

STFX ASSOCIATION OF UNIVERSITY TEACHERS

Financial Information

March 31, 2023



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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 information of StFX Association of University Teachers (the organization) that comprise the statement of financial position as at March 31, 2023, and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Information

Management is responsible for the preparation and fair presentation of this financial information in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial information 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 information 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 this financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial information does not present fairly, in all material respects, the financial position of StFX Association of University Teachers as at March 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Antigonish, Nova Scotia
May 3, 2023

MacDonald & Murphy Inc.
Chartered Professional Accountants



MacDonald &
Murphy Inc.

STFX ASSOCIATION OF UNIVERSITY TEACHERS

Statement of Revenues and Expenses

Year Ended March 31, 2023

	2023	2022
Revenue		
Membership dues	\$ 308,255	\$ 306,590
Contributions received for bursaries	1,760	1,638
	<u>310,015</u>	<u>308,228</u>
Expenses		
Accounting fees	2,645	2,645
Donations/Academic Freedom	9,950	8,280
Dues, fees and memberships	136,379	130,883
Insurance	1,050	875
Interest and bank charges	70	56
Legal fees and negotiations	7,497	38,444
Office	1,072	3,155
Prizes and awards	11,714	8,681
Professional development	96	106
Salaries, wages, and benefits	64,802	63,047
Social events	7,424	2,892
Stipends and course relief	14,000	14,000
Strike support and expenses	7,000	10,000
Travel	5,412	
	<u>269,111</u>	<u>283,064</u>
Excess of revenue over expenses from operations	<u>40,904</u>	<u>25,164</u>
Other income		
Investment income	14,522	11,731
Gain (loss) on sale of marketable securities	(44)	7,987
Unrealized gain (loss) on marketable securities	(6,390)	35,150
Investment management fees	(7,502)	(5,855)
	<u>586</u>	<u>49,013</u>
Excess of revenue over expenses	<u>\$ 41,490</u>	<u>\$ 74,177</u>

STFX ASSOCIATION OF UNIVERSITY TEACHERS

Statement of Changes in Net Assets

Year Ended March 31, 2023

	Operating Fund	Reserve Fund	2023	2022
Net assets - beginning of year	\$ 54,650	\$ 695,606	\$ 750,256	\$ 676,079
Excess of revenue over expenses	41,490		41,490	74,177
Investment increase net income, reserve fund	(6,976)	6,976		
Unrealized loss on investments	6,390	(6,390)		
Transfer between funds	(20,000)	20,000		
Change, current year	20,904	20,586	41,490	74,177
Net assets - end of year	\$ 75,554	\$ 716,192	\$ 791,746	\$ 750,256

STFX ASSOCIATION OF UNIVERSITY TEACHERS

Statement of Financial Position

March 31, 2023

	2023	2022
ASSETS		
Current		
Cash and cash equivalents (Note 3)	\$ 174,341	\$ 153,943
Marketable securities (Note 4)	592,338	592,765
Accounts receivable	549	259
STFX University, receivable	24,518	3,289
	<u>\$ 791,746</u>	<u>\$ 750,256</u>
NET ASSETS		
Operating fund	\$ 75,554	\$ 54,650
Reserve fund (Note 6)	<u>716,192</u>	<u>695,606</u>
	<u>\$ 791,746</u>	<u>\$ 750,256</u>

ON BEHALF OF THE BOARD

Director_____
Director

STFX ASSOCIATION OF UNIVERSITY TEACHERS

Statement of Cash Flows

Year Ended March 31, 2023

	2023	2022
Operating activities		
Cash receipts from members	\$ 324,250	\$ 321,832
Cash paid to suppliers and employees	(290,271)	(263,193)
Interest paid	(70)	(59)
	<u>33,909</u>	<u>58,580</u>
Investing activity		
Purchase of marketable securities	<u>(13,511)</u>	<u>(396,300)</u>
Increase (decrease) in cash flow	20,398	(337,720)
Cash and cash equivalents - beginning of year	153,943	491,663
Cash and cash equivalents - end of year (Note 3)	\$ 174,341	\$ 153,943

1. Purpose of the organization

StFX Association of University Teachers (the "organization") 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.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Fund accounting

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

The Operating Fund accounts for the organization'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 Operating 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 Operating 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. Cash and cash equivalents

	2023	2022
Savings bank account	\$ 123,854	\$ 102,842
Operating bank account	50,487	51,101
	\$ 174,341	\$ 153,943

4. Marketable securities

	2023	2022
Seamark Pooled Canadian Bond Fund	\$ 169,327	\$ 174,889
Seamark Pooled Total Equity Fund	423,011	417,876
	\$ 592,338	\$ 592,765
Cost	\$ 556,777	\$ 550,812

5. Related party transactions

During the year ended March 31, 2023, the Association paid \$70,379 for administration and other fees (2022 - \$79,788) 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.

6. 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:

	2023	2022
Savings bank account	\$ 123,854	\$ 102,842
Seamark Investment Account	592,338	592,764
	<u>\$ 716,192</u>	<u>\$ 695,606</u>

7. 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 March 31, 2023.

(a) 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. The organization is mainly exposed to interest risk.

(b) 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 organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its savings account and investment account.