

**SASKATCHEWAN FEDERATION OF LABOUR, C.L.C.**

**Financial Statements**

**Year Ended August 31, 2018**

---

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

---

The financial statements of Saskatchewan Federation of Labour, C.L.C. have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Saskatchewan Federation of Labour, C.L.C.'s reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Executive Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Council carries out this responsibility principally through its Senior Officers. The Senior Officers are appointed by the Council and meet periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Senior Officers report to the Executive Council prior to its approval of the financial statements. The Senior Officers also consider, for review by the Council and approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by MWC Chartered Professional Accountants LLP, in accordance with Canadian generally accepted auditing standards.

---

President

---

Treasurer

Regina, SK  
October 03, 2018



Chartered Professional  
Accountants LLP

---

## INDEPENDENT AUDITOR'S REPORT

---

### To the Members of Saskatchewan Federation of Labour, C.L.C.

We have audited the accompanying financial statements of Saskatchewan Federation of Labour, C.L.C., which comprise the statement of financial position as at August 31, 2018 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

*(continues)*

*An asset to our clients, not an expense*

### **Basis for Qualified Opinion**

In common with many non-profit organizations, the Federation is unable to economically implement controls that will offer assurance on the completeness of donations, expense recovery fees and other and we are unable to satisfy ourselves on amounts reported using other procedures. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Federation and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues (expenses), current assets and net assets.

### **Qualified Opinion**

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Federation of Labour, C.L.C. as at August 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

The image shows a handwritten signature in black ink that reads "MWC LLP". The letters are written in a cursive, slightly slanted style.

Chartered Professional Accountants

Regina, Saskatchewan  
October 3, 2018

# SASKATCHEWAN FEDERATION OF LABOUR, C.L.C.

## Statement of Financial Position

August 31, 2018

	Operating Fund	Restricted Funds	2018	2017
<b>ASSETS</b>				
<b>CURRENT</b>				
Cash and term deposits (Note 3)	\$ 314,907	\$ 643,793	\$ 958,700	\$ 900,750
Per capita receivables	130,575	11,957	142,532	127,504
Inventory	-	-	-	19,425
Prepaid expenses	3,435	7,667	11,102	14,890
	448,917	663,417	1,112,334	1,062,569
<b>CAPITAL ASSETS (Note 4)</b>	17,935	-	17,935	22,222
<b>INTANGIBLE ASSETS (Note 5)</b>	134,086	-	134,086	118,852
<b>LONG TERM</b>				
<b>INVESTMENTS (Note 6)</b>	1,060	-	1,060	1,060
	\$ 601,998	\$ 663,417	\$ 1,265,415	\$ 1,204,703
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT</b>				
Accounts payable	\$ 10,445	\$ 4,825	\$ 15,270	\$ 9,334
Wages payable	71,408	-	71,408	83,177
Deferred revenue (Note 7)	13,939	47,831	61,770	73,245
	95,792	52,656	148,448	165,756
<b>POST RETIREMENT BENEFITS (Note 8)</b>	403,057	-	403,057	361,825
	498,849	52,656	551,505	527,581
<b>NET ASSETS</b>	103,149	610,761	713,910	677,122
	\$ 601,998	\$ 663,417	\$ 1,265,415	\$ 1,204,703

