

**CAPILANO UNIVERSITY
FACULTY ASSOCIATION**

Financial Statements

April 30, 2011

CAPILANO UNIVERSITY FACULTY ASSOCIATION

April 30, 2011

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Review Engagement Report

To the Directors of
Capilano University Faculty Association

We have reviewed the statement of financial position of the Capilano University Faculty Association as at April 30, 2011 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 inquiry, 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.

Burnaby, British Columbia
August 11, 2011

Fairhall Zhang & Associates Ltd.
Certified General Accountants

CAPILANO UNIVERSITY FACULTY ASSOCIATION

Statement of Financial Position

(Unaudited)

As at April 30, 2011

<u>ASSETS</u>	<u>2011</u>	<u>2010</u>	<u>May 1, 2009</u>
<u>Current Assets</u>			
Cash	\$ 68,970	\$ 75,115	\$ 187,375
Short-Term Deposits - Note 5	150,000	550,000	350,000
Accounts receivable	<u>83,650</u>	<u>50,000</u>	<u>45,000</u>
	<u>302,620</u>	<u>675,115</u>	<u>582,375</u>
<u>Long-Term Deposits</u> - Note 5	403,000	-	-
<u>Capital assets</u>			
Office Furniture	3,395	3,000	17,370
Computer	<u>1,860</u>	<u>2,500</u>	<u>2,962</u>
	5,253	5,500	20,332
Less: Accumulated Amortization	<u>(2,518)</u>	<u>(1,333)</u>	<u>(20,332)</u>
Net Book Value	<u>2,735</u>	<u>4,167</u>	<u>-</u>
<u>Total Assets</u>	<u>\$ 708,357</u>	<u>\$ 679,282</u>	<u>\$ 582,375</u>
 <u>LIABILITIES & NET ASSETS</u>			
<u>Current Liabilities</u>			
Accounts payable and accrued liabilities	\$ 38,150	\$ 38,800	\$ 27,483
Payroll deductions payable	<u>-</u>	<u>-</u>	<u>1,117</u>
<u>Total Liabilities</u>	<u>38,150</u>	<u>38,800</u>	<u>28,600</u>
<u>Net Assets</u> - See Page 4	<u>670,207</u>	<u>640,482</u>	<u>553,775</u>
<u>Total Liabilities & Net Assets</u>	<u>\$ 708,357</u>	<u>\$ 679,282</u>	<u>\$ 582,375</u>

Approved on Behalf of the Board:

_____ President

The attached notes are an integral part hereof.

CAPILANO UNIVERSITY FACULTY ASSOCIATION

Statement of Operations

(Unaudited)

For The Year Ended April 30, 2011

<u>Revenues</u>	<u>2011</u>	<u>2010</u>
Union Dues Revenue	\$ 581,212	\$ 579,574
Common Agreement Release Revenue	25,000	24,800
Interest Revenue - Operating Fund	1,360	1,086
Interest Revenue - Strike Fund	6,191	5,485
Interest Revenue - Negotiation Fund	1,144	689
Interest Revenue - Education Fund	<u>108</u>	<u>90</u>
<u>Total Revenues</u>	<u>615,015</u>	<u>611,724</u>
<u>Expenses</u>		
Negotiations Expense	6,108	107
Non-Executive Release	6,250	6,200
Negotiations Release	37,500	-
Executive Release	155,306	155,000
Federation of Post-Secondary Educators	268,535	265,767
FPSE AGM Host Expenses	5,249	2,599
Bursaries	2,100	2,100
Memberships and Donations	2,645	25
Conferences	220	919
Professional Development	2,100	2,100
Public Relations	3,580	2,306
Office expenses	4,679	2,418
Telephone and telecommunications	580	750
Meetings and Refreshments	10,071	12,608
Other travel expenses	3,710	1,886
Professional Fees	2,366	1,518
Union Survey	21	149
Salaries and wages	53,309	50,582
CPP, EI and Employee Benefits	18,585	15,671
Staff Training	826	830
Amortization Expense	1,185	1,333
Contingency	67	-
Bank charges	<u>298</u>	<u>149</u>
<u>Total Expenses</u>	<u>585,290</u>	<u>525,017</u>
<u>Excess Revenues Over Expenses</u>	<u>\$ 29,725</u>	<u>\$ 86,707</u>

The attached notes are an integral part hereof.

CAPILANO UNIVERSITY FACULTY ASSOCIATION

Statement of Changes in Net Assets

(Unaudited)

For the Year Ended April 30, 2011

	<u>FUNDS</u>				<u>Totals</u>	
	Note 6 <u>Operating</u>	<u>Strike</u>	<u>Negotiation</u>	<u>Education</u>	<u>2011</u>	<u>2010</u>
<u>Opening Balances</u>	\$ <u>99,008</u>	\$ <u>449,283</u>	\$ <u>84,293</u>	\$ <u>7,898</u>	\$ <u>640,482</u>	\$ <u>553,775</u>
<u>Revenues</u>						
Operations	606,212	-	-	-	606,212	604,374
Interest	1,360	6,191	1,144	108	8,803	7,350
<u>Expenses</u>	<u>(540,856)</u>	<u>-</u>	<u>(43,608)</u>	<u>(826)</u>	<u>(585,290)</u>	<u>(525,017)</u>
<u>Transfers</u>	<u>(62,000)</u>	<u>30,000</u>	<u>30,000</u>	<u>2,000</u>	<u>-</u>	<u>-</u>
Increase / (Decrease)	<u>4,716</u>	<u>36,191</u>	<u>(12,464)</u>	<u>1,282</u>	<u>29,725</u>	<u>86,707</u>
<u>Ending Balances</u>	\$ <u>103,724</u>	\$ <u>485,474</u>	\$ <u>71,829</u>	\$ <u>9,180</u>	\$ <u>670,207</u>	\$ <u>640,482</u>

The attached notes are an integral part hereof.

