

YUFA Trust Fund
Financial Statements
April 30, 2019

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Independent Auditors' Report

To the Trustee of YUFA Trust Fund

Opinion

We have audited the accompanying financial statements of YUFA Trust Fund, which comprise the balance sheet as at April 30, 2019 and the statements of receipts and disbursements and net assets, 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 YUFA Trust Fund as at April 30, 2019, and its financial performance 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of YUFA Trust Fund in accordance with the ethical requirements that are relevant to our audit of 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 opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 YUFA Trust Fund'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 YUFA Trust Fund or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing YUFA Trust Fund's financial reporting process.

Auditors' 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 auditors' 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.

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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 YUFA Trust Fund'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 YUFA Trust Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause YUFA Trust Fund 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.

Chartered Accountants
Licensed Public Accountants
Toronto, Ontario

	Notes	April 30	
		2019	2018
Assets			
Cash		\$ 298,035	\$ 149,018
Accounts receivable		19,341	22,300
Due from Y.U.F.A. Foundation		-	4,000
Loan receivable	2	35,000	105,000
Investments	3	584,912	664,540
		<u>\$ 937,288</u>	<u>\$ 944,858</u>
Liabilities			
Accounts payable and accrued liabilities		\$ 8,927	\$ 28,288
Net Assets			
		<u>928,361</u>	<u>916,570</u>
		<u>\$ 937,288</u>	<u>\$ 944,858</u>

See accompanying notes

Approved on behalf of the Trustess of
YUFA Trust Fund:

Paul Evans, Chair

Hongmei Zhu, Treasurer

Statement of Receipts and Disbursements and Net Assets

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		Year ended April 30	
		2019	2018
Receipts	Note		
Employment insurance premium rebates received		\$ 128,037	\$ 119,557
Investment income (page 4)		20,209	22,527
		<u>148,246</u>	<u>142,084</u>
Disbursements			
Disbursements on behalf of members Administration	4	135,000	160,000
		1,455	5,101
		<u>136,455</u>	<u>165,101</u>
Excess of receipts over disbursements (disbursements over receipts)		11,791	(23,017)
Net assets, beginning of year		916,570	939,587
Net assets, end of year		<u>\$ 928,361</u>	<u>\$ 916,570</u>

See accompanying notes

Statement of Investment Income

	Year ended April 30	
	2019	2018
Revenue		
Investment income	\$ 12,926	\$ 12,937
Unrealized gain on investments	7,283	9,590
	<u>\$ 20,209</u>	<u>\$ 22,527</u>

See accompanying notes

Statement of Cash Flows

	Year ended April 30	
	2019	2018
Net cash provided by (used in)		
Operations		
Excess of receipts over disbursements		
(disbursements over revenue) for the year	\$ 11,791	\$ (23,017)
Unrealized gain on investments	(7,283)	(9,590)
Changes in non-cash working capital items:		
Accounts receivable	2,959	(615)
Loan receivable	70,000	-
Accounts payable and accrued liabilities	(19,361)	10,114
Due from Y.U.F.A. Foundation	4,000	4,000
	62,106	(19,108)
Investing		
Sales of investments	439,745	376,000
Purchase of investments	(352,834)	(394,675)
	86,911	(18,675)
Net increase (decrease) in cash during the year	149,017	(37,783)
Cash, beginning of year	149,018	186,801
Cash, end of year	\$ 298,035	\$ 149,018

See accompanying notes

Notes to the Financial Statements
April 30, 2019

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

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 May 1, 1978 to March 16, 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, employment insurance premium rebates have been received in the amount of \$2,303,678.

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

1. Summary of accounting policies**Basis of presentation**

The financial statements have been prepared using the Canadian Accounting Standards for not-for-profit organizations.

Revenue 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. Interest is recorded as earned.

Measurements of financial instruments

The Trust initially measures its financial assets and liabilities at fair value. The Trust subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities. The Trust has not designated any financial asset or financial liability to be measured at fair value except for investments.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organization requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. Such estimates include accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Loan receivable

The loan to YUFA is non-interest bearing and to be repaid in three annual payments of \$35,000 each, starting May 1, 2017. The first payment was delayed, but was paid with the second payment on October 15, 2018.

3. Investments

	2019		2018	
	Cost	Fair Value	Cost	Fair Value
Guaranteed investment certificates and cash equivalents	\$ 252,764	\$ 252,764	\$ 339,676	\$ 339,676
Preferred shares	322,494	332,148	322,494	324,865
	<u>\$ 575,258</u>	<u>\$ 584,912</u>	<u>\$ 662,170</u>	<u>\$ 664,541</u>

The guaranteed investment certificates bear interest at 1.40% to 2.70% maturing between September 6, 2019 and June 29, 2020.

4. Contributions and benefits provided for faculty members

	2019	2018
YUFA Community Projects	\$ 100,000	\$ 100,000
Faculty Graduate Student Bistro	25,000	50,000
Advanced Credit Experience, annual grant	10,000	10,000
	<u>\$ 135,000</u>	<u>\$ 160,000</u>

To date the Trust has made contributions in the amount of \$2,727,080 to provide benefits on behalf of faculty members.

5. Related parties

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

6. Commitments

The Trust has made the following commitments:

YUFA Community Projects	\$ 100,000
Advanced Credit Experience	\$ 10,000
Faculty Graduate Student Bistro	\$ 50,000

7. Financial risks

Credit risk

The carrying value of cash, accounts receivable, and accounts payable and accrued liabilities, approximates their fair market value due to the immediate or short-term maturity of these instruments. In management's opinion, the Trust is not exposed to any significant concentration of interest rate, credit or currency risk with respect to these financial instruments.

7. Financial risks (continued)

Liquidity risk

The Trust considers that it has sufficient credit facilities and investments to ensure that funds are available to meet its current and long-term financial needs.

Market risk

The Trust is exposed to market risk with respect to its investments.