**COMMITMENTS (Note 10)**

**ON BEHALF OF THE BOARD**

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

See accompanying notes

# SASKATCHEWAN FEDERATION OF LABOUR, C.L.C.

## Statement of Operations Year Ended August 31, 2018

	Operating Fund (Schedule 1)	Restricted Funds (Schedule 2)	2018	2017
<b>REVENUES</b>				
Per capita contributions from affiliates	\$ 1,088,009	\$ 92,813	\$ 1,180,822	\$ 1,264,365
Registrations	-	500,105	500,105	533,475
Grants	-	92,545	92,545	102,089
Sales	-	86,134	86,134	-
Expense recoveries and other	16,504	40,970	57,474	27,155
Donations	-	55,871	55,871	175,284
Interest	6,870	-	6,870	6,668
	<u>1,111,383</u>	<u>868,438</u>	<u>1,979,821</u>	<u>2,109,036</u>
<b>EXPENSES</b>				
Affiliations and memberships	6,054	544	6,598	4,235
Amortization of capital assets	6,500	-	6,500	8,043
Amortization of intangible assets	10,024	-	10,024	6,255
Committees - SFL/CLC	44,755	-	44,755	38,069
Computer/website services	17,788	6,722	24,510	18,998
Conventions and committees - external	7,880	1,847	9,727	17,158
Cost of sales	-	46,352	46,352	-
Donation - ad hoc	14,985	40,350	55,335	40,009
Donations - sustaining	9,700	-	9,700	14,700
Employee benefits	94,594	12,630	107,224	105,503
Event entertainment	-	4,775	4,775	5,100
Executive council	28,601	-	28,601	38,295
Insurance	5,034	424	5,458	3,712
Lease and maintenance	8,673	849	9,522	14,494
Medical premiums	71,108	-	71,108	65,921
Miscellaneous	81	-	81	1,082
Periodicals and publication	90	2,546	2,636	19,662
Postage	7,712	3,715	11,427	12,866
Professional services	11,378	-	11,378	58,300
Publicity and printing	30,608	24,213	54,821	46,975
Rent and facility rent	92,394	283,449	375,843	347,412
Retirement benefits	62,613	-	62,613	47,787
Supplies	8,327	10,937	19,264	29,330
Table officers	13,944	-	13,944	14,756
Telecommunications	19,101	-	19,101	21,780
Travel and accommodations	2,866	203,343	206,209	239,034
Unrealized per capita contributions	16,038	1,296	17,334	-
Vehicle	15,476	-	15,476	14,180
Wages and honorariums	576,191	116,526	692,717	736,846
	<u>1,182,515</u>	<u>760,518</u>	<u>1,943,033</u>	<u>1,970,502</u>
<b>EXCESS OF REVENUES (EXPENSES)</b>	<u>\$ (71,132)</u>	<u>\$ 107,920</u>	<u>\$ 36,788</u>	<u>\$ 138,534</u>

See accompanying notes

# SASKATCHEWAN FEDERATION OF LABOUR, C.L.C.

## Statement of Changes in Net Assets

Year Ended August 31, 2018

	Operating Fund	Restricted Funds	2018	2017
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 180,763	\$ 496,359	\$ <b>677,122</b>	\$ 538,588
<b>EXCESS OF REVENUES (EXPENSES)</b>	(71,132)	107,920	<b>36,788</b>	138,534
<b>TRANSFERS (Note 9)</b>	(6,482)	6,482	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 103,149	\$ 610,761	\$ <b>713,910</b>	\$ 677,122

See accompanying notes

# SASKATCHEWAN FEDERATION OF LABOUR, C.L.C.

## Statement of Cash Flows Year Ended August 31, 2018

	2018	2017
<b>OPERATING ACTIVITIES</b>		
Excess of revenues (expenses)	\$ 36,788	\$ 138,534
Items not affecting cash:		
Amortization of capital assets	6,500	8,043
Amortization of intangible assets	10,024	6,255
	<u>53,312</u>	<u>152,832</u>
Changes in non-cash working capital:		
Per capita receivables	(15,026)	7,391
Inventory	19,425	(19,425)
Accounts payable	5,936	(26,770)
Deferred revenue	(11,475)	(15,203)
Prepaid expenses	3,789	(2,064)
Wages payable	(11,769)	(8,185)
	<u>(9,120)</u>	<u>(64,256)</u>
Cash flow from operating activities	<u>44,192</u>	<u>88,576</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(2,215)	(11,278)
Purchase of intangible assets	(25,259)	(81,671)
Cash flow used by investing activities	<u>(27,474)</u>	<u>(92,949)</u>
<b>FINANCING ACTIVITY</b>		
Post retirement benefits	41,232	26,335
Cash flow from financing activity	<u>41,232</u>	<u>26,335</u>
<b>INCREASE IN CASH FLOW</b>	<b>57,950</b>	<b>21,962</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>900,750</b>	<b>878,788</b>
<b>CASH - END OF YEAR (Note 3)</b>	<b>\$ 958,700</b>	<b>\$ 900,750</b>

See accompanying notes



# SASKATCHEWAN FEDERATION OF LABOUR, C.L.C.

Schedule of Operations - Operating Fund

(Schedule 1)

