the SFSS to operate its various programs, services, and administrative functions. Below is a breakdown of the main revenue sources for the General Fund in 2023-2024:

▪ Activity fees and levies	\$2,816,520
▪ Student Centre	\$67,059
▪ Rental and other revenue	\$160,107
▪ Investment income	\$156,027
▪ (Decrease) in fair value of investments	\$(36,257)
TOTAL	\$3,163,456

With a return to normal campus operations post-pandemic, the SFSS anticipated stable enrollment, ensuring consistent student fee revenue. Considering the increased expenses in recent years, the SFSS worked to diversify its revenue streams to meet operational costs. These revenue streams enabled the SFSS to fund most of its core operations, services, student-focused initiatives, ensuring that the Society was able to meet the needs of SFU’s undergraduate community throughout the 2023-2024 fiscal year.

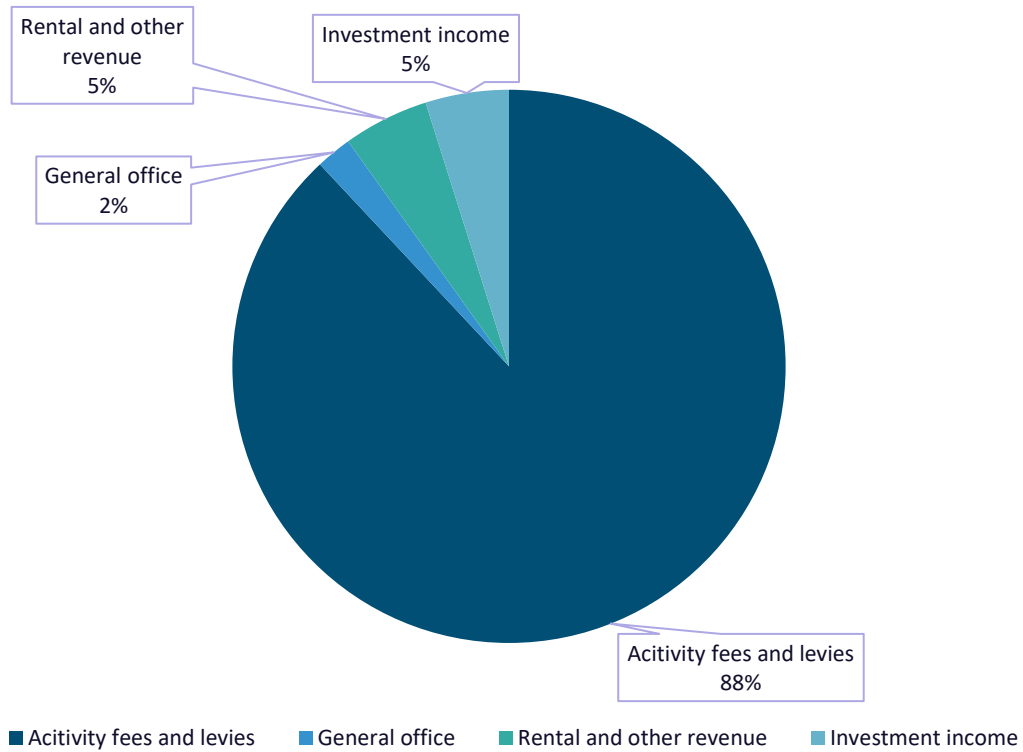
General Fund Expenses

The General Fund expenses for the SFSS include administrative and financial office costs, Student Centre operations, and significant allocations for activities and programs that support student engagement. Additionally, funds are allocated for student union and club grants, as well as bursaries for students in need. These expenses highlight the SFSS's commitment to enhancing the student experience and supporting the undergraduate community at SFU. Below is a breakdown of the main expenses of the General Fund in 2023-2024

