

# **Saint Mary's University Faculty Union**

## **Treasurer's Report**

### **AGM – October 26, 2023**

#### 1. Auditor's Report

SMUFU engaged the accounting firm Levy Casey Carter MacLean (now joined with Belliveau Veinotte Inc.) to audit the SMUFU financial statements for the year ending March 31, 2023.

During the course of the audit, the auditor encountered the following:

- no specific internal control matters,
- no new accounting policies adopted or changes to the application to the application of accounting policies used by SMUFU during the year,
- no unusual transactions,
- reasonable estimates given by the Executive Committee,
- no disagreements with the Executive Committee during the course of the audit,
- no significant difficulties during the audit.

The auditor's report states: "In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Union as at March 31, 2023, 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."

#### 2. Financial Report

As previously discussed, we have for the last couple of years been challenged by significant legal costs associated with grievances and arbitrations. The last fiscal year was particularly challenging with a few very big arbitration cases on the go. This resulted in a total of \$345,986 in legal and arbitration fees, of which \$269,511 were covered by our Defence Fund, and \$76,475 were recorded as an operating expense. As previously reported, the Executive Committee has been working hard to find measures to reduce our legal costs, part of which involved the hiring of a Labour Relations Officer to reduce our reliance on external lawyers. The good news is that this year we are beginning to see a significant reduction in legal costs, something we will report on in more detail at the meeting.

A few areas of note: Our revenue from member dues went up markedly due to a small increase in member dues. We had expenses for negotiation and strike preparation because it was a bargaining year, and we spent almost twice the regularly budgeted \$25,000 on scholarships because the 2021-2022 scholarships were only processed in the 2022-2023 fiscal year. Finally, our salary costs increased mainly because of the hiring of a Labour Relations Officer.

#### 3. Financial Investment Report

As of October 11, 2023, the total market value of SMUFU's investments is \$3,120,648.07. While the financial markets have been volatile the last couple of years, with a significant loss in portfolio value in 2022, the portfolio has maintained an average annual return of 5.7% over the last 10 years.

The goals and objectives of the SMUFU Portfolio follow a "Balanced Growth" mandate. This means the target fixed income allocation is 30% with 70% in equities. The risk tolerance range is 90% medium risk with 10% high risk. The focus is on investments and businesses that earn a consistent and growing dividend over time.

Our investments are managed according to the principles of sustainable investments. We have largely removed fossil fuel businesses and have added companies that have a renewable energy component. We have also added companies with favourable employee working environments and greater board diversification. 15 to 20 percent of the investments are specifically allocated to Socially Responsible Investing.



## PORTFOLIO PERFORMANCE (CAD)

TD Wealth Private Investment Advice  
1791 Barrington St. Suite 1700  
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### Changes in Market Value

	<b>Year to Date</b> 01/01/2023 - 10/10/2023	<b>1 Year</b> 10/11/2022 - 10/10/2023	<b>10 Years</b> 10/11/2013 - 10/10/2023	<b>Since Inception</b> 12/02/2002 - 10/10/2023
<b>Starting Value</b>	<b>\$ 3,394,293.96</b>	<b>\$ 3,300,270.78</b>	<b>\$ 2,035,180.88</b>	<b>\$ 1,058,549.61</b>
Inflows	\$ 58,543.86	\$ 58,543.86	\$ 497,631.74	\$ 1,050,015.87
Outflows	\$ -356,330.98	\$ -356,330.98	\$ -893,543.68	\$ -1,192,282.01
Income	\$ 89,723.26	\$ 126,143.16	\$ 1,060,979.34	\$ 1,669,782.09
Relationship changes	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>Ending Value</b>	<b>\$ 3,120,648.07</b>	<b>\$ 3,120,648.07</b>	<b>\$ 3,120,648.07</b>	<b>\$ 3,120,648.07</b>

