

YORKUNIVERSITY FACULTY ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED APRIL 30, 2018

	2018	2017
	\$	\$
CASH, beginning of year	<u>5,537,111</u>	2,565,579
CASH FLOW FROM OPERATING ACTIVITIES		
Membership fees	2,657,578	2,429,140
Funds held in trust	5,041	3,206,778
Interest on capital lease	(884)	(1,157)
Stipends	{8,856}	(100,653)
Community support	{9,564}	(160,768)
Travel and conferences	{20,049}	(9,176)
Overhead and general	{22,856}	(82,531)
Faculty and Graduate Co-operative	{30,000}	(150,000)
Meetings and hospitality	{35,839}	(37,134)
Release time	{206,964}	(316,078)
Professional fees	{355,138}	(339,264)
Direct costs	{657,690}	(653,593)
Salaries and benefits	<u>(953,781)</u>	<u>(932,450)</u>
	360,998	2,853,114
FINANCING ACTIVITIES		
Increase (decrease) of obligation under capital lease	21,346	(15,747)
<u>Loan proceeds</u>		105,000
	21,346	89,253
INVESTING ACTIVITIES		
Investment income	37,172	30,815
<u>Capital asset acquisitions</u>	<u>(22,388)</u>	<u>(1,650)</u>
	14,784	29,165
CASH, end of year	<u>5,934,239</u>	5,537,111
CASH CONSISTS OF:		
Cash	3,970,900	3,429,123
Investments	<u>1,963,339</u>	2,107,988
	5,934,239	5,537,111

YORK UNIVERSITY FACULTY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2018

PURPOSE OF THE ORGANIZATION

The purpose of York University Faculty Association ("YUFA", "the Association") is to promote the welfare of York University ("the University") as an institution of higher learning and the socio-economic and general welfare of its academic staff, including the regulation of employment relations between the University and its academic staff. The Association shall promote the defence and extension of the civil rights and liberties of academic staff and the preservation and advancement of free democratic trade unionism. The Association is the certified bargaining agent of persons holding appointments as full-time faculty members or full-time librarians employed by the University.

YUFA is a not-for-profit organization and is exempt from tax under the provisions of the Income Tax Act of Canada .

YUFA meets its objectives by advocating on behalf of its members, including sponsoring mediation and arbitration, and negotiating collective agreements with the University.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations and are in accordance with Canadian generally accepted accounting principles.

(a) Fund accounting

The Association uses fund accounting.

General activities are reflected in the Operating Fund. The Operating Fund target is 37.5% of the average three year operating budget.

The Defence Fund was established to provide a resource fund for the membership in the event of a strike or other dispute. Provided the Operating and Arbitration Funds have met their respective targets, surplus funds are to be transferred to the Defence Fund to meet its target level of 155% of the average three year operating budget. Investment income may be transferred to the Operating Fund, provided that the Defence Fund balance is in excess of 155% of the average three year operating budget.

The Arbitration Fund was established to provide sufficient financial resources for the membership to provide arbitration, or similar support. The balance of the Arbitration Fund is to be maintained at a minimum level that represents the estimated cost to YUFA of thirty days arbitration. Provided the Operating Fund has met its target level, funds are to be transferred to the Arbitration Fund to meet its target level of 7.5% of the average three year operating budget. Investment income may be transferred to the Operating Fund provided that the fund balance is in excess of 7.5% of the average three year operating budget.

Investments are held on a pooled basis for ease of management.

(b) Investments

Investments are recorded at cost on the date of purchase, which is their fair value. Investment income is accrued and recognized as income up to the year end date.

YORK UNIVERSITY FACULTY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2018

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Capital assets

Capital assets are recorded at cost. Amortization is provided annually at rates calculated to write off the assets over their estimated useful lives as follows:

Computer equipment	45% declining balance
Furniture and fixtures	20% declining balance
Assets under capital lease	straight-line over the term of the lease

(d) Revenue recognition

The Association follows the deferral method of accounting for revenue. Membership fee revenue is comprised of unrestricted contributions that are recognized as revenue when received or when receivable, if the amount to be received can be reasonably estimated and if collection is reasonably assured. Membership fees are calculated as 1.25% of each individual member's annual base salary rate.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Other income is recognized as revenue when it is received or receivable.

(e) Contributed services

Contributed Services are recorded when the fair value can be reasonably estimated.

(f) Financial instruments

The Association's financial instruments comprise cash, investments in interest bearing instruments, accounts receivable, accounts payable, accrued liabilities and loan payable.

Cash, accounts receivable, accounts payable and accrued liabilities, and loan payable are reported at their fair values on the statement of financial position, which are the same as the carrying value.

(g) Cash and cash equivalents

The Association considers deposits on account and investments as cash and cash equivalents.

