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**SAINT MARY'S UNIVERSITY FACULTY UNION**

FINANCIAL STATEMENTS

MARCH 31, 2022

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## INDEX

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	<u>Page</u>
<b>Independent Auditor's Report</b>	<b>1</b>
<b>Statement of Financial Position</b>	<b>3</b>
<b>Statement of Operations and Changes in Fund Balances</b>	<b>4</b>
<b>Statement of Cash Flows</b>	<b>5</b>
<b>Notes to Financial Statements</b>	<b>6</b>

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## INDEPENDENT AUDITOR'S REPORT

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### TO THE BOARD OF DIRECTORS OF SAINT MARY'S UNIVERSITY FACULTY UNION:

#### Opinion

We have audited the financial statements of Saint Mary's University Faculty Union (the "Union"), which comprise the statement of financial position as at March 31, 2022, and the statements of operations and changes in fund balances 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 Union as at March 31, 2022, 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 Union in accordance with the ethical requirements that are relevant to our audits 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 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.

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

Those charged with governance are responsible for overseeing the Union'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.

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## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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### Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 Union'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 Union'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 Union 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.

Halifax, Nova Scotia  
October 25, 2022

*Levy Casey Carter MacLean*  
Chartered Professional Accountants

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**SAINT MARY'S UNIVERSITY FACULTY UNION**

STATEMENT OF FINANCIAL POSITION  
MARCH 31, 2022

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**ASSETS**

	<u>General</u> <u>Fund</u>	<u>Defence</u> <u>Fund</u>	<u>Total</u> <u>2022</u>	<u>Total</u> <u>2021</u>
<b>Current</b>				
Cash and cash equivalents	\$ 161,612	\$ 313,942	\$ 475,554	\$ 362,925
Membership dues receivable	7,248	-	7,248	5,297
Other receivables	1,863	-	1,863	4,837
Interfund balance	41,931	(41,931)	-	-
Prepaid expenses	<u>2,235</u>	<u>-</u>	<u>2,235</u>	<u>3,278</u>
	214,889	272,011	486,900	376,337
<b>Investments (note 3)</b>	-	3,426,530	3,426,530	3,168,125
<b>Capital assets (note 4)</b>	<u>4,651</u>	<u>-</u>	<u>4,651</u>	<u>6,608</u>
	<u>\$ 219,540</u>	<u>\$ 3,698,541</u>	<u>\$ 3,918,081</u>	<u>\$ 3,551,070</u>

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**LIABILITIES**

<b>Current</b>				
Payables and accruals, trade	\$ 20,170	\$ -	\$ 20,170	\$ 15,386
Government remittances payable	<u>4,924</u>	<u>-</u>	<u>4,924</u>	<u>4,771</u>
	<u>25,094</u>	<u>-</u>	<u>25,094</u>	<u>20,157</u>

**FUND BALANCES**

Investment in capital assets	4,651	-	4,651	6,608
Unrestricted fund	189,795	-	189,795	162,810
Internally restricted fund (note 2(g))	<u>-</u>	<u>3,698,541</u>	<u>3,698,541</u>	<u>3,361,495</u>
	<u>194,446</u>	<u>3,698,541</u>	<u>3,892,987</u>	<u>3,530,913</u>
	<u>\$ 219,540</u>	<u>\$ 3,698,541</u>	<u>\$ 3,918,081</u>	<u>\$ 3,551,070</u>

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On Behalf of the Executive Committee

\_\_\_\_\_  
President

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Treasurer

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**SAINT MARY'S UNIVERSITY FACULTY UNION**

