
SAINT MARY'S UNIVERSITY FACULTY UNION

FINANCIAL STATEMENTS

MARCH 31, 2023

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INDEPENDENT AUDITOR'S REPORT

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, 2023, 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, 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.

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 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 audit opinion.

Other Matter

The financial statements for the year ended March 31, 2022 were audited by another firm, Levy Casey Carter MacLean, who expressed an unmodified opinion on those financial statements on October 25, 2022. Levy Casey Carter MacLean has since joined with Belliveau Veinotte Inc.

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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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 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
September 20, 2023

Belliveau Veinotte Inc.
Chartered Professional Accountants

SAINT MARY'S UNIVERSITY FACULTY UNION

STATEMENT OF FINANCIAL POSITION
MARCH 31, 2023

ASSETS

	General Fund	Defence Fund	Total 2023	Total 2022
Current				
Cash and cash equivalents	\$ 116,871	\$ 405,815	\$ 522,686	\$ 475,553
Membership dues receivable	10,068	-	10,068	7,248
Other receivables	5,482	-	5,482	1,864
Interfund balance	86,077	(86,077)	-	-
Prepaid expenses	<u>2,936</u>	<u>-</u>	<u>2,936</u>	<u>2,235</u>
	221,434	319,738	541,172	486,900
Investments (note 3)	-	2,911,614	2,911,614	3,426,531
Capital assets (note 4)	<u>5,363</u>	<u>-</u>	<u>5,363</u>	<u>4,652</u>
	<u>\$ 226,797</u>	<u>\$ 3,231,352</u>	<u>\$ 3,458,149</u>	<u>\$ 3,918,083</u>

LIABILITIES

Current				
Payables and accruals, trade	\$ 22,566	\$ 25,364	\$ 47,930	\$ 20,170
Government remittances payable	<u>10,004</u>	<u>-</u>	<u>10,004</u>	<u>4,924</u>
	<u>32,570</u>	<u>25,364</u>	<u>57,934</u>	<u>25,094</u>

Contingent liability (note 9)

FUND BALANCES

Investment in capital assets	5,363	-	5,363	4,652
Unrestricted fund	188,864	-	188,864	189,796
Internally restricted fund (note 2(g))	<u>-</u>	<u>3,205,988</u>	<u>3,205,988</u>	<u>3,698,541</u>
	<u>194,227</u>	<u>3,205,988</u>	<u>3,400,215</u>	<u>3,892,989</u>
	<u>\$ 226,797</u>	<u>\$ 3,231,352</u>	<u>\$ 3,458,149</u>	<u>\$ 3,918,083</u>

On Behalf of the Executive Committee

President

Treasurer

SAINT MARY'S UNIVERSITY FACULTY UNION

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2023

	<u>General Fund</u>		<u>Defence Fund</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues				
Members' dues	\$ 411,491	\$ 368,715	\$ -	\$ -
ASTFA dues	6,748	6,618	-	-
Investment income	-	-	117,655	103,172
Foreign exchange gain (loss)	-	-	3,075	(4,337)
Gain on sale of investments	-	-	35,464	46,908
	<u>418,239</u>	<u>375,333</u>	<u>156,194</u>	<u>145,743</u>
Expenditures				
Memberships (note 5)	123,143	119,420	-	-
Memberships - ASTFA (note 5)	<u>3,441</u>	<u>3,209</u>	-	-
	126,584	122,629	-	-
Awards and donations	10,400	8,850	-	-
Conferences and meetings	2,945	2,753	-	-
Honoraria	8,525	21,060	-	-
Amortization	1,742	1,956	-	-
Insurance	6,053	5,701	-	-
Investment management fees	-	-	28,774	29,719
Negotiation	11,480	-	-	-
Research grant	5,000	5,000	-	-
Legal and consulting fees	76,475	45,477	269,511	84,532
Office	7,339	2,883	-	-
Professional fees	15,189	11,012	-	-
Salaries and benefits	97,628	74,982	-	-
Scholarships	<u>49,100</u>	-	-	-
	<u>418,460</u>	<u>302,303</u>	<u>298,285</u>	<u>114,251</u>
Excess (deficiency) of revenues over expenditures before unrealized gain (loss)	(221)	73,030	(142,091)	31,492
Unrealized gain (loss) on investments	-	-	<u>(350,462)</u>	<u>257,554</u>
Excess (deficiency) of revenues over expenditures	(221)	73,030	(492,553)	289,046
Fund balances, beginning of year	194,448	169,418	3,698,541	3,361,495
Transfer	-	<u>(48,000)</u>	-	<u>48,000</u>
Fund balances, end of year	<u>\$ 194,227</u>	<u>\$ 194,448</u>	<u>\$ 3,205,988</u>	<u>\$ 3,698,541</u>