(h) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. The organization uses estimates in assessing the amount of accrued liabilities, accrued employee costs, and useful life of capital assets. Actual results could differ from those estimates.

2. FUNDS HELD IN TRUST

In fiscal 2017, YUFA became the custodian of funds representing the refund of Long Term Disability premiums paid by members of YUFA over the past number of years. In fiscal 2018, the General Membership approved the funds to be used as follows: 50% to provide retroactive indexing of those who have been most affected, 35% to be allocated to the YUFA Defence Fund and 15% to be allocated to the YUFA Operating Fund.

YORK UNIVERSITY FACULTY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2018

2. FUNDS HELD IN TRUST, continued

As such, \$1,122,373 is recognized as other revenue to the Defence Fund and \$418,017 as other revenue to the Operating Fund. The remainder, \$1,608,430, including \$5,040 of interest income, is held in trust for distribution as the membership sees fit.

3. INVESTMENTS

Investments are comprised of guaranteed investment certificates and term bonds, earning interest at rates from 0.65% to 2.36%. The investment balance includes accrued interest of \$65,918 (2017 - \$55,189).

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2018	Net 2017
	\$	\$	\$	\$
Computer equipment	14,825	10,938	3,887	4,355
Furniture and fixtures	31,022	29,257	1,765	2,206
Assets under capital lease	36,462	598	35,864	21,653
	82,309	40,793	41,516	28,214

5. RELEASE TIME AND STIPENDS

Each year members of the YUFA Executive Committee are granted release from their teaching duties to participate in YUFA activities. Approved release time for the Executive is as follows. Additional release time may be granted at the discretion of the Executive.

President	full teaching release
Vice President, Internal	1.5 full course equivalents of teaching release
Vice President, External	1.5 full course equivalents of teaching release
Chief Stewards	full teaching release
Equity Officers	1 full course equivalent of teaching release
Communications Officer	1.5 full course equivalents of teaching release
Treasurer	1 full course equivalent of teaching release
Recording Secretary	1 full course equivalent of teaching release
Past President	0.5 course equivalent of teaching release

As there is no requirement to take teaching release in the year granted, individuals may choose to defer this compensation to future years. The liability of \$89,585 (2017 - \$119,823) represents the estimated value of 4.0 (2017 - 5.5) teaching release grants to be taken in the future.

Included in accounts payable and accrued liabilities is \$27,312 (2017 - \$44,280) related to unpaid stipends granted to members of the Executive for service in prior years. Stipends are no longer granted.

YORK UNIVERSITY FACULTY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2018

6. EMPLOYEE COSTS

Accrued employee benefits are comprised of commitments for vacation pay and post-retirement benefits such as supplemental group benefit coverage, RRSP top up payments and lump sum financial assistance payments.

In addition to the amounts accrued in the financial statements, the Collective Bargaining Agreement with the YUFA employees provides for the payment of other post-retirement benefits, the value of which cannot be reasonably estimated and therefore no accrual is included in the financial statements.

7. CAPITAL LEASE OBLIGATION

The Association entered an agreement to acquire office equipment financed by capital lease. The obligation under capital lease represents the minimum lease payments payable, net of imputed interest at a rate of 4.45% per annum. The lease matures April 2023. Equipment under capital lease is pledged as collateral.

The Association's obligation under capital lease consists of:

	\$
Lease payments repayable in blended annual payments of \$8,294	41,471
Less: Amount representing interest	<u>5,009</u>
	36,462
Less: Current portion	<u>6,672</u>
Long term portion	<u>29,790</u>

8. YORK UNIVERSITY FACULTY AND GRADUATE STUDENT CO-OPERATIVE CORPORATION

YUFA committed to contribute \$180,000 towards the York University Faculty and Graduate Student Co-operative Corporation ("et al.", the "Club"), which is also funded by contributions from the York University Graduate Students' Association and the York University Administration. et al. provides a restaurant and beverage facility and is to be a space for collegial interaction for the academic community at York University. YUFA members receive membership in the Club.

In fiscal 2017, YUFA contributed \$150,000 to et al, with the balance of \$30,000 paid in fiscal 2018. To finance these expenditures, a loan of \$105,000 was provided by the YUFA Trust. The loan is non-interest bearing and expected to be paid in full by May 2019.

A further \$25,000 has been committed to be paid in 2019 to assist with ongoing operations of the Club.

9. MEMBERSHIP

Included in membership fee revenue are the following amounts, collected from the members of the Association as special levies :

	2018	2017
	\$	\$
To support Community Projects	2, 90	34,918
To support the Centre for Refugee Studies		71,810
To support et al.	31,888	26,228

YORK UNIVERSITY FACULTY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED APRIL 30, 2018

10. OTHER INCOME

Other income includes \$30,000 from York University received pursuant to Article 26.11, the Transgendered Health Fund, \$100,000 from the YUFA Trust to support community projects, and \$17,712 for the recovery of stipends forgiven in the year.