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED MARCH 31, 2022

	<u>General Fund</u>		<u>Defence Fund</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Revenues</b>				
Members' dues	\$ 368,715	\$ 346,835	\$ -	\$ -
ASTFA dues	6,618	6,183	-	-
Investment income	-	-	103,172	91,293
Foreign exchange loss	-	-	(4,337)	(1,934)
Gain on sale of investments	-	-	46,908	86,090
	<u>375,333</u>	<u>353,018</u>	<u>145,743</u>	<u>175,449</u>
<b>Expenditures</b>				
Memberships (note 5)	119,420	114,205	-	-
Memberships - ASTFA (note 5)	<u>3,209</u>	<u>3,059</u>	<u>-</u>	<u>-</u>
	122,629	117,264	-	-
Awards and donations	8,850	33,952	-	-
Conferences and meetings	2,753	1,246	-	-
Honoraria	21,060	9,250	-	-
Amortization	1,956	1,782	-	-
Insurance	5,701	5,030	-	-
Research grant	5,000	5,000	-	-
Office	2,885	3,589	-	-
Professional fees	56,489	47,487	114,251	24,354
Salaries and benefits	74,982	74,574	-	-
Scholarships	-	22,600	-	-
	<u>302,305</u>	<u>321,774</u>	<u>114,251</u>	<u>24,354</u>
<b>Excess of revenues over expenditures before unrealized gain</b>	<b>73,028</b>	<b>31,244</b>	<b>31,492</b>	<b>151,095</b>
<b>Unrealized gain on investments</b>	<b>-</b>	<b>-</b>	<b>257,554</b>	<b>532,340</b>
<b>Other income</b>				
Temporary Wage Subsidy for Employers	<u>-</u>	<u>1,375</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues over expenditures</b>	<b>73,028</b>	<b>32,619</b>	<b>289,046</b>	<b>683,435</b>
<b>Fund balances, beginning of year</b>	<b>169,418</b>	<b>136,799</b>	<b>3,361,495</b>	<b>2,678,060</b>
<b>Transfer</b>	<u>(48,000)</u>	<u>-</u>	<u>48,000</u>	<u>-</u>
<b>Fund balances, end of year</b>	<b>\$ <u>194,446</u></b>	<b>\$ <u>169,418</u></b>	<b>\$ <u>3,698,541</u></b>	<b>\$ <u>3,361,495</u></b>

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**SAINT MARY'S UNIVERSITY FACULTY UNION**

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2022

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	<u>2022</u>	<u>2021</u>
<b>Operating activities</b>		
Excess of revenues over expenditures - general fund	\$ 73,028	\$ 32,619
Excess of revenues over expenditures - defence fund	289,046	683,435
Amortization of capital assets	1,956	1,782
Gain on disposal of investments	(46,908)	(86,090)
Unrealized gain on investments	<u>(257,554)</u>	<u>(532,340)</u>
	59,568	99,406
Net change in non-cash working capital balances related to operations:		
Membership dues receivable	(1,951)	12,778
Other receivables	2,974	(3,105)
Prepaid expenses	1,043	-
Payables and accruals, trade	<u>4,939</u>	<u>(21,056)</u>
	<u>66,573</u>	<u>88,023</u>
<b>Investing activities</b>		
Purchase of computer equipment	-	(4,678)
Proceeds on disposal of investments	501,656	689,863
Purchase of investments	<u>(455,600)</u>	<u>(755,523)</u>
	<u>46,056</u>	<u>(70,338)</u>
<b>Increase in cash and cash equivalents during year</b>	<b>112,629</b>	<b>17,685</b>
<b>Cash and cash equivalents, beginning of year</b>	<u><b>362,925</b></u>	<u><b>345,240</b></u>
<b>Cash and cash equivalents, end of year</b>	<u><b>\$ 475,554</b></u>	<u><b>\$ 362,925</b></u>
<b>Represented by:</b>		
General fund cash and cash equivalents	\$ 161,612	\$ 164,155
Defence fund cash and cash equivalents	<u>313,942</u>	<u>198,770</u>
	<u><b>\$ 475,554</b></u>	<u><b>\$ 362,925</b></u>

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# SAINT MARY'S UNIVERSITY FACULTY UNION

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2022

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### 1. Purpose of organization

Saint Mary's University Faculty Union (the "Union") is an association of Saint Mary's University faculty members incorporated under the Trade Union Act of Nova Scotia. The Union is a not-for-profit organization and is exempt from income tax under the provisions of paragraph 149(1)(k) of the Income Tax Act.

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### 2. Significant accounting policies

The Union has applied the following significant accounting policies:

(a) Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(b) Cash and cash equivalents

Cash and cash equivalents consists of cash on hand, balances with banks, and short term highly liquid securities which are readily convertible into known amounts of cash.