SAINT MARY'S UNIVERSITY FACULTY UNION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
Operating activities		
Excess (deficiency) of revenues over expenditures - general fund	\$ (221)	\$ 73,030
Excess (deficiency) of revenues over expenditures - defence fund	(492,553)	289,046
Amortization of capital assets	1,742	1,956
Gain on disposal of investments	(35,464)	(46,908)
Unrealized loss (gain) on investments	<u>350,462</u>	<u>(257,554)</u>
	(176,034)	59,570
Net change in non-cash working capital balances related to operations:		
Membership dues receivable	(2,820)	(1,951)
Other receivables	(3,618)	2,973
Prepaid expenses	(701)	1,043
Payables and accruals, trade - general fund	7,476	4,937
Payables and accruals, trade - defence fund	<u>25,364</u>	<u>-</u>
	<u>(150,333)</u>	<u>66,572</u>
Investing activities		
Purchase of computer equipment	(2,454)	-
Proceeds on disposal of investments	663,313	501,656
Purchase of investments	<u>(463,393)</u>	<u>(455,600)</u>
	<u>197,466</u>	<u>46,056</u>
Increase in cash and cash equivalents during year	47,133	112,628
Cash and cash equivalents, beginning of year	<u>475,553</u>	<u>362,925</u>
Cash and cash equivalents, end of year	<u>\$ 522,686</u>	<u>\$ 475,553</u>
Represented by:		
General fund cash and cash equivalents	\$ 116,871	\$ 161,612
Defence fund cash and cash equivalents	<u>405,815</u>	<u>313,942</u>
	<u>\$ 522,686</u>	<u>\$ 475,553</u>

SAINT MARY'S UNIVERSITY FACULTY UNION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2023

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.

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.

SAINT MARY'S UNIVERSITY FACULTY UNION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2023

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.

3. Investments

	<u>Cost</u>	<u>Market Value</u>
<u>Fixed income</u>		
2,000 BCE Inc. 4.812%	\$ 49,120	\$ 39,140
2,000 Brookfield Asset Management 4.75%	50,000	44,100
1,500 Capital Power 5.238%	37,500	31,305
23,208 MER CON INCM PT-F/NL	186,255	179,164
14,286 NEI GL IMP BND-PF	122,451	114,804
10,556 PM FRT ICM CL-F/NL	117,081	109,450
4,550 TD RET BAL-FT5/NL	<u>59,419</u>	<u>56,596</u>
	\$ <u>621,826</u>	\$ <u>574,559</u>
<u>Other</u>		
7,111 NEI CLC INFR-PF / NL	\$ <u>75,000</u>	\$ <u>67,713</u>