CAPILANO UNIVERSITY FACULTY ASSOCIATION

Statement of Cash Flows

(Unaudited)

For the Year Ended April 30, 2011

	<u>2011</u>	<u>2010</u>
<u>Cash Position</u>		
Cash and Short Term Deposits	\$ <u>218,971</u>	\$ <u>625,115</u>
<u>Net Cash Position</u>		
Opening Cash Position	625,115	537,375
Ending Cash Position	218,971	625,115
<u>Increase(Decrease) in Cash Position</u>	\$ <u>(406,144)</u>	\$ <u>87,740</u>
 <u>CASH FLOWS FROM</u>		
<u>Operating Activities</u>		
Excess Revenue Over Expenses	\$ 29,725	\$ 86,707
<u>Items not requiring an outlay of cash</u>		
Amortization Expense	<u>1,185</u>	<u>1,333</u>
	<u>30,910</u>	<u>88,040</u>
<u>Changes in Non-Working Capital</u>		
(Increase) Decrease in Current Assets	(33,650)	(5,000)
Increase(Decrease) in Current Liabilities	<u>(650)</u>	<u>10,200</u>
<u>Cash provided by(Used in) Operating Activities</u>	\$ <u>(3,390)</u>	\$ <u>93,240</u>
 <u>Financing Activities</u>		
No Activity	\$ <u>-</u>	\$ <u>-</u>
 <u>Investing Activities</u>		
Long-Term deposit	(403,000)	-
Additions to Capital Property	<u>246</u>	<u>(5,500)</u>
<u>Cash used in Investing Activities</u>	\$ <u>(402,754)</u>	\$ <u>(5,500)</u>
 <u>Net Increase(Decrease) in Cash & Cash Equivalents</u>	 \$ <u>(406,144)</u>	 \$ <u>87,740</u>

The attached notes are an integral part hereof.

CAPILANO UNIVERSITY FACULTY ASSOCIATION

Notes to the Financial Statements

(Unaudited)

For the Year Ended April 30, 2011

1. The Capilano University Faculty Association (CFA) is certified by the Labour Relations Board of BC to represent certain employees of Capilano University. On February 27, 2009, the Labour Relations Board approved changing the Association's name by substituting University for College.

2. First time adoption of Accounting Standards for Not-for-Profit Organizations(ASNPO)

CFA chose early adoption of Canadian accounting standards for Not-for-Profit Organizations as the basis of accounting in preparing its financial statements.

The financial statements for the year ended April 30, 2011 are the first financial statements that are prepared in accordance with ASNPO. The financial statements for the year ended April 30, 2010 were previously prepared in accordance with the former Canadian generally accepted accounting principles in the Handbook - Accounting Part V version (Pre-changeover GAAP).

Under ASNPO provisions as set out in Section 1500 First-Time Adoption, the date of transition is the beginning of the fiscal year for comparative information. Therefore, the transition date for the Association is May 1, 2009, the beginning of the fiscal year ended April 30, 2010.

There is no change in opening net assets at May 1 2009, and no reconciliation is needed for excess revenues over expenses for the year ended April 30, 2010 under Pre-changeover GAAP to ASNPO. Consequently the May 1 2009 statement of financial position column is unchanged from the previously reported April 30 2009 statement.

3. Accounting Policies

- a. Fee & Interest Revenue is recognized on an accrual basis.
- b. Management's practice is to capitalize and amortize assets costing more than \$1,000. A six-year straight-line policy with no residual, is used for furniture and equipment. For computers and electronic equipment, a three-year period is used.
- c. CFA Officers who are on Union Leave from their regular employment while performing their CFA Duties, are paid their regular salary and benefits during such periods by the University. The University invoices the CFA according to the agreed formula for the salaries and benefits of the officers while on Union Leave.
- d. The CFA is a member of the Federation of Post Secondary Educators (FPSE) which provides certain services to the CFA and its members. The CFA charges the FPSE for FPSE-related union leave for CFA members on FPSE business. Consequently, the CFA recovers a portion of the amounts which it pays to the University as explained in (c) above.

CAPILANO UNIVERSITY FACULTY ASSOCIATION

Notes to the Financial Statements

(Unaudited)

For the Year Ended April 30, 2011

- e. The 'Net Assets' of the Association consists of the following funds:
- i. Strike Fund: Its purpose is to pay strike pay and/or be used in other ways to defend the Association.
 - ii. Negotiations Fund: Its purpose is to cover the costs of negotiating collective bargaining agreements.
 - iii. Education Fund: Its purpose is to pay for members to take union related training.
 - iv. Operating Fund: Its purpose is to cover the normal operating activities of the CFA.

4. Fair Value Estimation and Risk Assessment:

The CFA financial instruments consist of cash, term deposits, dues receivable, accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying values unless otherwise noted. It is the Directors' opinion that the CFA is not exposed to significant credit risk, interest rate risk, liquidity risk, currency risk or other price risks.

5. The term deposits are cashable and non-cashable at rates varying from 1.35% to 3.35% interest for a 12 month and 36 month term. The cash and term deposits are with VanCity Credit Union and are 100% guaranteed under provincial legislation.

6. Reserve

A reserve of \$30,000 within the operating fund for Sick-Leave was approved at a Annual General Meeting on May 4, 2010. It is intended to address the contingency that the Association may have to pay sick leave for the first 30 days of absence in the event a member becomes ill while on Union Release.