

Y.U.F.A. TRUST FUND
FINANCIAL STATEMENTS

30 April 2011

DRAFT STATEMENT 28 November 2011

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Philip Creighton, FCA
Chartered Accountant

Independent auditor's report

To the Trustees of the Y.U. F.A. Trust Fund

I have audited the accompanying financial statements of the Y.U. F.A. Trust Fund which comprise the statement of financial position as at 30 April 2011 and the statements of receipt and disbursement and resource availability, revenues and expenses, changes in net assets, and of cash flows, for the year then ended, and a summary of accounting policies and other explanatory notes and schedules.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion the financial statements present fairly, in all material respects the financial position of the Y.U.F.A. Trust Fund as at 30 April 2011 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto

Date 26 October 2011

Philip Creighton
Licensed public accountant

Y.U.F.A. TRUST FUND**Statement of receipts and disbursements and resource availability**

Year ended 30 April 2011

	2011	2010
Receipts		
Employment insurance premium rebates received during year (Notes 2 & 8)	\$ 105,231	\$ 106,141
Interest	<u>17,549</u>	<u>17,508</u>
	<u>\$ 122,780</u>	<u>\$ 123,649</u>
Disbursements		
Contribution to summer literacy and Advanced Credit Experience	\$ 10,000	\$ 10,000
Contribution to York University Transition Year Program	25,000	-
Administration	<u>2,900</u>	<u>3,138</u>
	<u>\$ 37,900</u>	<u>\$ 13,138</u>
Excess (deficiency) of receipts over disbursements	\$ 84,880	\$ 110,511
Adjustment (net) required to convert to accrual basis of accounting	\$ 1,745	10,373
Resource availability at beginning of year	<u>749,314</u>	<u>628,430</u>
Resource availability at end of year	<u>\$ 835,939</u>	<u>\$ 749,314</u>
Resource availability at end of year represented by:		
Cash and equivalent	\$ 454,466	\$ 127,996
Investments	396,470	631,669
Payables	<u>10,003</u>	<u>(10,351)</u>
	<u>\$ 860,939</u>	<u>\$ 749,314</u>

Y.U.F.A. TRUST FUND**Statement of financial position**

30 April 2011

	2011	2010
ASSETS		
Cash	\$ 191,012	\$ 119,035
Accounts receivable (note 3)	263,453	8,961
Investments (note 4)	<u>396,470</u>	<u>631,669</u>
	<u>\$ 850,935</u>	<u>\$ 759,665</u>
LIABILITIES		
Accounts payable	\$ (18,604)	\$ 6,151
Payable to Y.U.F.A. Foundation	<u>8,600</u>	<u>4,200</u>
	<u>\$ (10,004)</u>	<u>\$ 10,351</u>
NET ASSETS		
Net assets (note 6) - restricted	<u>1,002,311</u>	<u>845,455</u>
	<u>\$ 992,307</u>	<u>\$ 855,806</u>

Contingent liability, excess employment insurance contributions (Note 8)**Commitment, 2012 payment pledged to York University Transition Year Program (Note 10)**

Approved upon behalf of the Trustees

Paul Evans Walter Whiteley

Y.U.F.A. TRUST FUND
Statement of revenue and expense
Year ended 30 April 2011

	2011	2010
Revenue		
Interest	\$ 17,549	\$ 17,508
Increase in unrealized gain in fair value of investments	3,847	3,653
Gain on disposal of investments (net of accumulated amortization of investment premiums)	-	6,741
	<u>\$ 21,396</u>	<u>\$ 27,902</u>
Expense		
Amortization of investment premiums (Note 2)	\$ 2,102	\$ 21
Administration	2,900	3,138
	<u>\$ 5,002</u>	<u>\$ 3,159</u>
Excess of revenue over expense	<u>\$ 16,394</u>	<u>\$ 24,743</u>

Y.U.F.A. TRUST FUND
Changes in net assets
Year ended 30 April 2011

	2011	2010
Net assets at beginning of year	\$ 845,455	\$ 628,430
Excess of revenue over expense	16,394	24,743
Contribution to summer literacy camps and Advanced Credit Experience	(10,000)	(10,000)
Contribution to York University Transition Year Program	(25,000)	-
Employment insurance premium rebates received during year (Notes 2 & 8)	105,231	106,141
Net assets at end of year	<u>\$1,002,311</u>	<u>\$ 845,455</u>

Y.U.F.A. TRUST FUND

Statement of cash flows

Year ended 30 April 2011

	2011	2010
Cash from operations		
Excess of revenue over expense	\$ 16,394	\$ 24,743
Gain on disposal of investments not contributing cash	-	(6,741)
Increase in unrealized fair value of investments not contributing cash	(3,909)	(3,653)
Amortization of investment premiums not requiring cash	2,164	21
Change in non-cash working capital, contributing (employing) cash	<u>(249,846)</u>	<u>6,543</u>
Net change in cash from operations	\$ <u>(235,197)</u>	\$ <u>20,913</u>
Cash from (used in) investments		
Sales of investments	\$ 325,243	\$ 218,060
Purchases of investments	<u>(88,300)</u>	<u>(387,055)</u>
Net cash used to purchase/ received from sale of investments	<u>236,943</u>	<u>(168,995)</u>
Cash from other activities		
Contribution to summer literacy camps and Advanced Credit Experience	(10,000)	(10,000)
Contribution to York University Transition Year Program	(25,000)	-
Employment insurance premium rebates received during year (Note 9)	<u>105,231</u>	<u>106,141</u>
Total cash received/ used in other activities	\$ <u>70,231</u>	\$ <u>96,141</u>
Net increase (decrease) in cash for year	\$ 71,977	\$ (51,941)
Cash at beginning of year	<u>119,035</u>	<u>170,976</u>
Cash at end of year	\$ <u>191,012</u>	\$ <u>119,035</u>

