

WILFRID LAURIER UNIVERSITY FACULTY ASSOCIATION

Financial Statements

Year Ended June 30, 2018

Draft for discussion purposes only

WILFRID LAURIER UNIVERSITY FACULTY ASSOCIATION
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Year Ended June 30, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Members of Wilfrid Laurier University Faculty Association

We have audited the accompanying financial statements of Wilfrid Laurier University Faculty Association, which comprise the statement of financial position as at June 30, 2018 and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Wilfrid Laurier University Faculty Association as at June 30, 2018 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

(continues)

Independent Auditor's Report to the Members of Wilfrid Laurier University Faculty Association
(continued)

Waterloo, Ontario
October 30, 2018

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

Draft for discussion purposes only

WILFRID LAURIER UNIVERSITY FACULTY ASSOCIATION
Statement of Financial Position
June 30, 2018

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 265,412	\$ 261,711
Term deposits (Note 3)	483,728	637,451
Prepaid expenses	2,766	2,766
	751,906	901,928
CAPITAL ASSETS (Note 4)	5,364	9,981
LONG TERM DEPOSITS (Note 3)	161,442	-
	\$ 918,712	\$ 911,909
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 113,979	\$ 124,730
NET ASSETS	804,733	787,179
	\$ 918,712	\$ 911,909

ON BEHALF OF THE EXECUTIVE

_____ Director

_____ Director

The accompanying notes form an integral part of these financial statements

WILFRID LAURIER UNIVERSITY FACULTY ASSOCIATION
Statement of Changes in Net Assets
Year Ended June 30, 2018

	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ 787,180	\$ 821,813
Excess (deficiency) of revenue over expenses	<u>17,553</u>	<u>(34,634)</u>
NET ASSETS - END OF YEAR	<u>\$ 804,733</u>	<u>\$ 787,179</u>

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WILFRID LAURIER UNIVERSITY FACULTY ASSOCIATION
Statement of Revenues and Expenditures
Year Ended June 30, 2018

	2018	2017
REVENUE		
Members' dues	\$ 837,344	\$ 827,547
Interest income	7,720	7,929
	<u>845,064</u>	<u>835,476</u>
EXPENSES		
Wages and benefits	285,930	288,144
Association dues	271,086	267,148
Legal fees, grievance and arbitration	130,164	40,255
Stipends and course releases	54,503	84,574
Travel and conferences	23,607	18,237
Donations	17,073	11,645
Social events and awards	14,944	16,293
Office	8,148	12,283
Amortization	6,466	6,760
Audit	5,870	5,509
Insurance	4,459	4,243
Executive and general meetings	3,150	4,336
Negotiations	2,111	110,683
	<u>827,511</u>	<u>870,110</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 17,553	\$ (34,634)

The accompanying notes form an integral part of these financial statements

WILFRID LAURIER UNIVERSITY FACULTY ASSOCIATION

Statement of Cash Flow
Year Ended June 30, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 17,553	\$ (34,634)
Item not affecting cash:		
Amortization of capital assets	6,466	6,760
	24,019	(27,874)
Change in non-cash working capital:		
Accounts payable and accrued liabilities	(10,749)	77,180
Cash flow from operating activities	13,270	49,306
INVESTING ACTIVITIES		
Purchase of capital assets	(1,849)	(478)
Term deposits	(7,720)	148,039
Cash flow from (used by) investing activities	(9,569)	147,561
INCREASE IN CASH FLOW	3,701	196,867
Cash - beginning of year	261,711	64,844
CASH - END OF YEAR	\$ 265,412	\$ 261,711

The accompanying notes form an integral part of these financial statements

WILFRID LAURIER UNIVERSITY FACULTY ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2018

1. PURPOSE OF THE ASSOCIATION

The purpose of the Association is to promote the welfare and interests of the faculty and professional librarians of Wilfrid Laurier University, including the regulation of employment between the University and the faculty and professional librarians as provided for in the collective agreements and applicable labour legislation of the Government of Ontario. The Association is exempt from taxation as a labour organization under section 149(1)(k) of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Financial instruments policy

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. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Office improvements	12.5%	straight-line method
Office furniture	12.5%	straight-line method
Office equipment	20.0%	straight-line method

Revenue recognition

The Association follows the deferral method of accounting for contributions. Members' dues are recognized in the month they are deducted from the members' pay. Interest income is recognized as it is earned over time and donations are recognized in revenue as they are received.

Contributed services

The Association uses the services of volunteers to assist the organization in carrying out its activities. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of 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 management's best estimates as additional information becomes available in the future.

WILFRID LAURIER UNIVERSITY FACULTY ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2018

3. TERM DEPOSITS

	<u>2018</u>	<u>2017</u>
Term deposit bearing interest at 1.20% per annum, maturing August 6, 2018	\$ 162,194	\$ -
Term deposit bearing interest at 1.20% per annum, maturing November 6, 2018	161,224	-
Term deposit bearing interest at 1.30% per annum, maturing May 7, 2019	160,311	-
Term deposit bearing interest at 1.30% per annum, maturing July 23, 2019	161,442	-
Term deposit bearing interest at 1.18% per annum, matured April 24, 2018	-	159,528
Term deposit bearing interest at 1.20% per annum, matured February 6, 2018	-	158,345
Term deposit bearing interest at 1.22% per annum, matured August 8, 2017	-	159,309
Term deposit bearing interest at 1.2% per annum, matured August 6, 2017	-	160,271
	<u>645,171</u>	637,453
Long term deposits	<u>(161,442)</u>	-
	<u>\$ 483,729</u>	<u>\$ 637,453</u>

These term deposits are valued at cost plus accrued interest.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Office improvements	\$ 32,649	\$ 32,101	\$ 548	\$ 4,629
Office furniture	22,607	21,981	626	876
Office equipment	16,280	12,090	4,190	4,476
	<u>\$ 71,536</u>	<u>\$ 66,172</u>	<u>\$ 5,364</u>	<u>\$ 9,981</u>

5. BANK LOAN

The Association has an authorized line of credit of \$100,000 with interest charged at prime, which was unused as at June 30, 2018. This credit facility has been guaranteed by one of the Association's guaranteed investment certificates.

WILFRID LAURIER UNIVERSITY FACULTY ASSOCIATION

Notes to Financial Statements

Year Ended June 30, 2018

6. RELATED PARTY TRANSACTIONS

Related parties include the members of the Executive Committee. The Association receives ten stipends and course releases from Wilfrid Laurier University, at no cost, to be allocated at the Association's discretion. Additional stipends and course releases may be purchased from the University.

Of the ten stipends and course releases received from the University, eight were allocated to Executive Committee members for their work on behalf of the Executive and/or other Association committees.

The following is a summary of the Association's purchased stipends and course releases:

	2018	2017
Stipends and course releases:		
Executive Committee	\$ 23,818	\$ 37,664
Members	30,685	46,910
	<u>\$ 54,503</u>	<u>\$ 84,574</u>
Included in negotiations expense:		
Executive Committee	\$ -	\$ 37,319
Members	-	33,651
	<u>\$ -</u>	<u>\$ 70,970</u>

These transactions are 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.

7. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments and has a risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Association's risk exposure and concentration as of June 30, 2018. Except as noted below, the Association's exposure to these risks did not change significantly during the year.

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 Association manages exposure through its normal operating and financing activities. The Association is exposed to interest rate risk primarily through its term deposits.

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant other risks arising from these financial instruments.