Year Ended August 31, 2018

	2018	2017
<b>REVENUES</b>		
Per capita contributions from affiliates	\$ 1,088,009	\$ 1,164,768
Expense recoveries and other	16,504	14,636
Interest	6,870	6,668
	<u>1,111,383</u>	<u>1,186,072</u>
<b>EXPENSES</b>		
Affiliations and memberships	6,054	4,235
Amortization of capital assets	6,500	8,043
Amortization of intangible assets	10,024	6,255
Committees - SFL/CLC	44,755	38,069
Computer/website services	17,788	13,937
Conventions and committees - external	7,880	15,473
Donation - ad hoc	14,985	21,509
Donations - sustaining	9,700	14,700
Employee benefits	94,594	94,488
Executive council	28,601	38,295
Insurance	5,034	3,312
Lease and maintenance	8,673	14,109
Medical premiums	71,108	65,921
Miscellaneous	81	1,082
Periodicals and publication	90	95
Retirement benefits	62,613	47,787
Postage	7,712	8,962
Professional services	11,378	9,900
Publicity and printing	30,608	24,799
Rent and facility rent	92,394	95,331
Supplies	8,327	8,704
Table officers	13,944	14,756
Telecommunications	19,101	21,780
Travel and accommodations	2,866	3,784
Unrealized per capita contributions	16,038	-
Vehicle	15,476	14,180
Wages and honorariums	576,191	601,776
	<u>1,182,515</u>	<u>1,191,282</u>
<b>EXCESS OF REVENUES (EXPENSES)</b>	<u>(71,132)</u>	<u>(5,210)</u>
<b>NET ASSETS - BEGINNING</b>	<u>180,763</u>	<u>190,973</u>
Interfund transfer to restricted fund (Note 9)	<u>(6,482)</u>	<u>(5,000)</u>
<b>NET ASSETS - ENDING</b>	<u>\$ 103,149</u>	<u>\$ 180,763</u>

See accompanying notes

# SASKATCHEWAN FEDERATION OF LABOUR, C.L.C.

Schedule of Operations - Restricted Funds

(Schedule 2)

Year Ended August 31, 2018

	2018	2017
<b>REVENUE</b>		
Registrations	\$ 500,105	\$ 533,475
Per capita contributions from affiliates	92,813	99,597
Grants	92,545	102,089
Sales	86,134	-
Donations	55,871	175,284
Expense recoveries and other	40,970	12,519
	<b>868,438</b>	<b>922,964</b>
<b>EXPENSES</b>		
Affiliations and memberships	544	-
Computer/website services	6,724	5,062
Conventions and committees - external	1,845	1,685
Cost of sales	46,352	-
Donation - ad hoc	40,350	18,500
Employee benefits	12,630	11,015
Event entertainment	4,775	5,100
Insurance	424	400
Lease and maintenance	849	385
Periodicals and publication	2,546	19,567
Postage	3,715	3,904
Professional services	-	48,400
Publicity and printing	24,213	22,176
Rent and facility rent	283,449	252,081
Supplies	10,937	20,626
Travel and accommodations	203,343	235,251
Unrealized per capita contributions	1,296	-
Wages and honorariums	116,526	135,071
	<b>760,518</b>	<b>779,223</b>
<b>EXCESS OF REVENUES (EXPENSES)</b>	<b>\$ 107,920</b>	<b>\$ 143,741</b>

See accompanying notes

# SASKATCHEWAN FEDERATION OF LABOUR, C.L.C.

## Schedule of Restricted Funds

(Schedule 3)

Year Ended August 31, 2018

	2018 Net Assets - beginning	Revenues	Expenses	Interfund transfers (Note 9)	2018 Net Assets - ending
Ban Asbestos	\$ 802	\$ -	\$ -	\$ -	\$ 802
Canadian Federation of Labour Presidents' Meetings	7,540	22,632	(14,727)	1,482	16,927
Central Conference Fund	66,029	-	(1,500)	5,000	69,529
Domestic Violence Campaign	(608)	86,134	(85,526)	-	-
Employee and Family Assistance Program	10,000	-	-	-	10,000
Equity Conference	676	-	-	-	676
Labour Issues Reserve Fund	48,816	101,820	(12,718)	-	137,918
Legislative Defence Fund	33,334	-	-	-	33,334
Occupational Health & Safety Conference	39,731	54,900	(43,908)	(30,375)	20,348
Organizing Institute Conference	2,187	-	-	-	2,187
Pension Conference	23,921	24,500	(10,804)	-	37,617
Political Strategy Fund	9,344	1,804	(329)	-	10,819
Prairie School for Union Women	(21,172)	147,444	(153,758)	38,422	10,936
Prairie School for Union Women Scholarship	27,267	4,320	-	(8,047)	23,540
Ready for Work	992	85,045	(85,045)	-	992
Representative Workforce	41,000	-	-	-	41,000
S.F.L. Convention Account	89,562	163,450	(165,168)	-	87,844
Spring School Fund	26,469	121,630	(116,844)	-	31,255
Trade Union Act - Year in Review	11,992	-	-	-	11,992
Voluntary Strike Fund	28,010	3,050	(100)	-	30,960
S.F.L. Summer Camp	51,652	51,709	(70,191)	-	33,170
Young Workers Initiative	(1,185)	-	100	-	(1,085)
	<b>\$ 496,359</b>	<b>\$ 868,438</b>	<b>\$ (760,518)</b>	<b>\$ 6,482</b>	<b>\$ 610,761</b>

