

FINANCIAL STATEMENTS

University of Waterloo Staff Association
Unaudited - see Review Engagement Report

April 30, 2017



Hemmerich, Flanagan, Kratz, McRae & Wilson LLP

Chartered Professional Accountants

Review Engagement Report

To the Executive Committee of
University of Waterloo Staff Association

We have reviewed the statement of financial position of the **University of Waterloo Staff Association** as at **April 30, 2017**, and the statements of changes in surplus, operations and cash flows for the year then ended. These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Association.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

*Hemmerich, Flanagan, Kratz,
McRae & Wilson LLP*

Waterloo, Ontario
August 18, 2017

Hemmerich, Flanagan, Kratz, McRae & Wilson LLP
Chartered Professional Accountants, Licensed Public Accountants

University of Waterloo Staff Association

Statement of Financial Position

As as April 30

Unaudited - see Review Engagement Report

	2017	2016
ASSETS		
Current		
Cash	\$ 94,458	\$ 80,284
Accounts receivable	96	192
Short-term investments	337,383	333,032
Prepaid expenses	17,650	-
	449,587	413,508
Capital assets - Note 3	8,558	9,182
	\$ 458,145	\$ 422,690
LIABILITIES AND SURPLUS		
Current		
Accounts payable and accrued liabilities	\$ 21,348	\$ 23,357
Surplus	436,797	399,333
	\$ 458,145	\$ 422,690

See accompanying notes

University of Waterloo Staff Association

Statement of Changes in Surplus

Year ended April 30

Unaudited - see Review Engagement Report

	2017	2016
Investments in Capital Assets		
Balance - beginning of year	\$ 9,182	\$ 9,258
Investment in capital assets	2,572	2,769
Amortization	(3,197)	(2,845)
Balance - end of year	\$ 8,557	\$ 9,182
Wind-up Reserve Fund		
Balance - beginning of year	\$ 245,062	\$ 245,062
Transfer from Operating Surplus	35,836	-
Balance - end of year	\$ 280,898	\$ 245,062
Projects Reserve Fund		
Balance - beginning of year	\$ 50,000	\$ 43,788
Transfer from Operating Surplus	-	6,212
Balance - end of year	\$ 50,000	\$ 50,000
Operating Surplus		
Balance - beginning of year	\$ 95,089	\$ 41,314
Excess of revenues over expenditures	37,464	59,911
Investment in capital assets	(2,572)	(2,769)
Amortization	3,197	2,845
Transfer to Wind-up Reserve Fund	(35,836)	-
Transfer to Special Projects Fund	-	(6,212)
Balance - end of year	\$ 97,342	\$ 95,089
	\$ 436,797	\$ 399,333

See accompanying notes

University of Waterloo Staff Association

Statement of Operations

Year ended April 30

Unaudited - see Review Engagement Report

	2017	2016
Revenue		
Membership dues	\$ 299,160	\$ 290,599
Other revenue	14,941	12,280
	314,101	302,879
Expenses		
Payroll and employee expenses	223,666	195,727
Office and administration	11,311	12,115
Professional services	8,154	9,061
Member benefits	10,967	8,270
Board operations	8,350	6,482
Communication and membership	6,587	5,703
Fundraising and social	3,009	3,185
Amortization	3,197	2,845
Member advisory	3,818	2,566
Outreach	1,929	479
	280,988	246,433
Income from operations	33,113	56,446
Other revenue		
Interest revenue	4,351	3,465
Excess of revenue over expenditures	\$ 37,464	\$ 59,911

See accompanying notes

University of Waterloo Staff Association

Statement of Cash Flows

Year ended April 30

Unaudited - See Review Engagement Report

	2017	2016
Cash flows from operating activities		
Cash receipts from members	\$ 314,197	\$ 302,687
Cash paid to suppliers and employees	(297,451)	(248,908)
Interest received	4,351	3,465
Cash flows from operating activities	21,097	57,244
Cash flows from investing activities		
Purchase of capital assets - <i>Note 3</i>	(2,572)	(2,769)
Increase in short-term investments	(4,351)	(124,368)
Cash flows from investing activities	(6,923)	(127,137)
Net increase (decrease) in cash	14,174	(69,893)
Cash - beginning of year	80,284	150,177
Cash - end of year	\$ 94,458	\$ 80,284

See accompanying notes

Notes to Financial Statements

April 30, 2017

Unaudited - see Review Engagement Report

1. Purpose of Organization

The University of Waterloo Staff Association, is a not-for-profit organization incorporated under the Laws of Ontario, without share capital. The Association is responsible for establishing an independent, democratic organization pledged to maintaining and developing the economic and social interests of staff members. These financial statements reflect all of the revenues, expenditures, assets, liabilities and surplus of the Association.

