

ADMINISTRATIVE AND SUPERVISORY PERSONNEL ASSOCIATION
(University of Saskatchewan)

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

for the year ended January 31, 2022

Management's Responsibility

To the Members of Administrative and Supervisory Personnel Association

The ASPA Executives is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, the ASPA Executives designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The ASPA Executives is responsible for ensuring that staff fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the financial statements.

The ASPA Executives meets periodically with staff, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and the external auditor's report.

The external auditor, Gabriel Ng CPA P.C. Inc., is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to both the ASPA Executive and staff, and meet when required.

On behalf of **Administrative and Supervisory Personnel Association**:



LaVina Watts, ASPA President 2021-2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Administrative and Supervisory Personnel Association:

Opinion

I have audited the financial statements of **Administrative and Supervisory Personnel Association** ("ASPA"), which comprise the statement of financial position as at **January 31, 2022**, and the statement of operations, changes in net assets, and cash flows, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of **Administrative and Supervisory Personnel Association** as at **January 31, 2022**, and its financial performance, changes in net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of ASPA in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis of my audit 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 ASPA'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 ASPA or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing ASPA's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 auditor's report that includes my 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.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 ASPA'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 ASPA's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause ASPA 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.

I 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 I identify during my audit.

Gabriel Ng CPA P.C. Inc.

Saskatoon, Saskatchewan
April 14, 2022

Chartered Professional Accountant
Licensed Professional Accountant

Administrative and Supervisory Personnel Association

Statement of Financial Position as at January 31

	2022			2021		
	General Fund	Contingency Fund	Total	General Fund	Contingency Fund	Total
ASSETS						
Current assets						
Cash and cash equivalents (Note 3)	\$ 690,520	\$ 116,234	\$ 806,754	\$ 547,531	\$ -	\$ 547,531
Term investments (Note 4)	-	3,018,399	3,018,399	258,224	2,880,124	3,138,348
Accounts receivable	66,736	-	66,736	65,489	-	65,489
Prepaid expenses	2,294	-	2,294	1,182	-	1,182
	<u>759,550</u>	<u>3,134,633</u>	<u>3,894,183</u>	<u>872,426</u>	<u>2,880,124</u>	<u>3,752,550</u>
Non-current assets						
Tangible capital assets	1,625	-	1,625	2,226	-	2,226
Term investments (Note 4)	-	500,000	500,000	-	351,358	351,358
	<u>1,625</u>	<u>500,000</u>	<u>501,625</u>	<u>2,226</u>	<u>351,358</u>	<u>353,584</u>
	<u>\$ 761,175</u>	<u>\$ 3,634,633</u>	<u>\$ 4,395,808</u>	<u>\$ 874,652</u>	<u>\$ 3,231,482</u>	<u>\$ 4,106,134</u>
LIABILITIES						
Current liabilities						
Accounts payable	\$ 5,781	\$ -	\$ 5,781	\$ 5,594	\$ -	\$ 5,594
	<u>5,781</u>	<u>-</u>	<u>5,781</u>	<u>5,594</u>	<u>-</u>	<u>5,594</u>
NET ASSETS						
General fund	755,394	-	755,394	869,058	-	869,058
Contingency fund (Note 5)	-	3,634,633	3,634,633	-	3,231,482	3,231,482
	<u>755,394</u>	<u>3,634,633</u>	<u>4,390,027</u>	<u>869,058</u>	<u>3,231,482</u>	<u>4,100,540</u>
	<u>\$ 761,175</u>	<u>\$ 3,634,633</u>	<u>\$ 4,395,808</u>	<u>\$ 874,652</u>	<u>\$ 3,231,482</u>	<u>\$ 4,106,134</u>

Approved on behalf of the Board:

Director

Director

The accompanying notes are an integral part of these financial statements

Administrative and Supervisory Personnel Association

Statement of Operations and Changes in Net Assets for the year ended January 31

	2022			2021		
	General Fund	Contingency Fund	Total	General Fund	Contingency Fund	Total
Revenue						
Membership dues	\$ 806,301	\$ -	\$ 806,301	\$ 784,436	\$ -	\$ 784,436
Interest Income	28,954	-	28,954	67,678	-	67,678
Other income and recoveries	125	-	125	122	-	122
	<u>835,380</u>	<u>-</u>	<u>835,380</u>	<u>852,236</u>	<u>-</u>	<u>852,236</u>
Expenses						
Support person wages and benefits	184,948	-	184,948	183,692	-	183,692
Professional fees	309,645	-	309,645	167,069	-	167,069
License, memberships, dues	22,791	-	22,791	19,567	-	19,567
Member socials	2,213	-	2,213	5,612	-	5,612
Office	3,117	-	3,117	3,693	-	3,693
Executive meetings	-	-	-	3,057	-	3,057
Negotiations	-	-	-	2,915	-	2,915
Insurance	2,881	-	2,881	2,590	-	2,590
Gifts	2,307	-	2,307	1,878	-	1,878
Voting and elections	-	-	-	1,665	-	1,665
Telephone and website	1,178	-	1,178	1,563	-	1,563
Amortization of tangible capital assets	1,795	-	1,795	1,374	-	1,374
Executive training	14,655	-	14,655	762	-	762
Printing and reproduction	67	-	67	423	-	423
Advertising and promotion	296	-	296	-	-	-
	<u>545,893</u>	<u>-</u>	<u>545,893</u>	<u>395,860</u>	<u>-</u>	<u>395,860</u>
Excess (deficiencies) of revenue over expenses	289,487	-	289,487	456,376	-	456,376
Funds transferred from the General fund to the Contingency fund (Note 5)	(403,151)	403,151	-	(392,218)	392,218	-
Net assets, beginning of the year	<u>869,058</u>	<u>3,231,482</u>	<u>4,100,540</u>	<u>804,900</u>	<u>2,839,264</u>	<u>3,644,164</u>
Net assets, end of the year	<u>\$ 755,394</u>	<u>\$ 3,634,633</u>	<u>\$ 4,390,027</u>	<u>\$ 869,058</u>	<u>\$ 3,231,482</u>	<u>\$ 4,100,540</u>

The accompanying notes are an integral part of these financial statements

Administrative and Supervisory Personnel Association

Statement of Cash Flows for the year ended January 31

	2022			2021		
	General Fund	Contingency Fund	Total	General Fund	Contingency Fund	Total
Cash from (used in) operations						
Excess (deficiencies) of revenue over expenses	\$ 289,487	\$ -	\$ 289,487	\$ 456,376	\$ -	\$ 456,376
Add: amortization of tangible capital assets	1,795	-	1,795	1,374	-	1,374
Decrease (increase) in accounts receivable	(1,247)	-	(1,247)	(947)	-	(947)
Decrease (increase) in prepaid expenses	(1,112)	-	(1,112)	863	-	863
Increase (decrease) in accounts payable and accrued liabilities	187	-	187	(642)	-	(642)
	<u>289,110</u>	<u>-</u>	<u>289,110</u>	<u>457,024</u>	<u>-</u>	<u>457,024</u>
Cash flow from investing activities						
(Purchases) disposal of tangible capital assets	(1,194)	-	(1,194)	-	-	-
(Additions) disposal of investments	(28,693)	-	(28,693)	(67,807)	-	(67,807)
	<u>(29,887)</u>	<u>-</u>	<u>(29,887)</u>	<u>(67,807)</u>	<u>-</u>	<u>(67,807)</u>
Increase (decrease) in cash and cash equivalents	259,223	-	259,223	389,217	-	389,217
Cash and cash equivalents, beginning of the year	547,531	-	547,531	158,314	-	158,314
Interfund transfers	(116,234)	116,234	-	-	-	-
Cash and cash equivalents, end of the year	<u>\$ 690,520</u>	<u>\$ 116,234</u>	<u>\$ 806,754</u>	<u>\$ 547,531</u>	<u>\$ -</u>	<u>\$ 547,531</u>

The accompanying notes are an integral part of these financial statements

Administrative and Supervisory Personnel Association

Notes to the Financial Statements

January 31, 2022

1. Description of Business

Administrative and Supervisory Personnel Association (“ASPA”) is a certified bargaining unit representing approximately 1,300 administrative and supervisory employees at the University of Saskatchewan. ASPA was established on October 31, 1978 under the Saskatchewan Trade Union Act (1972) to provide its members with collective bargaining status on employee/employer matters. ASPA is exempted from income taxes under Section 149 of the Income Tax Act of Canada.