(c) Investments

The Union's portfolio investments are initially recognized, and subsequently measured at fair value without adjustments for transaction costs that would be incurred on disposals. Changes in fair value are recognized in income in the period of change. Transaction costs associated with the acquisition of these investments are recognized in net income in the period incurred.

(d) Financial instruments

Other than the investments noted above, the Union initially measures its financial assets and financial liabilities at fair value, adjusted by the amount of transaction costs directly attributable to the instrument. Other than the investments noted above, the Union subsequently measures all of its financial assets and financial liabilities at amortized cost. Transaction costs are amortized on the straight line basis over the term of the instrument.

(e) Contributed services

Volunteer services contributed on behalf of the Union in carrying out its operating activities are not recognized in these financial statements due to the difficulty in determining their value.

(f) Capital assets

Minor capital assets are expensed in the year acquired. Major capital assets are recorded at cost and amortized using the declining balance method, at rates based upon the estimated useful life of the assets, as indicated in note 4. Amortization is calculated at one-half the annual rate in the year of acquisition. No amortization is recorded in the year of disposal.



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## SAINT MARY'S UNIVERSITY FACULTY UNION

### NOTES TO FINANCIAL STATEMENTS MARCH 31, 2022

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#### 2. Significant accounting policies (continued)

(g) Fund accounting

The General Fund accounts for current operations and reports membership dues and operating expenditures. The Defence Fund is an internally restricted fund primarily intended to fund Union expenditures incurred during a strike, lockout, or grievance arbitration. These internally restricted funds are not available for unrestricted purposes without approval of the Executive Committee. Any interfund balances are non-interest bearing with no set terms of repayment.

(h) Use of estimates

The preparation of financial statements requires the Executive Committee to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(i) Revenue recognition

The Union follows the restricted fund method of accounting for contributions whereby externally restricted contributions are recognized in the fund corresponding to the purpose for which they were contributed. Externally restricted contributions for which there is no related restricted fund are recorded in the General Fund under the deferral method. Unrestricted contributions are recognized as revenues in the General Fund.

Revenues related to dues collected from the Union's members are recorded in the accounts in the period in which they are withheld from the members. Investment income is recorded in the accounts when earned, in the fund that holds the related investment.

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#### 3. Investments

	<u>Cost</u>	<u>Market Value</u>
<b><u>Fixed income</u></b>		
2,000 BCE Inc.	\$ 49,120	\$ 48,300
30,000 Bell Canada 2.70%	30,663	29,789
2,000 Brookfield Asset Management 4.75%	50,000	51,020
1,500 Capital Power 5.238%	37,500	36,465
23,191 MER CON INCM PT-F/NL	190,532	193,642
9,843 NBI F/R INCM-F/NL	100,008	98,433
4,080 NEI GL IMP BND-PF	39,532	36,404
5,735 PM FRT ICM CL-F/NL	65,112	63,760
4,158 TD RET BAL-FT5/NL	57,450	58,955
750 TDN2178C	<u>75,000</u>	<u>96,917</u>
	<u>\$ 694,917</u>	<u>\$ 713,685</u>

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## SAINT MARY'S UNIVERSITY FACULTY UNION

### NOTES TO FINANCIAL STATEMENTS MARCH 31, 2022

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#### 3. Investments (continued)