2. Significant Accounting Policies

Basis of Accounting

These statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

The Association follows the accrual basis of accounting for all transactions.

Capital Assets

Capital assets are stated at cost. Amortization is provided using the following rates and methods:

Furniture and fixtures	20% declining balance
Computer equipment	55% declining balance
Computer software	100% declining balance

One-half the normal rate of amortization is applied in the year of acquisition.

Investments

Investments are recorded at cost and are written down to market value only when a permanent decline in value is indicated.

Notes to Financial Statements

April 30, 2017

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2. Significant Accounting Policies - continued

Inter-fund Transfers and Internally Restricted Fund Balances

The Association has established certain internally restricted funds as noted below. During the year, the board of directors internally restricted resources amounting to \$35,836, all of which was allocated to the Wind-up reserve.

a) Wind-up Reserve Fund - The Wind-up Reserve Fund has been established to provide business continuity and severance obligations for the Corporation in the event of the windup of the Corporation.

b) Projects Reserve Fund - The projects Reserve Fund has been established to permit the board of directors to engage in special projects that are not capital in nature with a fixed duration typically not to exceed one year.

Revenue Recognition

The Association follows the deferral method of accounting for contributions. Revenue from membership dues and other income are recognized when received or receivable if the amounts to be received can be reasonably estimated and collection is reasonably assured.

Contributed Services

Volunteers contribute a number of hours each year to assist the Association in carrying out its activities. Because of the difficulty in determining fair value, these contributed services are not recognized in the financial statements.

Donations

Unrestricted donations are recorded on the cash basis. They are recognized as income when received regardless of what fiscal year they have been pledged. Restricted donations are recognized as revenue in the year in which the related expenditures have been incurred and recognized.

Use of Estimates

The preparation of these financial statements, in conformity with Canadian accounting standards for not-for-profit organizations, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Measurement Uncertainty

Financial statements are based on representations that require estimates to be made in anticipation of future transactions and events and include measurement that may, by their nature, be approximations.

Notes to Financial Statements

April 30, 2017

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3. Capital Assets

	Cost		Accumulated Amortization		Net Book Value			
					2017	2016		
Furniture and fixtures	\$	23,775	\$	17,922	\$	5,853	\$	7,316
Computer equipment		17,610		14,905		2,705		1,866
	\$	41,385	\$	32,827	\$	8,558	\$	9,182

During the year, capital assets totaling \$2,572 (2016 - \$2,769) were purchased with cash.

4. Rent

The Association has an agreement with the University of Waterloo permitting them to occupy facilities located on campus in the William Davis Computer Research Centre at no charge, with a fair market rental value of \$3,674 (2016 - \$3,578). Since the agreement does not require the Association to pay for the occupancy of the facilities, no expenditure has been recorded in the financial statements to reflect the fair value of the use of the facilities.

5. Income Taxes

The Association is registered as a not-for-profit organization under the Income Tax Act (Canada). As such no provision for income taxes is required.

6. Financial Instruments

The Association's financial instruments consist of cash, accounts receivable, short-term investments, and accounts payable and accrued liabilities. The carrying value of cash, short-term investments, accounts receivable, accounts payable and accrued liabilities approximate their fair values due to the relatively short period to maturity of these instruments.

The Association has adopted the following classifications for financial assets and financial liabilities:

- Cash and cash equivalents and short-term investments are classified as held-for-trading. Changes in fair value for the period are recorded in the statement of revenue and expenditures and transaction costs are expensed as incurred.
- Amounts receivable are classified as loans and receivables. These assets are initially recorded at fair value and subsequently measured at amortized cost less any provision for impairment.
- Accounts payable and accrued liabilities are classified as other financial liabilities. These liabilities are initially recorded at fair value and subsequently measured at amortized cost.

Notes to Financial Statements

April 30, 2017

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6. Financial Instruments - continued

The Association has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include credit risk and liquidity risk.

a) Credit Risk

The Association's exposure to credit risk is as indicated by the carrying value amount of the financial assets. The Association may be exposed to losses in the future where the carrying amounts of assets are not realized. The Association is satisfied that the risk of realization has been appropriately provided for.

b) Liquidity Risk

The Association's exposure to liquidity risk is dependent on the collection of funds to sustain operations. The Association controls liquidity risk by management of working capital and cash flows.