See accompanying notes

# SASKATCHEWAN FEDERATION OF LABOUR, C.L.C.

## Schedule of Restricted Funds

(Schedule 3) - cont'd

Year Ended August 31, 2018

	2017 Net Assets - beginning	Revenues	Expenses	Interfund transfers (Note 9)	2017 *** Net Assets - ending
Ban Asbestos	\$ 802	\$ -	\$ -	\$ -	\$ 802
Canadian Federation of Labour Presidents' Meetings	2,540	5,000	-	-	7,540
Central Conference Fund	67,529	-	-	(1,500)	66,029
Domestic Violence Campaign	-	-	(608)	-	(608)
Employee and Family Assistance Program	10,000	-	-	-	10,000
Equity Conference	1,056	-	(380)	-	676
Labour Issues Reserve Fund	(56,516)	185,406	(80,074)	-	48,816
Legislative Defence Fund	43,739	-	(10,405)	-	33,334
Occupational Health & Safety Conference	37,357	53,931	(51,557)	-	39,731
Organizing Institute Conference	2,187	-	-	-	2,187
Pension Conference	24,301	-	(380)	-	23,921
Political Strategy Fund	7,576	1,768	-	-	9,344
Prairie School for Union Women	(12,191)	112,360	(136,091)	14,750	(21,172)
Prairie School for Union Women Scholarship	19,266	17,751	-	(9,750)	27,267
Ready for Work	1,339	94,589	(94,936)	-	992
Representative Workforce	48,500	-	(7,500)	-	41,000
S.F.L. Convention Account	65,417	202,996	(178,851)	-	89,562
Spring School Fund	14,300	165,275	(153,106)	-	26,469
Trade Union Act - Year in Review	11,992	-	-	-	11,992
Voluntary Strike Fund	25,549	3,374	(913)	-	28,010
S.F.L. Summer Camp	33,135	71,967	(53,450)	-	51,652
Young Workers Initiative	(263)	8,550	(10,972)	1,500	(1,185)
	<u>\$ 347,615</u>	<u>\$ 922,967</u>	<u>\$ (779,223)</u>	<u>\$ 5,000</u>	<u>\$ 496,359</u>

\*\*\*This schedule is presented for comparative purposes and only includes 2017 activity\*\*\*

See accompanying notes

# SASKATCHEWAN FEDERATION OF LABOUR, C.L.C.

## Notes to Financial Statements

Year Ended August 31, 2018

---

### 1. PURPOSE OF THE FEDERATION

The Saskatchewan Federation of Labour, C.L.C. (Federation) is a not-for-profit organization formed by affiliated unions to promote and protect the rights of their members. They are a registered labour organization and are exempt from income taxes under Section 149(1)(k) of the Income Tax Act.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

#### Fund accounting

A portion of the monies received by the Federation may only be used for specific purposes and accordingly are accounted for in separate funds. Temporary transfers of monies between these funds are recorded as interfund receivables/payables. Permanent transfers are recorded as transfers in the net asset accounts. The Restricted Funds do not have separate bank accounts but rather form part of the regular cash.

**Operating Fund** administers the day to day operations of the Federation.

The Federation administers Restricted Funds and programs but does not include the related activities in its Operating Fund. While the Federation is ultimately responsible for each of these programs, they are expected to generate sufficient revenue to satisfy all obligations over the program's life. Disbursements must be made within the specific parameters outlined in those programs.

#### **Restricted Funds:**

Ban Asbestos - Fund established to support Saskatchewan Asbestos Disease Awareness Organization (SADO) by administering the funds they use to promote the ban of asbestos.

Canadian Federation of Labour Presidents' Meetings - Fund established to administer the funds for the Annual Canadian Federation of Labour Presidents' Meeting expenses and travel pools. SFL president is the treasurer.

