

**British Columbia Institute of Technology
Faculty and Staff Association
Financial Statements**
For the year ended June 30, 2023

**British Columbia Institute of Technology
Faculty and Staff Association**

Contents

For the year ended June 30, 2023

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Independent Auditor's Report

To the Members of British Columbia Institute of Technology Faculty and Staff Association:

Opinion

We have audited the financial statements of British Columbia Institute of Technology Faculty and Staff Association (the "Association"), which comprise the statement of financial position as at June 30, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at June 30, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Administration and Those Charged with Governance for the Financial Statements

Administration is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Port Moody, British Columbia

September 20, 2023

MNP LLP

Chartered Professional Accountants

British Columbia Institute of Technology
Faculty and Staff Association
Statement of Financial Position

As at June 30, 2023

	2023	2022
Assets		
Current		
Cash	814,286	1,141,138
Short-term investments (Note 3)	1,714,648	2,326,309
Membership dues receivable	117,946	108,379
Prepaid expenses	30,385	10,499
	2,677,265	3,586,325
Long-term investments (Note 3)	1,185,560	-
Capital assets (Note 4)	21,894	21,680
	3,884,719	3,608,005
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 5)	162,633	153,701
Net Assets		
Internally restricted reserves (Note 6)	3,550,192	3,282,624
Unrestricted Operating Fund	150,000	150,000
Investment in capital assets	21,894	21,680
	3,722,086	3,454,304
	3,884,719	3,608,005

Approved on behalf of the Board of Directors

e-Signed by Trish Albino

2023-09-25 11:17:01:01 PDT

Treasurer

e-Signed by Colin Jones

2023-09-25 11:16:43:43 PDT

President

The accompanying notes are an integral part of these financial statements

British Columbia Institute of Technology
Faculty and Staff Association
Statement of Operations
For the year ended June 30, 2023

	2023	2022
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Revenue		
FSA membership dues	2,018,379	2,094,799
Investment income	95,558	13,510
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	2,113,937	2,108,309
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Expenses		
Salaries, benefits and release time	1,191,567	1,221,413
Affiliations (Note 7)	226,379	219,812
Professional fees	111,716	137,627
Scholarships and endowments (Note 8)	84,000	8,000
Office	50,765	70,165
Travel	38,724	10,456
Liaison and meetings	37,593	36,699
Professional development	25,804	15,409
Research and consulting	21,668	27,719
Publications and materials	19,689	7,828
Insurance	15,807	13,011
Union strike support	7,000	5,000
Bank charges	4,085	4,203
Computer lease	1,707	2,853
Donations (Note 3)	600	2,200
	<hr/>	<hr/>
	1,837,104	1,782,395
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Excess of revenue over expenses before amortization	276,833	325,914
Amortization	9,051	7,587
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Excess of revenue over expenses	267,782	318,327
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The accompanying notes are an integral part of these financial statements

**British Columbia Institute of Technology
Faculty and Staff Association
Statement of Changes in Net Assets**

For the year ended June 30, 2023

	<i>Internally restricted reserves (Note 6)</i>	<i>Unrestricted Operating Fund</i>	<i>Investment in capital assets</i>	2023	<i>2022</i>
Net assets, beginning of year	3,282,624	150,000	21,680	3,454,304	3,135,977
Excess (deficiency) of revenue over expenses	-	276,833	(9,051)	267,782	318,327
	3,282,624	426,833	12,629	3,722,086	3,454,304
Purchase of capital assets	-	(9,265)	9,265	-	-
Disbursement from reserves (Note 6)	(7,000)	7,000	-	-	-
Unrestricted operating fund surplus (Note 6)	274,568	(274,568)	-	-	-
Net assets, end of year	3,550,192	150,000	21,894	3,722,086	3,454,304

The accompanying notes are an integral part of these financial statements

British Columbia Institute of Technology
Faculty and Staff Association
Statement of Cash Flows
For the year ended June 30, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	267,782	318,327
Amortization	9,051	7,586
	276,833	325,913
Changes in working capital accounts		
Membership dues receivable	(9,567)	(42,818)
Prepaid expenses	(19,886)	(978)
Accounts payable and accrued liabilities	8,932	22,625
	256,312	304,742
Investing		
Net purchase of investments	(573,899)	(495,075)
Purchase of capital assets	(9,265)	(12,599)
	(583,164)	(507,674)
Decrease in cash resources	(326,852)	(202,932)
Cash resources, beginning of year	1,141,138	1,344,070
Cash resources, end of year	814,286	1,141,138

The accompanying notes are an integral part of these financial statements

British Columbia Institute of Technology
Faculty and Staff Association
Notes to the Financial Statements
For the year ended June 30, 2023

1. Purpose of the Association

The British Columbia Institute of Technology Faculty and Staff Association (the "Association") acts as the bargaining agent for technical faculty and staff of the British Columbia Institute of Technology, promoting the interest and well-being of the members and providing formal channels for collective bargaining with their employers on all matters relating to curriculum, employment, production, wages, hours of work, holidays and all other matters affecting the welfare of the employees. The Association also assists the faculty and staff members, as a group, to interrelate with the student body, the administration, the Board of Governors and with the Ministry of Advanced Education and other ministries and administrative agencies of the Province of British Columbia.

The Association is registered under the Society Act and is a certified trade union. The Association is registered as a not-for-profit organization under the Income Tax Act ("the Act") and as such is exempt from income taxes. In order to maintain its status as a registered not-for-profit organization under the Act, the Association must meet certain requirements within the Act. In the opinion of administration, these requirements have been met.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Revenue recognition

The Association follows the deferral method of accounting for revenue. Unrestricted membership dues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted investment income is recognized as revenue when earned.

Capital assets

Purchased capital assets are recorded at cost. Amortization is provided using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives.

	Rate
Computer equipment	5 years
Furniture and fixtures	5 years
Leasehold improvements	5 years

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires administration 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 revenue and expenses during the reporting period.

Amortization is based on the estimated useful lives of capital assets. Membership dues receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenue over expenses in the years in which they become known.

British Columbia Institute of Technology
Faculty and Staff Association
Notes to the Financial Statements
For the year ended June 30, 2023

2. Significant accounting policies (continued from previous page)

Financial instruments

The Association recognizes its financial instruments when the Association becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with administration.

At initial recognition, the Association may irrevocably elect to subsequently measure any financial instrument at fair value. The Association has not made such an election during the year.

The Association subsequently measures financial assets and liabilities at amortized cost, with transaction costs and financing fees added to the carrying amount of the Association's financial instruments.

Financial asset impairment

The Association assesses impairment of all of its financial assets measured at cost or amortized cost. The Association groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Administration considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments; etc. in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Association determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Association reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses.

The Association reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenue over expenses in the year the reversal occurs.

3. Investments

Investments consist of highly liquid interest bearing Guaranteed Investment Certificates ("GICs") held with various financial institutions. The GICs included with short-term investments mature within one year from June 30, 2023. The GICs included in long-term investments mature after June 30, 2024.

	2023	2022
Accrued interest	85,908	12,009
GICs maturing within one year	1,628,740	2,314,300
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Short-term investments	1,714,648	2,326,309
Long-term investments	1,185,560	-
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	2,900,208	2,326,309

4. Capital assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	143,150	130,901	12,249	14,208
Furniture and fixtures	90,926	81,281	9,645	7,472
Leasehold improvements	153,729	153,729	-	-
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	387,805	365,911	21,894	21,680

British Columbia Institute of Technology
Faculty and Staff Association
Notes to the Financial Statements
For the year ended June 30, 2023

5. Accounts payable and accrued liabilities

	2023	2022
Trade accounts payable	130,251	61,049
Payroll liabilities	32,382	92,652
	162,633	153,701

6. Internally restricted reserves

The Association maintains six internally restricted reserves: the Strike Fund, Special Projects Fund, General Reserve Fund, Legal and Arbitration Fund, Capital Replacement Fund and Union Solidarity and Support Fund. The amounts allocated to the internally restricted reserves are not available for purposes other than as approved by the Board of Directors. The purpose of these reserves are as follows:

The Strike Fund was established for the purposes of paying strike pay, or strike support pay, consistent with established policy, during periods of labour disruption affecting faculty and staff association members. The Strike Fund shall also be used to pay the supplementary costs of office relocation, staff overtime during periods of labour dispute, rental of additional equipment/services, purchase of strike-related supplies, and other relevant expenses.

The Special Projects Fund was established for the purposes of providing a funding source for special projects undertaken by the Board of Directors, which have arisen after the adoption of the operating budget in any period (to a maximum value of \$25,000).

The General Reserve Fund was established for the purposes of paying the cost of winding up the affairs of the Association, discharging any indebtedness arising through employee contracts, maintaining services in the circumstances where membership dues are disrupted or for other purposes of like magnitude approved by the Board of Directors.

The Legal and Arbitration Fund was established for the purposes of paying the costs of legal advice and representation and arbitration costs which exceed the funds allocated in the operating budget in any period (to a maximum value of \$150,000).

The Capital Replacement Fund was established for the purposes of paying the costs of replacing capital equipment at the end of its useful life (to a maximum value of \$25,000).

The Union Solidarity and Support Fund was established for purposes of providing financial aid to other Unions during strikes and other job action, and to fund labour movement initiatives that will benefit the Association's members (to a maximum value of \$50,000). The President has discretion to make disbursements from this fund up to a maximum of \$2,000 and disbursements exceeding \$2,000 will be referred to the Board of Directors for approval. Total disbursements from this fund are limited to a maximum of \$10,000 per year.

British Columbia Institute of Technology
Faculty and Staff Association
Notes to the Financial Statements
For the year ended June 30, 2023

6. Internally restricted reserves *(Continued from previous page)*

All disbursements from internally restricted reserve funds, except as described above, require a special resolution of the Board of Directors, which must be approved by a 2/3 majority of the Directors voting at a meeting in which the motion is debated. The 2/3 majority vote of the Board of Directors is waived if the funds are to be used for strike activity. In case of strike activity, a majority vote of the Board of Directors is necessary. If necessary, all internally restricted reserve funds can be used for strike activities in case of a strike by the Association's membership.

	<i>Opening balance</i>	<i>Disbursement from reserves</i>	<i>Interfund transfers</i>	<i>2023 Ending balance</i>	<i>2022 Ending balance</i>
Strike Fund	2,675,993	-	267,568	2,943,561	2,675,993
Special Projects Fund	25,000	-	-	25,000	25,000
General Reserve Fund	356,631	-	-	356,631	356,631
Legal and Arbitration Fund	150,000	-	-	150,000	150,000
Capital Replacement Fund	25,000	-	-	25,000	25,000
Union Solidarity and Support Fund	50,000	(7,000)	7,000	50,000	50,000
	3,282,624	(7,000)	274,568	3,550,192	3,282,624

During the year ended June 30, 2023, a total of \$274,568 (2022 - \$218,315) of the surplus in the Unrestricted Operating Fund was transferred to the internally restricted reserves, allocated as \$267,568 (2022 - \$213,315) to the Strike Fund and \$7,000 (2022 - \$5,000) to the Union Solidarity and Support Fund.

7. Affiliations

Affiliations consist of membership fees paid to the Canadian Association of University Teachers ("CAUT"), the B.C. Federation of Labour, and The National Union of Canadian Association of University Teachers. