

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

30 April 2010

DRAFT 19 November 2010

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Philip Creighton, FCA
Chartered Accountant

AUDITOR'S REPORT

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

I have audited the statement of financial position of the Y.U.F.A. Trust Fund as at 30 April 2010 and the statements of revenue and expense, cash flows, and changes in net assets for the year then ended. These financial statements are the responsibility of the Trust Fund's management. 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. These standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion these financial statements present fairly, in all material respects, the financial position of the Y.U.F.A. Trust Fund as at 30 April 2010 and the results of its operations and the changes in its cash flows for the year then ended, in accordance with Canadian generally accepted accounting principles.

Toronto
2 November 2010

Chartered accountant, licensed public accountant

Y.U.F.A. TRUST FUND
Statement of revenue and expense
Year ended 30 April 2010

	2010	2009
Revenue		
Interest	\$ 17,508	\$ 21,160
Gain on disposal of investments (net of accumulated amortization of investment premiums)	<u>6,741</u>	<u>252</u>
	<u>\$ 24,249</u>	<u>\$ 21,412</u>
Expense		
Amortization of investment premiums (Note 2)	\$ 21	\$ 1,602
Administration	<u>3,138</u>	<u>5,055</u>
	<u>\$ 3,159</u>	<u>\$ 6,657</u>
Excess of revenue over expense	<u>\$ 21,090</u>	<u>\$ 14,755</u>

Y.U.F.A. TRUST FUND

Changes in net assets
Year ended 30 April 2010

	2010	2009
Net assets at beginning of year	\$ 634,255	\$ 533,234
Excess of revenue over expense	21,090	14,755
Contribution to summer literacy camps and Advanced Credit Experience	(10,000)	(10,000)
Contribution to Glendon Senior Common Room renovation	-	(6,250)
Contribution (to) / from Y.U.F.A. Foundation	-	850
Employment insurance premium rebates received during year (Note 8)	<u>106,141</u>	<u>101,666</u>
Net assets at end of year, from operations	<u>\$ 749,376</u>	<u>\$ 634,255</u>
Unrealised loss on financial instruments		
Adjustment to fair value at beginning of year	\$ (3,715)	\$ (10,875)
Increase (decline) in fair value during year	<u>3,653</u>	<u>7,160</u>
Unrealised loss at end of year	<u>\$ (62)</u>	<u>\$ (3,715)</u>
Net assets at end of year, before prior period adjustment	\$ 749,314	\$ 630,540
Prior period adjustment, Y.U.F.A. Foundation administrative costs (Note 2)	<u>-</u>	<u>(2,110)</u>
Net assets at end of year, after prior period adjustment	<u>\$ 749,314</u>	<u>\$ 628,430</u>

Y.U.F.A. TRUST FUND

Statement of cash flows
Year ended 30 April 2010

	2010	2009
Cash from operations		
Excess of revenue over expense	\$ 21,090	\$ 15,305
Gain on disposal of investments not producing cash	(6,741)	(252)
Amortization of investment premiums not requiring cash	21	1,602
Change in non-cash working capital, contributing (employing) cash	<u>6,543</u>	<u>8,695</u>
Net change in cash from operations	<u>\$ 20,913</u>	<u>\$ 25,350</u>
Cash from (used in) investments		
Sales of investments	\$ 218,060	\$ 230,000
Purchases of investments	<u>(387,055)</u>	<u>(255,666)</u>
Net cash used to purchase investments	<u>(168,995)</u>	<u>(25,666)</u>
Cash from other activities		
Contribution to summer literacy camps and Advanced Credit Experience	(10,000)	(10,000)
Contribution to YUFA Awards / Faculty of Health scholarship.	-	-
Contribution to Glendon Senior Common Room renovation	-	(6,250)
Contribution to Y.U.F.A. Foundation	-	259
Employment insurance premium rebates received during year (Note 8)	<u>106,141</u>	<u>101,666</u>
Net increase (decrease) in cash for year	<u>\$ (51,941)</u>	<u>\$ 85,359</u>
Cash at beginning of year	<u>170,976</u>	<u>85,617</u>
Cash at end of year	<u>\$ 119,035</u>	<u>\$ 170,976</u>

Y.U.F.A. TRUST FUND
Statement of financial position
30 April 2010

	2010	2009
ASSETS		
Cash	\$ 119,035	\$ 170,976
Accounts receivable (note 3)	8,961	10,448
Investments (note 4)	<u>631,669</u>	<u>452,302</u>
	<u>\$ 759,665</u>	<u>\$ 633,726</u>
LIABILITIES		
Accounts payable	\$ 6,151	\$ 5,296
Payable to Y.U.F.A. Foundation	<u>4,200</u>	<u>-</u>
	<u>\$ 10,351</u>	<u>\$ 5,296</u>
NET ASSETS		
Net assets (note 6) - restricted	<u>749,314</u>	<u>628,430</u>
	<u>\$ 759,665</u>	<u>\$ 633,726</u>

Contingent liability , excess employment insurance contributions (Note 8)

Approved upon behalf of the Trustees

Paul Evans Walter Whiteley

Y.U.F.A. TRUST FUND
Notes to financial statements
Year ended 30 April 2010

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

The Trust employs generally accepted accounting principles appropriate for a contractual trust. The major principles are described 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.

Investments

Investments are valued at fair value, on the "available for sale" basis. 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.

Revenue recognition

Interest is recorded as earned.

Y.U.F.A. TRUST FUND

Notes to financial statements (continued)

Year ended 30 April 2010

2. Accounting policies (continued)

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.

Adjustment to prior year's financial statements

The prior year's financial statements have been adjusted to reflect the retroactive assumption of the Y.U.F.A. Foundation's administrative costs resulting in an increase in administrative expense of \$550 and a corresponding decrease in the excess of revenue over expense. This change is more fully discussed immediately below.

Y.U.F.A. Foundation administrative costs, prior period adjustment

At the annual general meeting 10 November 2006, the trustees passed a motion empowering the Trust to pay the Foundation's administrative costs, principally legal and audit, in order to conserve the latter's resources. This motion was not implemented. Effective from the 2007 financial year the Trust has assumed all the Foundation's administrative costs, resulting in a reduction of its net assets of \$2,110, as at 1 May 2009. The change has been applied retroactively. Inclusion of the Foundation's administrative costs has reduced the excess of revenue over expense by \$1,043 in the current year (2009, \$550.)

3. Accounts receivable

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

4. Investments

Investments are debt securities of six Canadian and one American corporations maturing 26 August 2010 to 6 July 2013 with interest rates of 1.91 to 5.15%.

During the year the Trust amortized investment premiums at a net cost of \$21 (2009 \$1,602), being \$811 charge less \$790 accumulated amortization recovered from gains on disposal of investments.

5. 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 \$1,384,149.

6. 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 \$1,034 in legal and audit fees to the Foundation. The Trust collected \$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. In the prior year the Trust received \$259 from the Foundation representing a \$3,000 capital contribution for scholarships, and \$591 paid out on behalf of the Foundation for past and current administrative expenses, less \$3,850 for the Osgoode Hall Law School faculty's contribution to the Foundation's scholarship program. There were no other transactions between the Trust and the Foundation or the Association.

collectively.

Y.U.F.A. TRUST FUND

Notes to financial statements (continued)

Year ended 30 April 2010

7. Benefits provided for faculty members

During the year the Trust paid \$1,034, as described in Note 6 above, (2009, received \$850) to the Y.U.F.A. Foundation, \$10,000 (2009, \$10,000) to summer literacy camps and the Advance Credit Experience program involving the local community,.

To date the Trust has made contributions in the amount of \$1,799,389 to provide benefits to or for faculty members,

8. Contingent liability, excess Employment Insurance contributions

During the year, the Trust received \$7,200 (2009, \$4,800) 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.

DRAFT 19 November 2010