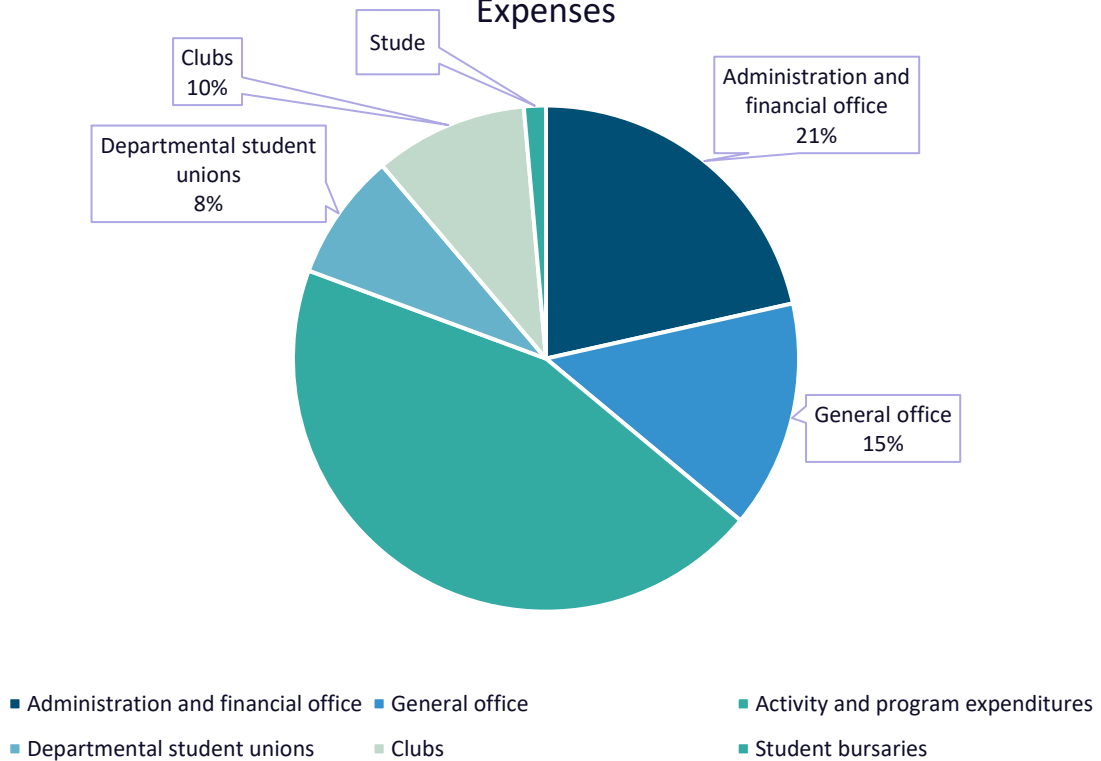
▪ Administration and financial office	\$781,922
▪ Student Centre	\$529,186
▪ Building operating costs	\$(55)
▪ Activity and program expenditures	\$1,622,283
▪ Discretionary grants	
○ Departmental student unions	\$296,460
○ Clubs	\$356,418
▪ Student bursaries	\$51,000
TOTAL	\$3,637,214

The 2023-2024 SFSS General Fund expenses emphasize the organization's commitment to supporting the undergraduate community at SFU. Significant investments in administrative operations and program expenditures aim to enhance student engagement and ensure effective management. Additionally, funding for departmental student unions and clubs highlights a focus on empowering student-led initiatives, while allocations for student bursaries demonstrate a dedication to addressing financial challenges. Overall, these expenses reflect the SFSS's mission to provide essential resources and opportunities for all students to succeed and thrive on campus.

Revenues



Expenses



Capital Asset Fund

The Capital Assets Fund monitors the value and depreciation of the SFSS's tangible and intangible assets, such as equipment, buildings, software, and website costs. With the completion of the Student Union Building (SUB) in August 2021 and the SFSS's occupancy of the building in October, the SUB is now considered a capital asset rather than a liability. As a result, the Capital Assets Fund currently tracks just over \$50 million in assets, including the SUB building, furniture, and equipment. Despite this, a substantial bank loan remains tied to the fund, which significantly reduces its overall value. Additionally, annual amortization of the SUB's book value further impacts the fund.

As of April 30, 2022, the fund was valued at \$17,720,026. By April 30, 2023, this value had risen to \$17,954,713. However, the latest valuation puts the fund at \$17,913,442, a small decrease but not a significant one.

Build SFU Fund

The Build SFU Fund tracks the ongoing financial obligations associated with the Student Union Building (SUB), covering construction expenses, operating costs for offices, and related expenditures. With the completion of the Stadium project, the remaining balance for stadium costs was fully accounted for in the last fiscal year, following SFSS's accounting policies. This fund also includes expenses related to the SUB's furniture and the wages of staff responsible for building maintenance, such as the Facilities Manager, Building Coordinators and Building Assistants.

The specific financial details tied to the Build SFU Fund include:

▪ Total Revenues	\$7,263,475
▪ Total Expenses	\$3,485,674
▪ Net fund income	\$2,203,586
▪ Fund balance, end of year	\$8,554,519

Space Expansion Fund

Historically, the Space Expansion Fund was used to cover the maintenance and renovation of SFSS-leased spaces, including the MBC cafeteria, the study areas on the MBC 0000 level, and the MBC offices. Since the SFSS no longer holds these spaces, the fund is now dedicated to supporting SFSS spaces on the Surrey campus and other SFU campuses, focusing on areas that benefit students.