Central Conference Fund - is an overflow fund for Conferences containing balance over \$10,000. The funds would be used to enhance conferences and other funds in accordance with Executive Council budgetary processes.

#### Domestic Violence Campaign

The SFL has partnered with Hillberg and Berk to raise money in support of victims of domestic violence. Net proceeds raised through the sale of "Exclusive Sparkle Ball Earrings" will be donated to the Provincial Association of Transition Houses of Saskatchewan (PATHS) to support this cause.

Employee and Family Assistance Program Reserve - Fund set up to assist employees and families under counselling.

Equity Conference - Participants learn about the obstacles different equity groups face every day in the workplace and society in general.

(continues)

# SASKATCHEWAN FEDERATION OF LABOUR, C.L.C.

## Notes to Financial Statements

Year Ended August 31, 2018

---

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Labour Issues Reserve Fund – Per Capita Fund established to promote an ongoing Labour Issues Campaign to raise awareness of issues important to working families in Saskatchewan.

Legislative Defence Fund - Fund established by the Federation to engage in campaigns, including legal, around legislative initiatives and actions of the government.

Occupational Health & Safety Conference - Annual conference offering courses in occupational health and safety and workers' compensation to SFL affiliated members.

Organizing Institute Conference - A gathering of union organizers to share and strategize on ways to expand the labour movement into the future.

Pension Conference - A biennial conference is held to explore current pension issues.

Political Strategy Fund - Assists labour candidates seeking office at the municipal, provincial and federal levels.

Prairie School for Union Women (PSUW) Fund - Annual school for women trade unionists in the provinces of Alberta, Manitoba and Saskatchewan.

Prairie School for Union Women Scholarship Fund - Fund to report voluntary donations to provide scholarships for women to attend the Prairie School for Union Women based on need.

Ready For Work - Delivers education to high schools on workplace health and safety issues.

Representative Workforce - Promotes issues to establish a representative workforce.

S.F.L. Convention Account - Annual conference of affiliates to set policy and direction.

Spring School Fund – SFL/CLC annual school for SFL affiliated members.

Trade Union Act - Year in Review - Educational seminars offered to SFL affiliated representatives to update them on current trends in labour legislation.

Voluntary Strike Fund - Assists unions with strike and lockout support. Does not include strike pay.

S.F.L. Summer Camp - Annual summer camp for youth which promotes issues of social justice and trade union principles.

Young Workers Initiative - Fund to promote the training and education of young workers in the labour and social justice movements.

*(continues)*

# SASKATCHEWAN FEDERATION OF LABOUR, C.L.C.

## Notes to Financial Statements

Year Ended August 31, 2018

---

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

#### Revenue recognition

The Federation follows the restricted fund method of accounting for grants, sponsorships and donations. Restricted grants and donations related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted grants and donations are recognized as revenue of the appropriate restricted fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Per capita contributions are recognized in the period in which the amount is due per the terms of membership of the Federation.

Registration revenue and sales are recognized in the period in which the related event is held.

Expense recoveries and S.F.L. standing committee revenue are recognized when meetings/conferences are held where S.F.L. is assured to recover the expenses related to the event.

#### Long-term investments

The investment is stated at amortized cost.

#### Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

#### Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	30%	declining balance method
Furniture and fixtures	20%	declining balance method

The Federation regularly reviews its capital assets to eliminate obsolete items. The Federation takes a full year's amortization in the year of acquisition.

#### Intangible assets

Included in intangible assets are:

Database - being amortized on a straight-line basis over its estimated useful life of 15 years.

#### Post retirement benefits

The Federation has a defined benefit plan providing group insurance benefits to eligible employees upon their retirement. The cost of the benefit plan is determined using the projected benefit method and is charged to expense as services are rendered. The annual provision is based on the assumptions that reflect the management's best estimate of the effect of future events on the present value of accrued benefit obligations.

(*continues*)

# SASKATCHEWAN FEDERATION OF LABOUR, C.L.C.

## Notes to Financial Statements

Year Ended August 31, 2018

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets including operating and restricted cash and term deposits, accounts receivable and long term investments are reported at amortized cost.

Financial liabilities including accounts payable and accrued liabilities are measured at amortized cost.

#### Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Significant estimates included in the financial statements include the factors used in calculating the post retirement benefit obligation.

