

SIMON FRASER PUBLIC INTEREST RESEARCH GROUP

Financial Statements

Year Ended August 31, 2021

SIMON FRASER PUBLIC INTEREST RESEARCH GROUP

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Year Ended August 31, 2021

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Growing Your Financial Success

INDEPENDENT AUDITOR'S REPORT

To the Members of Simon Fraser Public Interest Research Group

Report on the Financial Statements

Qualified Opinion

We have audited the financial statements of Simon Fraser Public Interest Research Group (the organization), which comprise the statement of financial position as at August 31, 2021, and the statements of revenues and expenditures and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at August 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from one main source and the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to this revenue source, excess of revenues over expenses, and cash flows from operations for the year ended August 31, 2021 and 2020 current assets and net assets as at August 31, 2021 and 2020. Our audit opinion on the financial statements for the year ending August 31, 2021 and 2020 was modified accordingly because of the possible effects of this limitation of scope.

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 organization in accordance with 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 qualified audit opinion.

Emphasis of Matter

We draw your attention to Note 4 of the financial statements, which indicates that 94% of the organization's funding comes from Simon Fraser University student assessments.

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 ASNPO, 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.

(continues)

In preparing the financial statements, management is responsible for assessing the organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization'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 organization'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 organization'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 organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Coquitlam, BC
February 4, 2022

W. Bruce & Associates

Chartered Professional Accountants

SIMON FRASER PUBLIC INTEREST RESEARCH GROUP

Statement of Financial Position

August 31, 2021

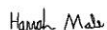
	2021	2020
Assets		
Current		
Cash	\$ 51,693	\$ 68,272
Accounts receivable	56,555	109
Prepaid expenses	2,792	2,622
	<u>\$ 111,040</u>	<u>\$ 71,003</u>
Liabilities		
Current		
Accounts payable	\$ 7,140	\$ 8,440
Due to government agencies	51	3,406
Wages payable	15,905	19,402
	<u>23,096</u>	31,248
Net Assets		
Unrestricted	<u>87,944</u>	39,755
	<u>\$ 111,040</u>	<u>\$ 71,003</u>

LEASE COMMITMENTS (Note 4)

On behalf of the Board


Gurleen Aujla (Feb 9, 2022 18:19 PST)

Director



Director

The accompanying notes are an integral part of these financial statements

SIMON FRASER PUBLIC INTEREST RESEARCH GROUP
Statement of Revenues and Expenditures and Changes in Net Assets
Year Ended August 31, 2021

	2021	2020	Budget (unaudited)
Revenues			
Student assessments	\$ 255,276	\$ 225,670	\$ 234,979
Interest and miscellaneous	4,389	1,064	458
Grant and project revenue	6,556	1,707	1,000
	<u>266,221</u>	<u>228,441</u>	<u>236,437</u>
Expenses			
Accessibility	5,040	1,232	1,500
Grants committee	500	500	500
Office and administration	9,355	12,637	19,429
Operating (rent)	1,221	7,320	14,641
Organization development	6,566	5,804	7,474
Outreach and media	456	3,978	1,775
Professional fees	5,775	5,538	5,275
Program and education	7,397	1,483	3,000
Special projects	401	21,977	6,901
Wages and benefits	185,443	180,704	188,354
	<u>222,154</u>	<u>241,173</u>	<u>248,849</u>
Excess (deficiency) Of Revenues Over Expenses from operations	44,067	(12,732)	(12,412)
Other income			
Government subsidies (Note 7)	4,125	-	-
Net excess (deficiency) of revenues over expenses	48,192	(12,732)	(12,412)
Net assets - beginning of year	39,752	52,487	-
Net assets - end of year	<u>\$ 87,944</u>	<u>\$ 39,755</u>	<u>\$ (12,412)</u>

The accompanying notes are an integral part of these financial statements

SIMON FRASER PUBLIC INTEREST RESEARCH GROUP**Statement of Cash Flows****Year Ended August 31, 2021**

	2021	2020
Operating activities		
Excess (deficiency) of revenues over expenses	\$ 48,192	\$ (12,732)
Changes in non-cash working capital:		
Accounts receivable	(56,446)	91
Accounts payable	(1,303)	2,724
Prepaid expenses	(170)	483
Due to government agencies	(3,355)	3,065
Wages payable	(3,497)	6,162
	(64,771)	12,525
Decrease in cash flow	(16,579)	(207)
Cash - beginning of year	68,272	68,482
Cash - end of year	\$ 51,693	\$ 68,275

The accompanying notes are an integral part of these financial statements

SIMON FRASER PUBLIC INTEREST RESEARCH GROUP

Notes to Financial Statements

Year Ended August 31, 2021

1. PURPOSE OF THE ORGANIZATION

Simon Fraser Public Interest Research Group (the "organization") is a not-for-profit organization of British Columbia. As a non-for-profit organization it is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The organization operates to provide a public interest research group for the students of Simon Fraser University.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Simon Fraser Public Interest Research Group follows the deferral method of accounting for contributions.

Student assessment fees and project revenue are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted investment income is recognized as revenue when earned.

Government grants

Government grants are recorded when there is a reasonable assurance that the organization had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Net assets

Unrestricted net assets comprise the excess of revenue over expenses accumulated by the organization each year, net of transfers, and are available for general purposes.

Contributed services

The operations of the organization depend on the contribution of time by volunteers. The fair value of donated services cannot be reasonably determined and are therefore not reflected in these financial statements.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments

Financial instruments include cash and accounts receivable and are measured at amortized cost as presented on the balance sheet. Financial liabilities include accounts payable, due to government agencies and wages payable and are measured at amortized cost as presented on the balance sheet.

SIMON FRASER PUBLIC INTEREST RESEARCH GROUP

Notes to Financial Statements

Year Ended August 31, 2021

4. CONTRACTUAL OBLIGATIONS

The organization has signed an agreement with the Simon Fraser Student Society to lease a space in the Student Union Building for 50 years (commencing Dec2015) for \$1/year plus operating costs of the building. The operating costs started to be charged as of September 2021 and they are for approx \$800/month.

5. ECONOMIC DEPENDENCE

The organization receives 94% of its income from the amounts assessed to the students of Simon Fraser University. Should the University substantially change its dealings with the organization, management is of the opinion that continued viable operations would be doubtful.

6. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of August 31, 2021.

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial statements.

7. IMPACT OF COVID-19

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

The organization has applied for the 10% Temporary Wage Subsidy (TWS) for a total of \$4,125 this year (last year = 0)

With the organizations current cash reserves and current cash flow assumptions, the organization will still be able to operate. We foresee no going concern issues for the next fiscal year of the organization.