SAINT MARY'S UNIVERSITY FACULTY UNION

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

3. Investments (continued)

	<u>Cost</u>	<u>Market Value</u>
<u>Equities</u>		
825 Bank of Montreal	\$ 30,513	\$ 99,314
1,255 Bank of Nova Scotia	62,221	85,428
1,505 BCE Inc.	61,496	91,113
2,786 BMO Premium Yield HDG	84,907	77,228
600 Brookfield CORP CL-A LVS	24,377	26,418
1,673 Brookfield RENEW-A EXCH SVS	70,332	79,066
10,796 CI INVT Grade Bond ETF	110,015	99,863
937 CDN APPT PPTY'S REIT	27,804	44,423
1,650 CDN Imperial Bank of Commerce	70,542	94,562
1,300 Crombie REIT T/U	18,661	19,812
2,359 Dynamic ACTV PREF SHS ETF	50,445	45,246
2,055 Emera Incorporated	52,590	114,094
1,267 Fortis Inc	54,757	72,789
1,000 Just Us!	10,000	10,000
942 Nutrien Ltd	64,709	94,021
4,257 Pimco Monthly INCM FD	82,461	76,328
784 Royal Bank of Canada	39,951	101,332
733 Sunlife Financial Inc	33,488	46,282
1,120 Telus Corp	29,170	30,050
1,161 Toronto Dominion Bank	38,742	93,983
651 WSP Global Inc	45,055	115,247
201 Apple Inc	31,593	44,855
98 Avery Dennison Corp	14,707	23,730
105 Becton Dickinson & Co	33,370	35,175
80 Costco Wholesale Corp	32,501	53,793
289 iShares Dow Jones US EFT	10,471	39,138
161 Johnson & Johnson	27,146	33,772
136 Microsoft Corporation	17,333	53,061
765 Pfizer Inc.	41,468	42,239
173 Procter & Gamble Co.	28,469	34,811
100 Visa Inc. Class A	16,680	30,512
177 Waste Management Inc	27,465	39,085
	<u>\$ 1,343,439</u>	<u>\$ 1,946,770</u>
<u>Mutual funds</u>		
7,579 MTG Global Equity	\$ 162,316	\$ 205,626
6,254 NEI Environmental Leaders	<u>74,962</u>	<u>116,946</u>
	<u>\$ 237,278</u>	<u>\$ 322,572</u>
	<u>\$ 2,277,543</u>	<u>\$ 2,911,614</u>

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.

SAINT MARY'S UNIVERSITY FACULTY UNION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2023

4. Capital assets

	<u>2023</u>			<u>2022</u>	
	<u>Rate</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer	30%	\$ 14,160	\$ 8,967	\$ 5,193	\$ 4,440
Office equipment	20%	<u>368</u>	<u>198</u>	<u>170</u>	<u>212</u>
		<u>\$ 14,528</u>	<u>\$ 9,165</u>	<u>\$ 5,363</u>	<u>\$ 4,652</u>

5. Memberships

	<u>2023</u>	<u>2022</u>
Union memberships		
Canadian Association of University Teachers	\$ 59,889	\$ 58,247
Canadian Association of University Teachers Defence Fund	20,358	18,612
Association of Nova Scotia University Teachers	37,005	36,676
National Union of Canadian Association of University Teachers	3,040	3,072
Nova Scotia Federation of Labour and Halifax Labour Council	<u>2,851</u>	<u>2,813</u>
	<u>\$ 123,143</u>	<u>\$ 119,420</u>
Atlantic School of Theology Faculty Associations (ASTFA) memberships		
Canadian Association of University Teachers	\$ 2,066	\$ 1,952
Canadian Association of University Teachers Defence Fund	685	605
Association of Nova Scotia University Teachers	<u>690</u>	<u>652</u>
	<u>\$ 3,441</u>	<u>\$ 3,209</u>

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 \$6,291 (2022 - \$6,071).

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.

SAINT MARY'S UNIVERSITY FACULTY UNION

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2023

8. Financial instruments (continued)

(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. 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.

9. Contingent liability

In accordance with the Union's sick leave policy, the staff have accumulated sick days, at a total possible cost of approximately \$7,884. These days are only available for required sick leave and will not be paid out upon termination of employment. Any sick leave settlements will be charged to income in the period in which they occur.

10. Comparative figures

In some cases, the comparative figures have been reclassified to conform with the current year's presentation.

11. Subsequent event

The agreement between Saint Mary's University and the Saint Mary's University Faculty Union expired on August 31, 2022. On April 24, 2023, a new agreement was signed between these parties, for the period September 1, 2022 to August 31, 2025. The membership revenue that the Saint Mary's University Faculty Union is estimated to receive as a result of the new agreement, is \$12,819 and it will be included in membership revenue when it is received.