Previously, students contributed \$20 per term (full-time) and \$10 per term (part-time) to this fund. However, starting in 2011-2012, some of these funds were reallocated to the General Fund to support increased programming. Currently, the contribution is \$5.00 per term for full-time students and \$2.50 per term for part-time students. The fund now has a balance of \$4,259,272.

As of last year, the SFSS invested approximately \$2,255,000 of the Space Expansion funds into a VanCity-managed investment account. The income generated from this investment has been recorded in the General Fund from 2021 to 2024. Moving forward, the SFSS plans to allocate this investment income to the Space Expansion Fund itself, which will help increase the fund's surplus.

Undergraduate Health Plan

In the 2023-2024 fiscal year, students contributed approximately \$5,400,000 to the Undergraduate Health Plan Fund to cover extended health and dental benefits. This represented a decrease of about \$150,000 from the previous year. These benefits help reduce or eliminate direct costs that students pay out of pocket associated with physical and mental health care, vision, dental services, and prescription medications.

Surplus funds from the Health Plan are stored in a Health Plan Reserve Fund to cover unexpected cost increases.

In 2023, the fund saw an excess revenue of about \$360,000, although this surplus has been shrinking annually due to inflation and declining student enrollment. Without an increase to the Health and Dental fees, expenses are expected to surpass revenue soon.

However, the transition to a fully insured model in 2021 has strengthened the Undergraduate Health Plan Fund, resulting in approximately \$1,484,000 in total assets. The SFSS plans to propose a referendum in the near future to increase fees, aiming to maintain the fund's balance without relying on reserves.

Accessibility Fund

Students contribute to the Accessibility Fund to help reduce barriers for participating in SFSS and SFU events and activities. The fund allows students to apply for accessibility grants, which are reviewed by the Accessibility Advisory Committee. In the past, these grants have funded services like ASL interpreters and technological aids. The SFSS has also used the fund to improve accessibility in the Student Union Building (SUB), with notable projects including the purchase of a second elevator in 2016 (\$220,000) and emergency lighting in 2019 (\$67,848).

Historically, the fund has been underutilized, with only a few thousand dollars spent in certain years. However, in 2020, the fund was used by the Accessibility Committee to support the Disability and Neurodiversity Alliance (DNA), particularly for transcription and captioning services needed for their online events. Part of the surplus from the COVID-19 period was also invested.

In 2022-2023, the Accessibility Department was renamed the "DNA Resource Centre." This change, along with an increase in levy funding, has allowed the DNA Resource Centre to support more initiatives and services to enhance accessibility for students.

The specific financial details tied to the Accessibility Fund include:

▪ Total Revenues	\$55,571
▪ Total Expenses	\$11,237
▪ Net fund income	\$44,334
▪ Fund balance, end of year	\$499,789

KEY HIGHLIGHTS

Accessibility Fund

With the completion of the Student Union Building (SUB), the Build SFU Fund has transitioned from covering construction costs to managing the operations and maintenance of the SUB. As of Spring 2022, students were contributing to the Build SFU Levy at a rate of \$90 per term (full-time) and \$45 per term (part-time). In Spring 2023, these fees were adjusted to \$94.32 (full-time) and \$47.16 (part-time) due to inflation, based on the consumer price index.

Starting January 1, 2024, the levy increased again to \$100.26 per term (full-time) and \$50.13 per term (part-time), with another planned increase on January 1, 2025, to \$103.66 (full-time) and \$51.83 (part-time). The funds raised through this levy are allocated toward paying down the SUB’s bank loan, covering the wages and benefits of building staff, and managing operating and maintenance costs. The total loan repayment period is estimated to take approximately 15 years.

Club and Student Union Grants and Bursary Funding

At the end of the 2021-2022 fiscal year, the SFSS passed a motion to grant Departmental Student Unions, Faculty Student Unions, and Constituency Groups a 50% increase in their core funding, providing these groups with a larger budget for the

following year. In 2022-2023, student groups returned to pre-pandemic levels of activity, and their expenses increased accordingly. The total funding approved and spent for Student Unions was \$296,460, and for Clubs, it reached \$356,418, significantly exceeding the amounts budgeted.

While the SFSS prioritizes student engagement and activities, this overspending is unsustainable and will require better financial management in the coming years. To address this, the SFSS must encourage external grants, alternative funding sources, and place significant emphasis on increasing overall revenue—particularly through a Student Activity Fee increase, in addition to reducing spending where necessary. Without such measures, the SFSS’s deficit in the General Fund will continue to grow, putting further strain on its financial stability.