2. Significant Accounting Policies

Basis of presentation

These financial statements are the responsibility of ASPA and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, and include the following significant accounting policies as summarized. ASPA follows the deferral method of accounting for contributions.

Revenue recognition

Members dues are recognized in operations in the period to which they apply and collectability is reasonably assured.

Investment income and other revenue is recognized in operations when earned and in the period to which it relates. Other revenue relates to income earned on fundraising. Fundraising are recorded as revenue when the monies are collected.

Fund accounting

ASPA follows the deferral method of accounting for contributions and reports using fund accounting, and maintains 2 funds: The General Fund and Contingency Fund.

- The General Fund is established by ASPA to account for ASPA’s management and administrative activities.
- The Contingency Fund is established for job action and specific non-job action expenditures. On April 2018, the membership voted to increase the membership dues from 0.6% to 0.8% of gross wages. Reserve targets and balances are regularly reviewed by ASPA’s executives.

Measurement uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period.

Significant estimates include the valuation of payable accruals. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. Actual results could differ from those estimates.

Administrative and Supervisory Personnel Association

Notes to the Financial Statements

January 31, 2022

2. Significant Accounting Policies (Continued)

Financial Instruments

ASPA recognizes its financial instruments when ASPA becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, ASPA irrevocably elected to subsequently measure cash and term deposits at fair value. ASPA subsequently measures all other financial assets and liabilities at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance, or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenue over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

ASPA assesses impairment on all of its financial assets measured at cost or amortized cost. ASPA Executives considers whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, ASPA determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, ASPA reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses.

ASPA reverses impairment losses on financial assets where there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess (deficiency) of earnings in the year the reversal occurs.

Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined. Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives. Amortization on leasehold improvements is provided using the straight-line method over the term of the lease. For computer software with an annual license, the entire amount is expensed immediately in the year it is acquired. Other capital assets purchased are amortized at one half of the below rates in the year of acquisition.

Computer equipment	3 years
Furnitures and fixtures	5 years

The threshold to capitalize an asset is \$1,000 per item.

Administrative and Supervisory Personnel Association

Notes to the Financial Statements

January 31, 2022

2. Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash on deposit with banking institutions less cheques written but not cleared. These are held for the purposes of meeting short term cash commitments.

Term deposits

Term deposits having a maturity of less than twelve months from the year-end date are categorized as term deposits under current assets. Term deposits with a maturity date greater than one year after the year-end are categorized under non-current assets. These are held for the purposes of generating interest income while protecting the principal balances. They are stated at cost plus accrued interest.

Employee future benefits

ASPA has a defined contribution plan under which both ASPA and employees make contributions. ASPA's obligation to the plan is limited to the monthly required contributions.

3. Cash and Cash Equivalents

Bank balances are held in place with Affinity Credit Union.

4. Term investments

In the current fiscal year 2022, ASPA held a portfolio of Guaranteed Investment Certificates ("GICs") with Affinity Credit Union and Hollis Wealth Management. These GICs carry an annual interest rate between 0.75% to 2.12%, with maturity dates ranging from April 2022 to January 2024. Investments are recorded at fair value, which includes any accrued interest earned.

5. Interfunds transfers

The monthly amount to be transferred from the General Fund to the Contingency Fund (0.4% of gross wages) is equalled to one half of the union dues contribution made (0.8% of gross wages).

6. Comparative Information

Prior year's comparative information may be reclassified to conform with the reporting format adopted for the current year.

Administrative and Supervisory Personnel Association

Notes to the Financial Statements

January 31, 2022

7. Risk Management

Risks and concentrations

ASPA does not believe it is subject to any significant concentration of credit, market, or currency risk. Cash and cash equivalents along with term investments are in place with major financial institutions.

The following analysis provides a measure of ASPA's risk exposure as at January 31, 2022.

Liquidity risk

Liquidity risk is the risk that ASPA will encounter difficulty in meeting obligations associated with financial liabilities. ASPA is exposed to this risk mainly in respect of its accounts payable, and also dependent on the timing of receipt of funds from membership fees to enable ASPA to pay its liabilities as they become due. This risk is mitigated by proactive cash flow management by ASPA's Executives.

Interest rate risk

ASPA is exposed to interest rate risk with respect to the following financial instruments: cash and cash equivalent and term investments in interest bearing securities. Changes in interest rates can affect the fair value of investments and cash flows related to interest income and expenses.