11. ARBITRATION EXPENSES

Under the provisions of the YUFA By-laws, arbitration expenses exceeding the average of the prior three years may be charged to the Arbitration Fund. No arbitration costs were charged to the Arbitration Fund in the year (2017 - \$Nil).

12. CONTRIBUTED SERVICES

There is an agreement in place with York University to provide various services to the Association, the most significant of which are free office rent and course release time for members of the Executive Committee. The approximate value of one course release is \$21,786, with York University providing eight course releases.

Volunteers contribute numerous hours each year to the Association. As the fair value of the contributed services cannot be reasonably estimated, they are not recognized in the financial statements.

13. COMMUNITY SUPPORT

Community support grants provided during the year are comprised of the following:

	2018	2017
	\$	\$
Community projects	76,413	81,623
Centre for Refugee Studies		71,815
Article 26.11 - Transgendered Health Fund	30,000	30,000
	106,413	183,438

14. INVESTMENT INCOME

Under the provisions of the YUFA By-laws, investment income earned on the Defence Fund may be transferred to the Operating Fund if the balance of the Defence Fund exceeds 155% of the average three years operating budget. No investment income was transferred in the year (2017 - \$nil).

Under the provisions of the YUFA By-laws, investment income earned on the Arbitration Fund may be transferred to the Operating Fund if the balance of the Arbitration Fund exceeds 7.5% of the average three years operating budget. No investment income was transferred in the year (2017 - \$nil).

YORK UNIVERSITY FACULTY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED APRIL 30, 2018

15 FUNDS TRANSFER

Under the provisions of the YUFA By-laws, if the Operating Fund balance exceeds 37.5% of the average three year operating budget, excess funds are to be transferred to the Arbitration Fund, then the Defence Fund, so that these funds maintain minimum balances of 7.5% and 155% of the average three year operating budget, respectively.

As the Operating Fund is below target no transfers are made to either the Arbitration or Defence Funds in the year.

16. FINANCIAL INSTRUMENTS

The Association's financial instruments include cash and investments in interest bearing instruments. The main purpose of the investments is to provide financing for the organization's activities.

The Association has other financial assets and liabilities such as accounts receivables, accrued liabilities and loans payable which arise directly from operations. The main risk arising from the Association's financial instruments are interest rate risk and credit risk.

Interest Rate Risk Exposure

The Association's exposure to the risk of changes in market interest rates relates to the Association's cash and investment balances. The Association manages its risk by investing in liquid, interest bearing investments.

Credit Risk Exposure

The credit risk on the financial assets of the Association equates to the carrying amount. The Association carries receivables from recognized third parties. Receivable balances are monitored on a regular basis to minimize the exposure to bad debt. Credit risk associated with cash and investments is limited to the risk of default by the counter party, with a maximum exposure equal to the carrying amount of these assets.

17. COMPARATIVE FIGURES

Certain of the prior year's figures have been reclassified to conform with the current year's presentation.

Attachment 3b

**Collegial Governance, not Managerialism
YUFA's Governance Proposals**

YUFA members have experienced a widespread deterioration in the employer's observance of faculty member's collegial rights with respect to matters of University governance. YUFA's bargaining proposals are designed to address the growing collegiality deficit at York by introducing a number of important amendments to our Collective Agreement. Thus far the employer has been unresponsive to our proposals and has failed to acknowledge the concerns that YUFA members across the university have expressed about the decline of collegial governance.

Our proposals are designed to restore meaningful faculty participation and input to key governance activities such as decanal and presidential searches. We are also seeking stronger recognition of Senate's authority over academic matters at York as established by the York University Act. Finally, we have developed proposals to ensure that the Board of Governors fulfills its own explicit mandate (expressed in its by-laws) to represent - and to be responsive to - a broad range of stakeholders within the University and in the community at large.

Key Governance and Collegiality Proposals

PRESIDENTIAL SEARCHES AND APPOINTMENTS MUST BE OPEN AND TRANSPARENT

Our proposals insist on the need for York to return to its past Presidential Search and Appointment process, which, until 2005, was open to the participation of YUFA colleagues at Senate after the short-listing stage. YUFA proposes that "[t]he President shall be appointed on the basis of consultation with Senate....which means with the full Senate acting as a committee of the whole. The search committee shall provide a venue for a public presentation by each short-listed candidate and invite attendees to submit their comments in writing to the committee. Ballots shall be provided so that each short-listed candidate can be ranked in order of preference and as to acceptability, and so that written comments can be provided to the committee if so desired. Any shortlisted candidate receiving at least 50% plus one of "unacceptable" votes will not go forward to the Board of Governors for appointment."