### 3. CASH AND TERM DEPOSITS

	<u>2018</u>	<u>2017</u>
Cash	\$ 528,153	\$ 476,952
Term deposits maturing between November 2017 - October 2020 (2017 - November 2017 - January 2020) bearing interest at 0.60% - 2.50% (2017 - 0.60% - 2.15%)	<u>430,547</u>	<u>423,798</u>
	<u>\$ 958,700</u>	<u>\$ 900,750</u>
Operating cash and term deposits	\$ 314,907	\$ 385,180
Restricted cash and term deposits	<u>643,793</u>	<u>515,570</u>
	<u>\$ 958,700</u>	<u>\$ 900,750</u>

Restricted cash and term deposits includes an allocation of the above as all activity of the restricted funds is paid by the operating fund.



# SASKATCHEWAN FEDERATION OF LABOUR, C.L.C.

## Notes to Financial Statements

Year Ended August 31, 2018

### 4. CAPITAL ASSETS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Computer equipment	\$ 115,085	\$ 103,781	\$ 11,304	\$ 13,933
Furniture and fixtures	61,731	55,100	6,631	8,289
	<u>\$ 176,816</u>	<u>\$ 158,881</u>	<u>\$ 17,935</u>	<u>\$ 22,222</u>

### 5. INTANGIBLE ASSETS

	Cost	Accumulated amortization	2018	2017
Database	\$ 150,366	\$ (16,280)	\$ 134,086	\$ 118,852

### 6. LONG TERM INVESTMENTS

The investment consists of shares of Regina Union Centre Ltd. The shares are not publicly traded and no market value is available.

### 7. DEFERRED REVENUE

	Operating	Restricted	2018	2017
Per capita contributions	\$ 13,939	\$ 1,431	\$ 15,370	\$ 17,295
Occupational Health and Safety registration	-	31,300	31,300	45,400
Convention registration	-	15,100	15,100	10,550
	<u>\$ 13,939</u>	<u>\$ 47,831</u>	<u>\$ 61,770</u>	<u>\$ 73,245</u>

### 8. POST RETIREMENT BENEFITS

Under the current collective bargaining agreement, the Federation will continue to pay the costs of group-plan insurance coverage for all employees who meet the age and years of service requirement.

The post retirement benefits payable has been calculated using management's best estimates as at year-end. Factors considered would include the likelihood the Federation's staff will meet the requirements of the plan, their life expectancy, the cost of future premiums to be paid and an estimate of the average remaining service life of employees. The resultant total is denominated in current year dollars using a discount rate of 4.5% which is the market rate of interest available to the Federation.

The Federation has not segregated any assets to fund its post retirement obligation.

# SASKATCHEWAN FEDERATION OF LABOUR, C.L.C.

## Notes to Financial Statements

Year Ended August 31, 2018

---

### 9. INTERFUND TRANSFERS

Interfund transfers from the Operating Fund to the Restricted Funds were approved by the Executive Council within the guidelines permitted by the policies on these funds. Other fund transfers between restricted funds were approved by Executive Council or related committees.

### 10. COMMITMENTS

The Federation has contractual obligations under operating leases for premises and equipment at the yearend. The estimated future minimum lease payments are as follows:

2019	\$	45,624
2020		38,016
2021		38,016

### 11. DEFINED CONTRIBUTION PLAN

The Federation has made contributions of \$70,192 (2017 - \$71,438) to employee RRSPs per the agreements between the Federation and its employees. The Federation's liability is to making the contributions which are expensed in the year.

### 12. FINANCIAL INSTRUMENTS

The Federation is exposed to various risks through its financial instruments and management is responsible to monitor, evaluate and manage these risks. The following analysis provides information about the Federation's risk exposure and concentration as of August 31, 2018.

#### **Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Federation is exposed to credit risk from members. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Federation has a significant number of members which minimizes concentration of credit risk.

#### **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Federation is exposed to this risk mainly in respect of its receipt of funds from its members and other related sources, obligations under leases, contributions to the pension plan, obligations under post retirement benefits payable and accounts payable.

#### **Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Federation manages exposure through its normal operating and financing activities. The Federation is not exposed to any significant interest rate risk as there is no obligations associated with the earnings on investments.

# SASKATCHEWAN FEDERATION OF LABOUR, C.L.C.

## Notes to Financial Statements

Year Ended August 31, 2018

---

### 13. CORRESPONDING FIGURES

Some of the corresponding figures have been reclassified to conform to the current year's presentation. There is no impact on previously reported total assets, total liabilities, net assets, total revenues, total expenses, or excess of revenues (expenses) as a result of the reclassification.