	<u>Cost</u>	<u>Market Value</u>
<b><u>Common shares</u></b>		
2,170 Algonquin Power and Utilities	\$ 33,591	\$ 42,076
825 Bank of Montreal	30,513	121,366
1,255 Bank of Nova Scotia	62,221	112,448
1,670 BCE Inc.	68,238	115,731
1,634 BMO Short-Term BD IDX	80,295	77,991
2,786 BMO Premium Yield HDG	84,907	84,862
600 Brookfield ASSET MGT - ALV	27,701	42,408
4,425 CI INVT Grade Bond ETF	50,095	44,471
2,100 CI MSCI WRLD ESC IMP UNHDG	57,302	52,038
1,140 CDN APPT PPTY'S REIT	34,477	61,161
825 CDN Imperial Bank of Commerce	70,542	125,194
1,300 Crombie REIT T/U	18,661	23,855
930 Dynamic ACTV PREF SHS ETF	20,026	21,092
2,245 Emera Incorporated	57,452	139,123
1,267 Fortis Inc	54,757	78,339
1,000 Just Us!	10,000	10,000
942 Nutrien Ltd	64,709	121,725
3,000 Pimco Monthly INCM FD	59,550	56,460
1,200 Purpose High Interest Savings ETF	60,024	60,000
1005 Royal Bank of Canada	51,213	138,328
733 Sunlife Financial Inc	33,488	51,163
1,120 Telus Corp	29,169	36,578
1493 Toronto Dominion Bank	49,820	148,091
710 WSP Global Inc	49,138	117,796
201 Apple Inc	31,593	43,857
98 Avery Dennison Corp	14,707	21,305
105 Becton Dickinson & Co	33,730	34,901
80 Costco Wholesale Corp	32,501	57,567
289 iShares Dow Jones US EFT	10,471	40,216
161 Johnson & Johnson	27,146	35,656
136 Microsoft Corporation	17,333	52,396
765 Pfizer Inc.	41,468	49,489
225 Procter & Gamble Co	37,027	42,961
493 Verizon Communications	36,434	31,382
131 Visa Inc. Class A	21,851	36,303
217 Waste Management Inc	33,672	42,979
	<u>1,495,822</u>	<u>2,371,308</u>
<b><u>Mutual funds</u></b>		
7,943 MTG Global Equity	170,082	221,691
6,802 NEI Environmental Leaders	81,534	119,846
	<u>251,616</u>	<u>341,537</u>
	<u>\$ 2,442,355</u>	<u>\$ 3,426,530</u>

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## SAINT MARY'S UNIVERSITY FACULTY UNION

### NOTES TO FINANCIAL STATEMENTS MARCH 31, 2022

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#### 3. Investments (continued)

The Union holds shares of Just Us! Fair Trade Investment Cooperative Ltd. that are not traded in an active market and fair value information is not readily available. These shares have been included with investments at a carrying value of \$10,000.

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#### 4. Capital assets

	2022			2021	
	<u>Rate</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer	30%	\$ 11,706	\$ 7,267	\$ 4,439	\$ 6,343
Office equipment	20%	<u>368</u>	<u>156</u>	<u>212</u>	<u>265</u>
		<u>\$ 12,074</u>	<u>\$ 7,423</u>	<u>\$ 4,651</u>	<u>\$ 6,608</u>

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#### 5. Memberships

	2022	2021
<b>Union memberships</b>		
Canadian Association of University Teachers	\$ 58,247	\$ 54,630
Canadian Association of University Teachers Defence Fund	18,612	19,129
Association of Nova Scotia University Teachers	36,676	34,678
National Union of Canadian Association of University Teachers	3,072	2,994
Nova Scotia Federation of Labour and Halifax Labour Council	<u>2,813</u>	<u>2,774</u>
	<u>\$ 119,420</u>	<u>\$ 114,205</u>
<b>Atlantic School of Theology Faculty Associations (ASTFA) memberships</b>		
Canadian Association of University Teachers	\$ 1,952	\$ 1,782
Canadian Association of University Teachers Defence Fund	605	649
Association of Nova Scotia University Teachers	<u>652</u>	<u>628</u>
	<u>\$ 3,209</u>	<u>\$ 3,059</u>

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#### 6. Employee pension plan

The Union contributes to a defined contribution pension plan on behalf of its employees. Contributions are paid to the CAUT Staff Pension Plan and are calculated as 15% of employee's annual salary, of which the Union pays 10% and the employee pays the remaining 5%. During the year, the Union's portion of contributions to the pension plan totaled \$6,071 (2021 - \$5,951).

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# SAINT MARY'S UNIVERSITY FACULTY UNION

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2022

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### 7. Financial instruments

The following are the significant risks that the Union is exposed to through its financial instruments:

(a) Currency risk

The Union's investments partially includes a portfolio of publicly traded securities based in foreign currencies. As such this portion of the investments is subject to foreign exchange 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. The Union's investments in publicly traded securities expose the Union to market risk as such investments are subject to price changes in the open market. The Union does not use derivative financial instruments to alter the effects of this risk.