VICE-PRESIDENTIAL APPOINTMENTS

We are also proposing that the requirement of an open search shall be restored "to all academic administrative positions at the managerial level, presently known as Vice-President Academic (Provost) and Vice-President Research and Innovation" and to all university Vice-Presidents.

APPOINTMENTS OF DEANS AND PRINCIPALS

The senior administration has recently announced a pilot project that could allow for partially open decanal searches in which the final shortlisted candidates would give an address to the Faculty Council in question and input would be sought from members of the Faculty. Unfortunately, the Employer's model only applies to cases where all of the final shortlisted candidates agree to an open stage. If even one candidate asks for a secret and confidential search, the process would remain fully closed. YUFA is proposing that the open stage be fully regularized.

ROLE OF SENATE

In relation to Senate, YUFA is proposing to enshrine the recognition of bicameral governance mandated by Section 12 of The York University Act as part of our collective agreement by

affirming the Senate's responsibility for the academic policies of the university. In particular, we are proposing language that would ensure that Senate is assured 'the power to approve all mission statements, strategic and academic plans and strategic mandate agreements that have a bearing on academic policy.' This proposal grows out of a concern with a recently imposed practice wherein key planning documents dealing with academic policy, such as the Institutional Integrated Resource Plan (IIRP) and the Strategic Mandate Agreement (**SMA**) negotiated with the Ontario Government, have only been brought to Senate for discussion and not for a vote and approval. In addition to restoring voting privileges in relation to academic planning and strategic mandate agreements, we must ensure that such documents are circulated in a timely manner, so that Senate members may review, discuss and if necessary amend them in advance of university or external (government) deadlines.

BOARD OF GOVERNORS

Faculty have expressed increasing concern that the composition of York's Board of Governors no longer fulfills the mandate of membership breadth and community representation clearly enshrined in the Board's own by-laws. That document asserts that the Board's external members should:

broadly represent the public community. Without limiting the generality of the foregoing such candidates shall be reflective of the Arts, Business, Industry, Labour, Professions, Sciences and the community at large.

It is clear that this by-law has not been observed. While it is important that at least some Board members should be drawn from areas of business and finance, the current membership of the Board almost exclusively represents those areas. YUFA has proposed that a minimum number of seats be reserved for members from other sectors including (1) the public/government sector, (2) community, arts and voluntary sector and (3) labour, human rights and social justice areas.

Other proposals related to the Board of Governors seek to address problems of Board process and the exclusion of "internal" board members, particularly faculty members, from the most powerful committees of the Board. These proposals include the following demands:

- A meaningful number of members internal to the York community - including faculty members - should be elected by constituencies on campus, and not merely by Senate.
- YUFA members on the Board will no longer become excluded from YUFA, potentially losing their collective agreement rights, including academic freedom. Members of other campus unions who become elected to serve on the Board of Governors do not have to relinquish their membership in their union. YUFA is proposing that where the Board takes up matters related to members' interests as employees then recusal from those matters of governance is sufficient to avoid any conflict of interest.
- A representative number of members internal to York should be appointed to the Executive Committee, Finance committee and the Governance and Human Resources Committee of the Board (three of the most powerful governance committees at York).
- An open and transparent nomination process for external members be instituted wherein nominee statements and qualifications be circulated publically (currently, there is no nomination process for external members, let alone one that is open and transparent).

- To ensure transparency and accountability, "All members of the Board shall have the right to communicate with their constituencies, and the public generally, on non-confidential matters pertinent to the governance of York University, including the sharing of non-confidential information."

UNIVERSITY BUDGET ADVISORY COMMITTEE

The President has recently established a new University Budget Advisory Committee mandated to address the budget issues underlying academic and institutional priorities. Unfortunately, in a departure from the constitution of budget advisory committees at most other universities, there is no provision for faculty and student appointees to the committee. The current composition includes only the President, VPs and Deans on a rotating basis. YUFA is proposing that the university adopt the model of other universities such as University of Toronto and Dalhousie, where faculty and student members are included on the committee. This would begin to address the frequent expressions of concern at York about the lack of financial transparency.

CONCLUDING REMARKS

In this round of collective bargaining, YUFA's governance and collegiality proposals represent the most comprehensive package of governance reforms to be pursued by YUFA in recent history at York. Drawn from and approved by YUFA members, these proposals seek to address the fact that the Employer has supplanted what were, until recently, normatively understood to be the collegial rights of the University's Academic Staff. Bolstered by member direction and support, these proposals provide an opportunity to cultivate a structure of governance that serves our central values, principles, and protections as the appropriate governors of academic matters and freedoms at York. This is especially important in relation to the nomination and appointment of upper level administrators (President, Vice President/Provost and Deans) *and* members of the formal bodies (e.g., Senate and the BOG) that are responsible for fair, democratic and just university governance.