

FINANCIAL STATEMENTS

University of Waterloo Staff Association
Unaudited - see Review Engagement Report

April 30, 2015



Hemmerich, Flanagan, Kratz, Eamer & McRae LLP
Chartered 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, 2015**, 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,
Eamer & McRae LLP*

Waterloo, Ontario
August 20, 2015

Hemmerich, Flanagan, Kratz, Eamer & McRae LLP
Chartered Accountants, Licensed Public Accountants

University of Waterloo Staff Association

Statement of Financial Position

As as April 30

Unaudited - see Review Engagement Report

	2015	2014
ASSETS		
Current		
Cash	\$ 150,177	\$ 106,966
Accounts receivable	-	7,095
Short-term investments	208,664	205,897
	358,841	319,958
Capital assets - Note 4	9,258	11,315
	\$ 368,099	\$ 331,273
LIABILITIES AND SURPLUS		
Current		
Accounts payable and accrued liabilities	\$ 28,677	\$ 40,204
Surplus	339,422	291,069
	\$ 368,099	\$ 331,273

See accompanying notes

University of Waterloo Staff Association

Statement of Changes in Surplus

Year ended April 30

Unaudited - see Review Engagement Report

	2015	2014
Investments in Capital Assets		
Balance - beginning of year	\$ 11,315	\$ 11,085
Investment in capital assets	826	3,194
Amortization	(2,883)	(2,964)
Balance - end of year	\$ 9,258	\$ 11,315
Wind-up Reserve Fund		
Balance - beginning of year	\$ 196,709	\$ -
Transfer from Operating Surplus	48,353	196,709
Balance - end of year	\$ 245,062	\$ 196,709
Projects Reserve Fund		
Balance - beginning of year	\$ 43,788	\$ -
Transfer from Operating Surplus	-	43,788
Balance - end of year	\$ 43,788	\$ 43,788
Operating Surplus		
Balance - beginning of year	\$ 39,257	\$ 258,425
Excess of revenues over expenditures	48,353	21,559
Investment in capital assets	(826)	(3,194)
Amortization	2,883	2,964
Transfer to Wind-up Reserve Fund	(48,353)	(196,709)
Transfer to Special Projects Fund	-	(43,788)
Balance - end of year	\$ 41,314	\$ 39,257
	\$ 339,422	\$ 291,069

See accompanying notes

University of Waterloo Staff Association

Statement of Operations

Year ended April 30

Unaudited - see Review Engagement Report

	2015	2014
Revenue		
Membership dues	\$ 285,112	\$ 235,891
Other revenue	15,275	9,690
	<u>300,387</u>	<u>245,581</u>
Expenses		
Payroll and employee expenses	205,526	175,197
Office and administration	14,734	16,572
Professional services	9,863	2,260
Member advisory	6,760	4,331
Board operations	5,665	8,274
Member benefits	4,582	6,544
Fundraising and social	3,009	457
Amortization	2,883	2,964
Communication and membership	1,596	10,440
Outreach	163	160
Foreign exchange (gain)	-	(511)
	<u>254,781</u>	<u>226,688</u>
Income from operations	<u>45,606</u>	<u>18,893</u>
Other revenue		
Interest revenue	2,747	2,666
Excess of revenue over expenditures	<u>\$ 48,353</u>	<u>\$ 21,559</u>

See accompanying notes

University of Waterloo Staff Association

Statement of Cash Flows

Year ended April 30

Unaudited - See Review Engagement Report

	2015	2014
Cash flows from operating activities		
Cash receipts from members	\$ 307,482	\$ 238,028
Cash paid to suppliers and employees	(263,425)	(209,945)
Interest received	2,747	2,666
Cash flows from operating activities	46,804	30,749
Cash flows from investing activities		
Purchase of capital assets - <i>Note 4</i>	(826)	(3,194)
Increase in short-term investments	(2,767)	(2,658)
Cash flows from investing activities	(3,593)	(5,852)
Net increase in cash	43,211	24,897
Cash - beginning of year	106,966	82,069
Cash - end of year	\$ 150,177	\$ 106,966

See accompanying notes

Notes to Financial Statements

April 30, 2015

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. Comparative Figures

Prior year figures have been reclassified to conform with current year presentation.

3. 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

Half rates apply 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

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3. 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 \$48,353, 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 reasonable 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, 2015

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4. Capital Assets

	Cost	Accumulated Amortization	Net Book Value	
			2015	2014
Furniture and fixtures	\$ 22,894	\$ 14,740	\$ 8,154	\$ 10,192
Computer equipment	13,148	12,044	1,104	1,123
	<u>\$ 36,042</u>	<u>\$ 26,784</u>	<u>\$ 9,258</u>	<u>\$ 11,315</u>

During the year, capital assets totaling \$826 (2014 - \$3,194) were purchased with cash.

5. 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 \$3,592 (2014 - \$3,522). 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.

6. 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.

7. 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, 2015

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7. 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.