

STFX ASSOCIATION OF UNIVERSITY TEACHERS

Financial Statements

March 31, 2019

(Unaudited)



MacDonald &
Murphy Inc.

STFX ASSOCIATION OF UNIVERSITY TEACHERS

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Year Ended March 31, 2019

(Unaudited)

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of StFX Association of University Teachers

We have reviewed the accompanying financial statements of StFX Association of University Teachers that comprise the statement of financial position as at March 31, 2019 and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of StFX Association of University Teachers as at March 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.

Antigonish, Nova Scotia
May 6, 2019

MacDonald & Murphy Inc.
Chartered Professional Accountants
Licensed Public Accountants

STFX ASSOCIATION OF UNIVERSITY TEACHERS

Statement of Revenues and Expenditures

Year Ended March 31, 2019

(Unaudited)

	2019	2018
Revenues		
Membership dues	\$ 260,014	\$ 250,821
Investment income	4,005	4,173
	<u>264,019</u>	<u>254,994</u>
Expenses		
Accounting fees	2,875	2,300
Donations	9,650	10,123
Dues, fees and memberships	112,178	110,929
Insurance	875	875
Interest and bank charges	2	65
Legal fees	31,221	35,849
Office	2,159	3,309
Office equipment	2,005	
Member support and expenses	1,594	
Prizes and awards	5,922	4,063
Professional development	10,857	4,041
Salaries and wages	61,054	51,714
Social events	13,118	10,647
Stipends and course relief	13,000	12,500
Strike support and expenses	1,000	2,000
Travel	11,718	7,771
	<u>279,228</u>	<u>256,186</u>
Deficiency of revenues over expenses from operations	(15,209)	(1,192)
Other income		
Unrealized gain (loss) on marketable securities	5,714	(2,305)
Deficiency of revenues over expenses	\$ (9,495)	\$ (3,497)



STFX ASSOCIATION OF UNIVERSITY TEACHERS

Statement of Changes in Net Assets

Year Ended March 31, 2019

(Unaudited)

	General Fund	Reserve Fund	2019	2018
Net assets - beginning of year	\$ 143,820	\$ 593,785	\$ 737,605	\$ 741,102
Deficiency of revenues over expenses	(9,495)		(9,495)	(3,497)
Investment income earned, reserve fund	(4,005)	4,005		
Unrealized gain (loss) on investments	(5,714)	5,714		
Net assets - end of year	\$ 124,606	\$ 603,504	\$ 728,110	\$ 737,605



STFX ASSOCIATION OF UNIVERSITY TEACHERS

Statement of Financial Position

March 31, 2019

(Unaudited)

	2019	2018
ASSETS		
Current		
Cash and cash equivalents	\$ 558,210	\$ 620,687
Marketable securities (Note 3)	152,704	98,905
Accounts receivable (net of allowance for doubtful accounts of NIL; 2018 - NIL)	3,859	1,553
STFX University	13,337	13,547
Prepaid expenses		2,913
	<u>\$ 728,110</u>	<u>\$ 737,605</u>
NET ASSETS		
General fund	\$ 124,606	\$ 143,820
Reserve fund (Note 5)	<u>603,504</u>	<u>593,785</u>
	<u>\$ 728,110</u>	<u>\$ 737,605</u>

ON BEHALF OF THE BOARD

Director_____
Director

STFX ASSOCIATION OF UNIVERSITY TEACHERS

Statement of Cash Flow

Year Ended March 31, 2019

(Unaudited)

	2019	2018
Operating activities		
Cash receipts from members	\$ 261,713	\$ 254,168
Cash paid to suppliers and employees	(276,314)	(259,033)
Interest paid	(1)	(66)
	<u>(14,602)</u>	<u>(4,931)</u>
Investing activity		
Purchase of marketable securities	<u>(48,085)</u>	<u>(101,210)</u>
Financing activity		
Advances from related parties	<u>210</u>	<u>7,497</u>
Decrease in cash flow	(62,477)	(98,644)
Cash and cash equivalents - beginning of year	620,687	719,331
Cash and cash equivalents - end of year	\$ 558,210	\$ 620,687



1. Purpose of the association

StFX Association of University Teachers (the "association") is a not-for-profit organization incorporated provincially under the Societies Act of the Province of Nova Scotia. Management has determined that they are exempt from payment of income tax under Section 149(1) of the Income Tax Act.

The association operates to promote the interests of the Academic staff and to advance the standards of their professions at St. Francis Xavier University, Antigonish, Nova Scotia.

2. Summary of significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

Cash and cash equivalents

Cash and cash equivalents is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date.

Contributed services

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

Fund accounting

StFX Association of University Teachers follows the restricted fund method of accounting for contributions.

The General Fund accounts for the association's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Reserve Fund reports resources contributed for reserves. Investment income earned on resources of the Reserve Fund is reported in the Reserve Fund.

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.

(continues)

2. Summary of significant accounting policies (continued)**Revenue recognition**

StFX Association of University Teachers follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income earned on Reserve Fund resources is recognized as revenue of the Reserve Fund when earned.

3. Marketable securities

	2019	2018
Scotia Selected Balanced Income Portfolio	\$ 103,474	\$ 98,905
BMO Long Provincial Bond	49,230	
	<u>\$ 152,704</u>	<u>\$ 98,905</u>
Cost	<u>\$ 149,295</u>	<u>\$ 101,210</u>

4. Related party transactions

During the year ended March 31, 2019, the Association paid \$88,429 for administration and other fees (2018 - \$64,639) to St. Francis Xavier University, the entity that employs all members of the organization. The transactions were carried out in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

5. Reserve fund

The Reserve Fund has been established by the Association to provide benefits and cover expenses relating to a strike or lockout as well as extraordinary expenditures that are not included in the annual operating budget. The balance of the Reserve Fund is to be funded up to the amount representing an estimate of two years revenue from memberships.

The reserve fund is funded with the following resources:

	2019	2018
BCU Savings Bank Account	\$ 171,718	\$ 170,329
iTrade Cash Balance	379,121	424,596
iTrade investments	149,295	101,210
	<u>\$ 700,134</u>	<u>\$ 696,135</u>

6. Financial instruments

The association is exposed to various risks through its financial instruments. The following analysis provides information about the association's risk exposure and concentration as of March 31, 2019.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The association is exposed to credit risk from customers. In order to reduce its credit risk, the association reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The association has a significant number of customers which minimizes concentration of credit risk.

(b) 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 comprises three types of risk: currency rate risk, interest rate risk and other price risk.

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the association manages exposure through its normal operating and financing activities. The association is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.