



Financial Statements of

**CAPE BRETON UNIVERSITY  
FACULTY ASSOCIATION**

Year ended March 31, 2014



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## INDEPENDENT AUDITORS' REPORT

To the Members of Cape Breton University Faculty Association

We have audited the accompanying financial statements of Cape Breton University Faculty Association which comprise the statement of financial position as at March 31, 2014 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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 auditors' 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 auditors consider 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 audit opinion.

### Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Cape Breton University Faculty Association as at March 31, 2014 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Other Matters

The corresponding information contained in these financial statements of Cape Breton University Faculty Association are unaudited.

Chartered Accountants  
Sydney, Canada  
May 7, 2014

# CAPE BRETON UNIVERSITY FACULTY ASSOCIATION

## Statement of Financial Position

March 31, 2014, with corresponding figures for 2013

	2014	2013
		(unaudited)
<b>ASSETS</b>		
Current assets		
Cash	\$ 124,183	\$ 86,842
Accounts receivable (note 2)	14,961	11,431
Prepaid expenses	1,319	211
	<u>140,463</u>	<u>98,484</u>
Restricted cash	351,712	329,071
	<u>\$ 492,175</u>	<u>\$ 427,555</u>

## LIABILITIES

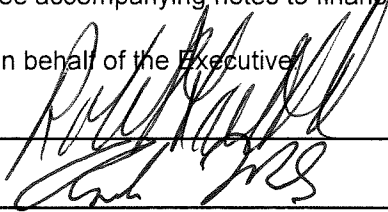
Current liabilities		
Accounts payable and accrued liabilities	\$ 9,044	\$ 1,335


## NET ASSETS

Grievance and arbitration fund	99,733	98,988
Strike fund	251,979	230,083
Unrestricted	131,419	97,149
	<u>483,131</u>	<u>426,220</u>
	<u>\$ 492,175</u>	<u>\$ 427,555</u>

See accompanying notes to financial statements.

On behalf of the Executive

  
\_\_\_\_\_  
Member

  
\_\_\_\_\_  
Member

# CAPE BRETON UNIVERSITY FACULTY ASSOCIATION

## Statement of Operations

Year ended March 31, 2014, with corresponding figures for 2013

	2014	2013
		(unaudited)
<b>REVENUES</b>		
Membership fees	\$ 149,782	\$ 139,899
Interest income	5,076	4,963
	<u>154,858</u>	<u>144,862</u>
<b>EXPENSES</b>		
Dues		
Canadian Association of University Teachers (CAUT)	24,002	22,826
Defence fund	10,070	9,470
Association of NS University Teachers	6,294	6,044
National Union of CAUT	1,625	1,579
Nova Scotia Federation of Labour	1,536	1,512
Cape Breton District Labour Council	295	274
Conference	6,823	7,969
Donations and contributions	12,845	11,338
Stipends	8,156	7,844
Salaries and benefits	6,719	-
Social functions	6,325	4,419
Meetings	5,067	5,487
Professional fees	5,000	-
Insurance	1,422	-
Office supplies	1,094	991
Miscellaneous	526	-
Bank charges	148	151
Grievances	-	24,476
	<u>97,947</u>	<u>104,380</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 56,911</u>	<u>\$ 40,482</u>

See accompanying notes to financial statements.

# CAPE BRETON UNIVERSITY FACULTY ASSOCIATION

## Statement of Changes in Net Assets

Year ended March 31, 2014, with corresponding figures for 2013

				2014	2013
	Grievance and Arbitration Fund	Strike Fund	Unrestricted	Total	(unaudited) Total
<b>NET ASSETS, BEGINNING OF YEAR</b>	\$ 98,988	\$ 230,083	\$ 97,149	\$ 426,220	\$ 385,738
Excess of revenues over expenses	745	21,896	34,270	56,911	40,482
<b>NET ASSETS, END OF YEAR</b>	\$ 99,733	\$ 251,979	\$ 131,419	\$ 483,131	\$ 426,220

See accompanying notes to financial statements.

# CAPE BRETON UNIVERSITY FACULTY ASSOCIATION

## Statement of Cash Flows

Year ended March 31, 2014

	2014
<b>CASH FLOWS FROM OPERATIONS</b>	
Excess of revenues over expenses	\$ 56,911
Change in non-cash operating working capital	
Increase in accounts receivable	(3,530)
Increase in prepaid expenses	(1,108)
Increase in accounts payable and accrued liabilities	7,709
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>59,982</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>415,913</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 475,895</b>
Cash and cash equivalents is defined as	
Cash	\$ 124,183
Restricted cash - Strike Fund	251,979
Restricted cash - Grievance and Arbitration Fund	99,733
	<b>\$ 475,895</b>

See accompanying notes to financial statements.

# CAPE BRETON UNIVERSITY FACULTY ASSOCIATION

Notes to Financial Statements

Year ended March 31, 2014

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Cape Breton University Faculty Association (the "Association") is an unincorporated Association that was formed in 1974. The Association was originally called the University College of Cape Breton Faculty Association of University Teachers and in 2005 the name was changed to Cape Breton University Faculty Association. The purpose of the Association is to promote the welfare of faculty, librarians and other specialists, clinical associates, laboratory instructors and teaching assistants of Cape Breton University.

The affairs of the Association are managed by an Executive of 12 individuals, who are elected by the membership on a one year term basis, except the President, who is elected in alternate years.

The Association is exempt from income taxes under Section 149(1)(k) of the Income Tax Act.

## 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

### (a) General

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

The following summarizes the significant accounting policies adopted:

### (b) Cash and cash equivalents

Cash and cash equivalents consists of cash on deposit, net of outstanding cheques and deposits.

### (c) Strike Fund

The Association established a Strike Fund to be used in the event of a future strike. Contributions are made at the discretion of the Executive and maintained in a separate bank account.

### (d) Grievance and Arbitration Fund

The Association established and Grievance and Arbitration Fund to be used to support union members in such circumstances. Contributions are made at the discretion of the Executive and are maintained in a separate bank account.

# CAPE BRETON UNIVERSITY FACULTY ASSOCIATION

Notes to Financial Statements (continued)

Year ended March 31, 2014

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## 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

### (e) Revenue recognition

The Association follows the deferral method of accounting for revenue. Membership fee revenue is composed of unrestricted contributions that are recognized as revenue when received or receivable, if the amount to be received is readily determinable and collection is reasonably assured.

Reimbursements are recognized in the period that the corresponding expense is incurred.

Interest income is recognized as revenue when earned.

### (f) Financial instruments

The Association initially measures its financial assets and financial liabilities at fair value and subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

#### **Impairment**

Financial assets measured at cost or amortized costs are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in income. A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

### (g) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Those financial statement items subject to estimates include the valuation of accounts receivable.



