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**SAINT MARY'S UNIVERSITY FACULTY UNION**

FINANCIAL STATEMENTS  
MARCH 31, 2024

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DRAFT - FOR DISCUSSION PURPOSES ONLY

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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, 2024, 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, 2024, 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.

#### 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.

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## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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### 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  
DATE

**Chartered Professional Accountants**



**SAINT MARY'S UNIVERSITY FACULTY UNION**

STATEMENT OF FINANCIAL POSITION  
MARCH 31, 2024

**ASSETS**

	<u>General</u> <u>Fund</u>	<u>Defence</u> <u>Fund</u>	<u>Total</u> <u>2024</u>	<u>Total</u> <u>2023</u>
<b>Current</b>				
Cash and cash equivalents	\$ 221,392	\$ 332,928	\$ 554,320	\$ 522,686
Membership dues receivable	28,929	-	28,929	10,068
Other receivables	2,113	-	2,113	5,482
Interfund balance	14,277	(14,277)	-	-
Prepaid expenses	<u>3,338</u>	<u>-</u>	<u>3,338</u>	<u>2,936</u>
	<b>270,049</b>	<b>318,651</b>	<b>588,700</b>	541,172
<b>Investments (note 3)</b>	-	<b>3,110,009</b>	<b>3,110,009</b>	2,911,614
<b>Capital assets (note 4)</b>	<u>5,140</u>	<u>-</u>	<u>5,140</u>	<u>5,363</u>
	<u><b>\$ 275,189</b></u>	<u><b>\$ 3,428,660</b></u>	<u><b>\$ 3,703,849</b></u>	<u><b>\$ 3,458,149</b></u>

**LIABILITIES**

<b>Current</b>				
Payables and accruals, trade	\$ 13,063	\$ -	\$ 13,063	\$ 47,930
Government remittances payable	<u>11,969</u>	<u>-</u>	<u>11,969</u>	<u>10,004</u>
	<u>25,032</u>	<u>-</u>	<u>25,032</u>	<u>57,934</u>

**Contingent liability (note 8)**

**FUND BALANCES**

Investment in capital assets	5,140	-	5,140	5,363
Unrestricted fund	245,017	-	245,017	188,864
Internally restricted fund (note 2(g))	<u>-</u>	<u>3,428,660</u>	<u>3,428,660</u>	<u>3,205,988</u>
	<u>250,157</u>	<u>3,428,660</u>	<u>3,678,817</u>	<u>3,400,215</u>
	<u><b>\$ 275,189</b></u>	<u><b>\$ 3,428,660</b></u>	<u><b>\$ 3,703,849</b></u>	<u><b>\$ 3,458,149</b></u>

**On Behalf of the Executive Committee**

\_\_\_\_\_  
President

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Treasurer

**SAINT MARY'S UNIVERSITY FACULTY UNION**

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED MARCH 31, 2024

	<u>General Fund</u>		<u>Defence Fund</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>Revenues</b>				
Members' dues	\$ 473,647	\$ 411,491	\$ -	\$ -
ASTFA dues	7,419	6,748	-	-
Investment income	-	-	110,085	117,655
Foreign exchange gain (loss)	-	-	10,696	3,075
Gain on sale of investments	-	-	3,514	35,464
	<u>481,066</u>	<u>418,239</u>	<u>124,295</u>	<u>156,194</u>
<b>Expenditures</b>				
Memberships (note 5)	101,401	123,143	-	-
Memberships - ASTFA (note 5)	<u>3,797</u>	<u>3,441</u>	<u>-</u>	<u>-</u>
	105,198	126,584	-	-
Awards and donations	10,778	10,400	-	-
Conferences and meetings	11,138	2,945	-	-
Honoraria	8,717	8,525	-	-
Amortization	1,833	1,742	-	-
Insurance	6,042	6,053	-	-
Investment management fees	-	-	27,979	28,774
Negotiation	-	11,480	-	-
Research grant	2,960	5,000	-	-
Legal and consulting fees	62,000	76,475	-	269,511
Office	6,036	7,337	-	-
Professional fees	14,349	15,189	-	-
Salaries and benefits	171,085	97,628	-	-
Scholarships	<u>25,000</u>	<u>49,100</u>	<u>-</u>	<u>-</u>
	<u>425,136</u>	<u>418,458</u>	<u>27,979</u>	<u>298,285</u>
<b>Excess (deficiency) of revenues over expenditures before unrealized gain (loss)</b>	<b>55,930</b>	<b>(219)</b>	<b>96,316</b>	<b>(142,091)</b>
<b>Unrealized gain (loss) on investments</b>	<b>-</b>	<b>-</b>	<b>126,356</b>	<b>(350,463)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>55,930</b>	<b>(219)</b>	<b>222,672</b>	<b>(492,554)</b>
<b>Fund balances, beginning of year</b>	<b>194,227</b>	<b>194,446</b>	<b>3,205,988</b>	<b>3,698,542</b>
<b>Fund balances, end of year</b>	<b>\$ 250,157</b>	<b>\$ 194,227</b>	<b>\$ 3,428,660</b>	<b>\$ 3,205,988</b>