### Performance

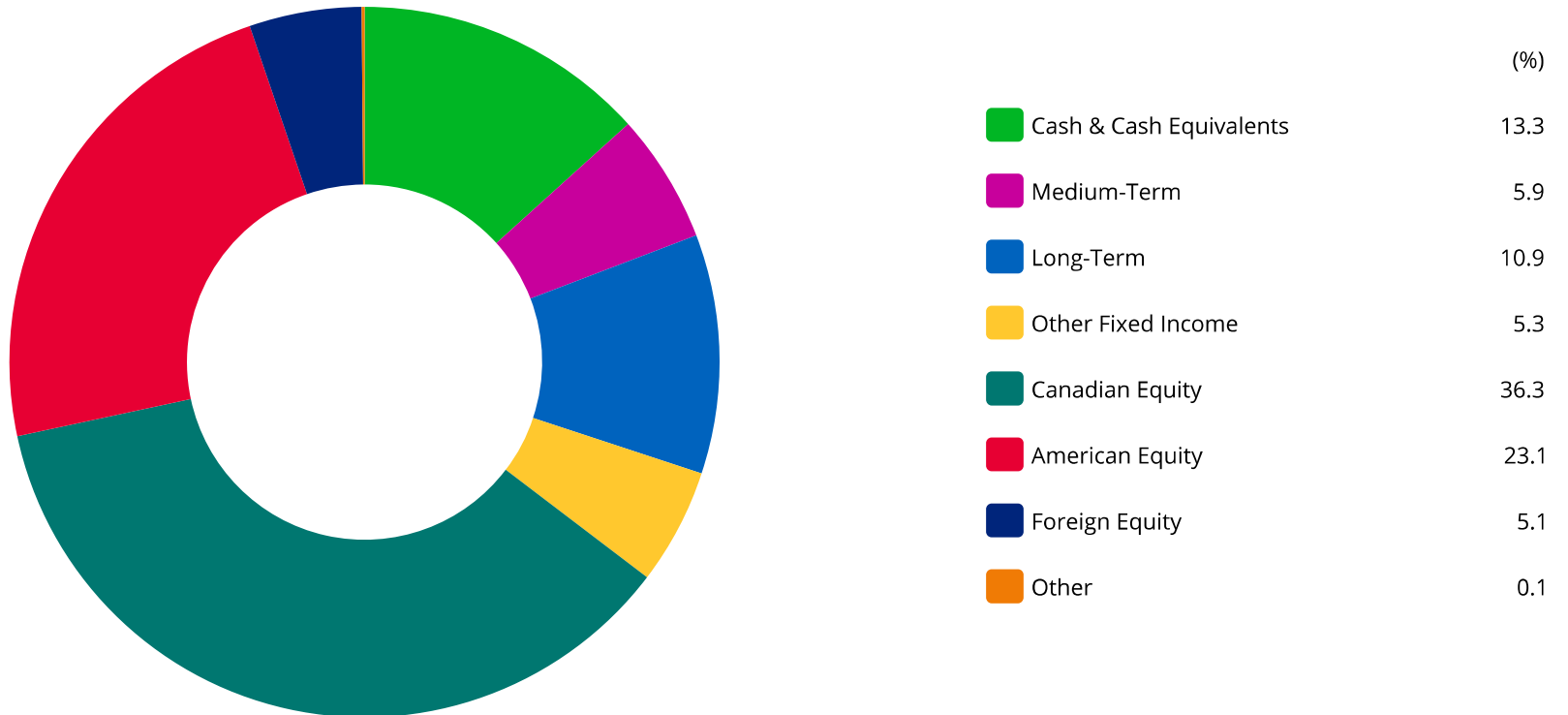
<b>Time-Weighted-Net</b>	<b>0.436 %</b>	<b>3.298 %</b>	<b>5.744 %</b>	<b>4.966 %</b>
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### Asset Allocation

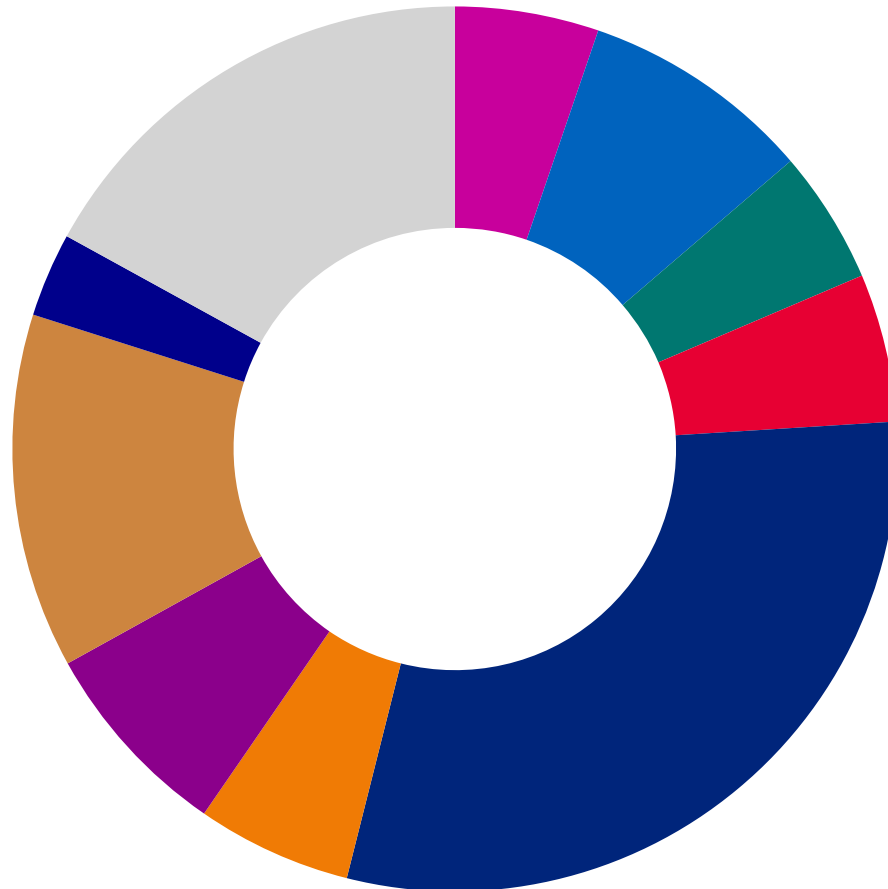


Notes: Data prior to the management start date is excluded from this report.  
Values in percentage are annualized for periods of more than twelve months.



**STOCK ALLOCATION (INDUSTRY CODE) (CAD)**

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	(%)	(\$)
Materials	5.3	102,658
Industrials	8.5	165,528
Consumer Staples	4.9	95,209
Health Care	5.4	105,997
Financials	29.9	584,844
Information Technology	5.7	110,675
Telecom. services	7.4	144,022
Utilities	13.0	253,342
Real Estate	3.1	60,052
Others	17.0	332,737