

Financial Statements of

**CAPE BRETON UNIVERSITY
FACULTY ASSOCIATION**

Year ended March 31, 2018
(Unaudited)



MGM & Associates
Chartered Professional Accountants
Commerce Tower
15 Dorchester Street Suite 500
PO Box 1
Sydney NS B1P 6G9

Telephone (902) 539-3900
Fax (902) 564-6062
Internet www.mgm.ca

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Cape Breton University Faculty Association

We have reviewed the accompanying financial statements of Cape Breton University Faculty Association that comprise the statement of financial position as at March 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Cape Breton University Faculty Association as at March 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.

Chartered Professional Accountants
Licensed Public Accountants

Sydney, Canada
October 22, 2018

CAPE BRETON UNIVERSITY FACULTY ASSOCIATION

Statement of Financial Position

March 31, 2018, with comparative figures for 2017
(Unaudited)

	2018	2017
ASSETS		
Current assets		
Cash	\$ 105,444	\$ 39,064
Accounts receivable (note 2)	20,882	23,140
Prepaid expenses	1,200	1,200
	127,526	63,404
Restricted cash	456,797	454,519
	\$ 584,323	\$ 517,923

LIABILITIES

Current liabilities		
Accounts payable and accrued liabilities	\$ 8,525	\$ 4,840

NET ASSETS

Grievance and arbitration fund	143,315	142,600
Strike fund	313,482	311,919
Unrestricted	119,001	58,564
	575,798	513,083
	\$ 584,323	\$ 517,923

See accompanying notes to unaudited financial statements.

On behalf of the Executive:

Calvin Hawley Member
Chandelle Taylor Member

CAPE BRETON UNIVERSITY FACULTY ASSOCIATION

Statement of Operations

Year ended March 31, 2018, with comparative figures for 2017

(Unaudited)

	2018	2017
REVENUES		
Membership fees	\$ 159,203	\$ 156,427
Interest income	2,309	2,349
	<u>161,512</u>	<u>158,776</u>
EXPENSES		
Dues		
Canadian Association of University Teachers (CAUT)	25,058	24,909
Association of NS University Teachers	15,920	15,643
Defence fund	10,824	10,414
National Union of CAUT	1,659	1,536
Nova Scotia Federation of Labour	1,459	1,667
Cape Breton District Labour Council	272	274
Salaries and benefits	13,821	15,546
Stipends	9,261	9,261
Donations and contributions	4,811	2,483
Professional fees	3,838	4,705
Social functions	2,704	5,903
Insurance	2,650	2,650
Conference	2,355	1,351
Meetings	1,907	3,319
Office supplies	1,354	1,125
Grievances	459	26,892
Miscellaneous	240	40
Bank charges	205	189
Bargaining	-	13,692
	<u>98,797</u>	<u>141,599</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 62,715</u>	<u>\$ 17,177</u>

See accompanying notes to financial statements.

CAPE BRETON UNIVERSITY FACULTY ASSOCIATION

Statement of Changes in Net Assets

Year ended March 31, 2018, with comparative figures for 2017
(Unaudited)

				2018	2017
	Grievance and Arbitration Fund	Strike Fund	Unrestricted	Total	Total
NET ASSETS, BEGINNING OF YEAR	\$ 142,600	\$ 311,919	\$ 58,564	\$ 513,083	\$ 495,906
Excess of revenues over expenses	715	1,563	60,437	62,715	17,177
NET ASSETS, END OF YEAR	\$ 143,315	\$ 313,482	\$ 119,001	\$ 575,798	\$ 513,083

See accompanying notes to unaudited financial statements.

CAPE BRETON UNIVERSITY FACULTY ASSOCIATION

Statement of Cash Flows

Year ended March 31, 2018, with comparative figures for 2017
(Unaudited)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 62,715	\$ 17,177
Change in non-cash operating working capital		
Decrease (increase) in accounts receivable	2,258	(3,325)
Increase (decrease) in accounts payable and accrued liabilities	3,685	(11,640)
INCREASE IN CASH AND CASH EQUIVALENTS	68,658	2,212
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	493,583	491,371
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 562,241	\$ 493,583
Cash and cash equivalents is defined as		
Cash	\$ 105,444	\$ 39,064
Restricted cash - Strike Fund	313,482	311,919
Restricted cash - Grievance and Arbitration Fund	143,315	142,600
	\$ 562,241	\$ 493,583

See accompanying notes to financial statements.

CAPE BRETON UNIVERSITY FACULTY ASSOCIATION

Notes to Financial Statements

Year ended March 31, 2018

(Unaudited)

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, 2018
(Unaudited)

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.

Unless otherwise noted, the Association is not subject to significant credit, market or liquidity risks arising from these instruments.

(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, 2018

(Unaudited)

2. ACCOUNTS RECEIVABLE

	2018	2017
Membership fees	\$ 18,410	\$ 18,140
Other	2,472	5,000
	<u>\$ 20,882</u>	<u>\$ 23,140</u>

3. 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.