



Financial Statements of

**CAPE BRETON UNIVERSITY  
FACULTY ASSOCIATION**

Year ended March 31, 2016  
(Unaudited)



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## REVIEW ENGAGEMENT REPORT

To the Members of Cape Breton University Faculty Association

We have reviewed the statement of financial position of Cape Breton University Faculty Association as at March 31, 2016 and the statements of operations, changes in net assets and cash flows for the year then ended. 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.

A handwritten signature in black ink that reads "MGM &amp; Associates". The signature is written in a cursive, flowing style.

Chartered Accountants

Sydney, Canada  
October 4, 2016

# CAPE BRETON UNIVERSITY FACULTY ASSOCIATION


## Statement of Financial Position

March 31, 2016, with comparative figures for 2015  
(Unaudited)

	2016	2015
<b>ASSETS</b>		
Current assets		
Cash	\$ 39,112	\$ 184,898
Accounts receivable (note 2)	19,815	13,206
Prepaid expenses	1,200	1,064
	<u>60,127</u>	<u>199,168</u>
Restricted cash	452,259	357,227
	<u>\$ 512,386</u>	<u>\$ 556,395</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 16,480	\$ 10,105
<b>NET ASSETS</b>		
Grievance and arbitration fund	141,892	100,629
Strike fund	310,367	256,598
Unrestricted	43,647	189,063
	<u>495,906</u>	<u>546,290</u>
	<u>\$ 512,386</u>	<u>\$ 556,395</u>

See accompanying notes to unaudited financial statements.

On behalf of the Executive:

  
\_\_\_\_\_ Member

  
\_\_\_\_\_ Member

# CAPE BRETON UNIVERSITY FACULTY ASSOCIATION

## Statement of Operations

Year ended March 31, 2016, with comparative figures for 2015  
(Unaudited)

	2016	2015
<b>REVENUES</b>		
Membership fees	\$ 164,006	\$ 152,908
Interest income	5,169	5,516
	<u>169,175</u>	<u>158,424</u>
<b>EXPENSES</b>		
Dues		
Canadian Association of University Teachers (CAUT)	24,406	24,032
Defence fund	10,332	10,332
Association of NS University Teachers	6,920	6,468
National Union of CAUT	1,675	1,623
Nova Scotia Federation of Labour	1,478	1,530
Cape Breton District Labour Council	285	286
Grievances	98,933	598
Salaries and benefits	14,827	13,032
Donations and contributions	12,503	785
Meetings	11,472	4,003
Conference	10,741	10,621
Stipends	9,152	9,547
Social functions	4,786	4,776
Professional fees	3,623	3,325
Miscellaneous	3,056	721
Insurance	2,509	2,275
Office supplies	1,691	973
Publicity	989	154
Bank charges	181	183
	<u>219,559</u>	<u>95,264</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ (50,384)</b>	<b>\$ 63,160</b>

See accompanying notes to financial statements.

# CAPE BRETON UNIVERSITY FACULTY ASSOCIATION

## Statement of Changes in Net Assets

Year ended March 31, 2016, with comparative figures for 2015  
(Unaudited)

				2016	2015
	Grievance and Arbitration Fund	Strike Fund	Unrestricted	Total	Total
<b>NET ASSETS, BEGINNING OF YEAR</b>	\$ 100,629	\$ 256,598	\$ 189,063	\$ 546,290	\$ 483,130
Excess (deficiency) of revenues over expenses	(97,670)	3,769	43,517	(50,384)	63,160
Transfers between funds	138,933	50,000	(188,933)	-	-
<b>NET ASSETS, END OF YEAR</b>	\$ 141,892	\$ 310,367	\$ 43,647	\$ 495,906	\$ 546,290

See accompanying notes to unaudited financial statements.

# CAPE BRETON UNIVERSITY FACULTY ASSOCIATION

## Statement of Cash Flows

Year ended March 31, 2016, with comparative figures for 2015  
(Unaudited)

	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ (50,384)	\$ 63,160
Change in non-cash operating working capital		
Decrease (increase) in accounts receivable	(6,609)	1,755
Decrease (increase) in prepaid expenses	(136)	255
Increase in accounts payable and accrued liabilities	6,375	1,060
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(50,754)</b>	<b>66,230</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>542,125</b>	<b>475,895</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 491,371</b>	<b>\$ 542,125</b>
Cash and cash equivalents is defined as		
Cash	\$ 39,112	\$ 184,898
Restricted cash - Strike Fund	310,367	256,599
Restricted cash - Grievance and Arbitration Fund	141,892	100,628
	<b>\$ 491,371</b>	<b>\$ 542,125</b>

See accompanying notes to financial statements.

# CAPE BRETON UNIVERSITY FACULTY ASSOCIATION

Notes to Financial Statements

Year ended March 31, 2016  
(Unaudited)

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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 accounting standards for not-for-profit organizations.

### (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 a 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.

### (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.

# CAPE BRETON UNIVERSITY FACULTY ASSOCIATION

Notes to Financial Statements (continued)

Year ended March 31, 2016

(Unaudited)

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

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

Interest income is recognized as revenue when earned.

### (f) Financial instruments

#### **Measurement of 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.



# CAPE BRETON UNIVERSITY FACULTY ASSOCIATION

Notes to Financial Statements (continued)

Year ended March 31, 2016  
(Unaudited)

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## 2. ACCOUNTS RECEIVABLE

	2016	2015
Membership fees	\$ 19,815	\$ 11,845
CAUT reimbursement	-	1,361
	\$ 19,815	\$ 13,206

## 3. FINANCIAL INSTRUMENTS

The Association is not subject to significant credit, interest or market risks.

## 4. ALLOWANCES

Cape Breton University (the University) provides the Association with free office space and use of a telephone line. The value of these services are not included in the financial statements.

In addition, the University, under the Association's collective agreement, provides teaching reductions to the Association's President (6 credits) and Chief Negotiator (3 credits, in the year a contract is being negotiated). The value of these salaries and benefits paid by the University are not reflected in the financial statements.