Additionally, the SFSS contributes annually toward bursaries distributed by SFU, totaling \$51,000. This includes \$30,000 for students experiencing financial hardship, \$20,000 specifically for Black students and refugees, and \$1,000 for the SFSS Undergraduate Award. These funds provide critical support to students in need, helping to ease their financial burdens.

Fraser International College (FIC)

The 2023-2024 fiscal year marked the sixth consecutive year that Fraser International College (FIC) students contributed service fees to the SFSS in exchange for access to certain services and resources. This arrangement was part of a service agreement that was renegotiated in December 2020, extending the agreement for an additional five years. The fees collected from FIC students are allocated across three major funds: the Build SFU Fund, the Space Expansion Fund, and the General Fund.

The portion of revenue allocated to the General Fund has been used to support the hiring of additional staff, including Member Services and Administrative personnel. This helps ensure that the SFSS can continue to provide a high level of service and support to all its members, as well as FIC students.

CONCERNS

Health and Dental Plan

The SFSS is facing the need to increase the Health and Dental Plan fees due to rising costs and financial pressures. One of the main reasons is the increasing cost of healthcare services, such as dental care, mental health support, and prescription medications. Inflation has driven up the prices of these services, making it more expensive for the SFSS to maintain the same level of coverage for students. Without adjusting fees, the plan may not be able to continue offering the same benefits.

Additionally, there has been a significant rise in student usage of the Health and Dental Plan. More students are accessing services, which increases the number of claims processed and pushes the plan's expenses higher than anticipated. This higher demand, coupled with inflation, creates a financial gap between what the plan collects in fees and the costs it incurs.

The surplus that previously maintained the plan is decreasing with use. Over time, the excess revenue has been decreasing due to the combined effects of inflation, increasing service usage, and a decline in student enrollment. Without a fee increase, the SFSS anticipates that expenses will soon surpass revenue, which could destabilize the plan. By raising the Health and Dental fees, the SFSS aims to ensure the plan remains financially sustainable without compromising the quality and quantity of the benefits received.

Student Activity Fee

The SFSS needs to increase the Student Activity Fee to address several financial challenges and ensure continued support for student services and initiatives. Inflation has driven up the costs of operating programs, events, and services, making it more

expensive to organize activities, maintain facilities, and hire staff. Without adjusting the fee, the SFSS may not be able to meet these rising operational expenses.

Additionally, post-pandemic student engagement has surged, leading to higher-than-expected expenditures. More students are participating in clubs and events, and the costs associated with supporting these activities have exceeded the allocated budget. This increased activity has created a financial strain, making the current fee structure unsustainable.

Moreover, student groups and clubs now require more funding to continue their operations. A recent 50% increase in core funding for Departmental and Faculty Student Unions, as well as Constituency Groups, exceeded the budget significantly, contributing further to the SFSS's financial challenges.

Lastly, the SFSS has been running a deficit in its General Fund, driven by rising costs and the increasing demand for student services. Without a fee increase, this deficit will likely grow, compromising the future availability of services offered. Raising the Student Activity Fee will help cover these costs, ensure the sustainability of student engagement programs, and provide financial stability for the future.

Addressing the Deficit

Reducing the deficit in the General Fund is crucial for the financial stability of the SFSS. With rising costs due to inflation and increased student engagement, expenses have exceeded budgeted amounts, resulting in a growing deficit. To address this, the SFSS must implement better financial management, seek alternative revenue sources like external grants, and increasing student fees to cover operational costs. By carefully managing these financial pressures, the SFSS aims to restore balance and prevent further deterioration of its financial health, ensuring that essential student services and programs continue to thrive.

CONCLUSION

The Simon Fraser Student Society (SFSS) is dedicated to maintaining the financial health of its various funds, which support essential student services and programs.

With rising costs due to inflation and increased student engagement have led to financial challenges, resulting in the need to raise fees. Adjustments in the Health and Dental Plan fees, Student Activity Fees, and strategic financial management are essential for maintaining the sustainability of these services.

The SFSS aims to balance its budget by managing operational costs and improving financial stability through diverse revenue sources, including student fees and external grants. By addressing the growing deficit and making these necessary changes, the SFSS can safeguard the long-term viability of its programs and continue to enhance the student experience at SFU. It is essential for the Society to remain transparent in its financial practices, ensuring that students understand the necessity of fee increases and feel confident in the SFSS's commitment to their well-being.