Y.U.F.A. TRUST FUND

Notes to financial statements

Year ended 30 April 2011

1. Purpose statement

The Trust was created on 16 March 1982, as a result of an agreement between the York University Faculty Association and the Trustees, to provide benefits of any kind whatsoever to or for the faculty members of York University.

2. Accounting policies

During the year the Trust adopted the *Accounting Standards for Not-for-profit Organizations* in Part III of the Canadian Institute of Chartered Accountants Handbook. The adoption resulted in one change in presentation that is discussed below.

Basis of accounting

The Trust follows the accrual basis of accounting, under which revenue and expense are reflected in the year in which they are earned or incurred without regard to the receipt or payment of cash.

Fair value

The Trust's financial instruments - (other than investments, see note below) - cash, accounts receivable, and accounts payable are reported at cost. The trustees feel that, given the short life of these assets and liabilities, the reported values approximate fair value satisfactorily.

Y.U.F.A. TRUST FUND

Notes to financial statements (continued)

Year ended 30 April 2011

2. Accounting policies (continued)

Investments

Investments are valued at fair value. The trustees believe that there is no unusual credit, currency or interest rate risk in the Trust's investments. Where the Trust has purchased an investment at a premium, it is being amortized on a straight line basis over the remaining term of the investment.

Capital receipts recognition

The Trust receives the York University Faculty Association's share of the employment insurance rebate and records it as a capital contribution in the month of receipt.

Employment insurance contribution and revenue recognition

Employment insurance contribution is recorded in the month the member makes the contribution. Interest is recorded as earned.

Use of estimates

The preparation of these financial statements in conformity with Canadian generally accepted accounting principles requires the trustees to make estimates and assumptions that affect the reported amount of assets and liabilities, and the reported amounts of revenues and expenses during the year. These estimates are reviewed periodically and adjustments are made to income in the year they become known.

Tax status of the Trust

The trustees have determined, acting on the advice of counsel, that the Trust is a "labour organisation" within the meaning of section 149(1)(k) of the Income Tax Act and so is exempt from its provisions.

Change in accounting presentation

As a result of adopting *Accounting Standards for Not-for-profit Organizations*, as noted above, the Trust has included the increase (decrease) in the unrealized gain (loss) in its investments in its statement of revenue and expense rather in the statement of changes in net assets. The change has been applied retroactively and has no effect on net assets previously reported.

3. Cash and equivalent in Statement of receipts and disbursements and resource availability

For the purposes of this statement, cash and equivalent includes cash in bank and with broker and accrued interest.

4. Accounts receivable

Accounts receivable consist of accrued interest, and cash at the broker's.

5. Investments

Investments are debt securities of four Canadian and one American corporations maturing 25 May 2011 to 3 November 2014 with interest rates of 1.91 to 5.15%.

During the year the Trust amortized investment premiums at a cost of \$2,102 (2010 \$21).

Y.U.F.A. TRUST FUND

Notes to financial statements (continued)

Year ended 30 April 2011

6. Net assets

The Trust's original equity, in the amount of \$87,651, came from the reductions in employment insurance premiums collected from the faculty members during the period 1 May 1978 to 16 March 1982, with interest thereon, as a consequence of an amendment to the collective agreement between York University Faculty Association and York University. Since the beginning of the Trust, continuing employment insurance premium rebates have been received in the amount of \$1,489,380.

7. Related parties

Two of the trustees also act as directors of the Y.U.F.A. Foundation, and one is an officer of the York University Faculty Association.

During the year the Trust contributed \$700 (2010, \$1,034) in legal and audit fees to the Foundation. The Trust collected \$4,400 (2010, \$4,200) from the Osgoode Hall Law School faculty's contribution to the Foundation's scholarship program, which appears on the statement of financial position as due to the Foundation. There were no other transactions between the Trust and the Foundation or the Association.

8. Benefits provided for faculty members

During the year the Trust paid \$700, as described in Note 6 above, to the Y.U.F.A. Foundation, \$10,000 (2010, \$10,000) to summer literacy camps and the Advance Credit Experience program involving the local community, and a further \$25,000 to the York University Transition Year Program.

To date the Trust has made contributions in the amount of \$1,835,089 to provide benefits to or for faculty members,

9. Contingent liability, excess Employment Insurance contributions

During the year, the Trust received \$3,948 (2010, \$7,200) more in Employment Insurance savings than its entitlement from YUFA members, retirees, and Osgoode Hall faculty. The Trustees believe these contributions are from YUFA exempt faculty, and the Trust will continue to receive such contributions.

10. Subsequent commitment

The Trust is committed to pay in 2012, \$25,000 to the York University Transition Year Program. This initiative was approved by the membership at the 2007 annual general meeting.