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**SAINT MARY'S UNIVERSITY FACULTY UNION**

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2024

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	<u>2024</u>	<u>2023</u>
<b>Operating activities</b>		
Excess (deficiency) of revenues over expenditures - general fund	\$ 55,930	\$ (219)
Excess (deficiency) of revenues over expenditures - defence fund	222,672	(492,554)
Amortization of capital assets	1,833	1,742
Gain on disposal of investments	(3,514)	(35,464)
Unrealized loss (gain) on investments	<u>(126,356)</u>	<u>350,463</u>
	<b>150,565</b>	<b>(176,032)</b>
Net change in non-cash working capital balances related to operations:		
Membership dues receivable	(18,861)	(2,820)
Other receivables	3,369	(3,618)
Prepaid expenses	(402)	(701)
Payables and accruals, trade - general fund	(7,538)	7,476
Payables and accruals, trade - defence fund	<u>(25,364)</u>	<u>25,364</u>
	<u><b>101,769</b></u>	<u><b>(150,331)</b></u>
<b>Investing activities</b>		
Purchase of computer equipment	(1,610)	(2,454)
Proceeds on disposal of investments	681,784	663,313
Purchase of investments	<u>(750,309)</u>	<u>(463,395)</u>
	<u><b>(70,135)</b></u>	<u><b>197,464</b></u>
<b>Increase in cash and cash equivalents during year</b>	<b>31,634</b>	<b>47,133</b>
<b>Cash and cash equivalents, beginning of year</b>	<u><b>522,686</b></u>	<u><b>475,553</b></u>
<b>Cash and cash equivalents, end of year</b>	<u><b>\$ 554,320</b></u>	<u><b>\$ 522,686</b></u>
<b>Represented by:</b>		
General fund cash and cash equivalents	\$ 221,392	\$ 116,871
Defence fund cash and cash equivalents	<u>332,928</u>	<u>405,815</u>
	<u><b>\$ 554,320</b></u>	<u><b>\$ 522,686</b></u>

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# SAINT MARY'S UNIVERSITY FACULTY UNION

## NOTES TO FINANCIAL STATEMENTS MARCH 31, 2024

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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, 2024

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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 PF 6.538%	\$ 49,120	\$ 44,800
2,000 Brookfield PF 6.229%	50,000	41,700
55,000 CDA TR GIC 5.95%	55,000	55,000
1,500 Capital Power PF 6.631%	37,500	33,360
6,036 EDGPT M/I PTF-F	55,663	56,584
11,620 MER CON INCM PT-F	92,211	90,753
14,286 NEI GL IMP BND-PF	121,497	115,804
8,145 PIMCO MTHY INCM-M	102,505	102,584
11,146 PM FRT ICM CL-F	123,234	118,640
4,814 TD RET BAL-FT5	<u>60,274</u>	<u>60,124</u>
	\$ <u>747,004</u>	\$ <u>719,349</u>

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**SAINT MARY'S UNIVERSITY FACULTY UNION**

NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2024

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**3. Investments (continued)**

	<u>Cost</u>	<u>Market Value</u>
<b><u>Other</u></b>		
7,111 NEI CLN INFR-PF	\$ 74,525	\$ 56,904
502 NP GLD BULL CL F	<u>10,432</u>	<u>11,604</u>
	<u>\$ 84,957</u>	<u>\$ 68,508</u>
<b><u>Equities</u></b>		
825 Bank of Montreal	\$ 30,513	\$ 109,106
1,255 Bank of Nova Scotia	62,221	87,938
1,505 BCE Inc.	61,496	69,275
2,610 BMO Premium Yield HDG ETF	76,125	75,142
1,673 Brookfield Renew-A Exch SVS	70,332	55,611
1,115 CI Canadian REIT ETF	16,308	18,007
10,796 CI INVT Grade BD ETF	109,743	99,647
587 CI WISD CDA QLT ETF	20,451	22,365
1,245 Canadian Imperial Bank of Commerce	53,227	85,494
128 Canadian National Railway	20,274	22,831
2,359 Dynamic ACTV PREF SHS ETF	50,375	49,916
1,849 Emera Incorporated	47,318	88,142
451 Enbridge Inc	20,420	22,076
1,172 Fortis Inc	50,651	62,725
1,000 Just Us!	10,000	10,000
244 National Bank of Canada	25,296	27,831
942 Nutrien Ltd	64,709	69,322
784 Royal Bank of Canada	39,951	107,110
733 Sunlife Financial Inc	33,488	54,176
223 TC Energy Corp	10,372	12,140
1,120 Telus Corp	29,170	24,270
1,038 Toronto Dominion Bank	34,637	84,857
598 WSP Global Inc	41,387	135,004
176 Apple Inc	27,663	40,895
109 Avery Dennison Corp	17,671	32,973
84 Becton Dickinson & Co	26,691	28,165
52 Caterpillar Inc	19,324	25,817
60 Costco Wholesale Corp	24,375	59,563
41 Deere & Co	21,362	22,819
268 iShares Dow Jones US EFT	9,710	46,515
138 Johnson & Johnson	23,863	29,580
121 Merck & Co Inc.	18,242	21,634
101 Microsoft Corporation	12,872	57,578
715 Pfizer Inc.	37,379	26,885
189 Procter & Gamble Co.	31,818	41,551
107 Visa Inc. Class A	19,196	40,462
157 Waste Management Inc.	<u>24,362</u>	<u>45,344</u>
	<u>\$ 1,292,992</u>	<u>\$ 1,912,766</u>

**SAINT MARY'S UNIVERSITY FACULTY UNION**

NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2024

**3. Investments (continued)**

	<u>Cost</u>	<u>Market Value</u>
<b><u>Mutual funds</u></b>		
611 EDGPT CDN PTF-F	\$ 25,965	\$ 29,408
6,254 NEI ENVR LDRS-PF	74,962	135,207
6,529 NBI GL EQ-F	<u>212,588</u>	<u>244,771</u>
	\$ <u>313,515</u>	\$ <u>409,386</u>
	<u>\$ 2,438,468</u>	<u>\$ 3,110,009</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.

**4. Capital assets**

	2024			2023	
	<u>Rate</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer	30%	\$ 15,770	\$ 10,766	\$ 5,004	\$ 5,193
Office equipment	20%	<u>368</u>	<u>232</u>	<u>136</u>	<u>170</u>
		<u>\$ 16,138</u>	<u>\$ 10,998</u>	<u>\$ 5,140</u>	<u>\$ 5,363</u>

**5. Memberships**

	<u>2024</u>	<u>2023</u>
<b>Union memberships</b>		
Canadian Association of University Teachers	\$ 63,519	\$ 59,889
Canadian Association of University Teachers Defence Fund	24,936	20,358
Association of Nova Scotia University Teachers	6,737	37,005
National Union of Canadian Association of University Teachers	3,373	3,040
Nova Scotia Federation of Labour and Halifax Labour Council	<u>2,836</u>	<u>2,851</u>
	<u>\$ 101,401</u>	<u>\$ 123,143</u>
<b>Atlantic School of Theology Faculty Associations (ASTFA) memberships</b>		
Canadian Association of University Teachers	\$ 2,230	\$ 2,066
Canadian Association of University Teachers Defence Fund	840	685
Association of Nova Scotia University Teachers	<u>727</u>	<u>690</u>
	<u>\$ 3,797</u>	<u>\$ 3,441</u>

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## SAINT MARY'S UNIVERSITY FACULTY UNION

### NOTES TO FINANCIAL STATEMENTS MARCH 31, 2024

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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 \$11,311 (2023 - \$6,291).

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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.

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#### 8. Contingent liability

In accordance with the Union's sick leave policy, the staff have accumulated sick days, at a total possible cost of approximately \$9,859. 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.

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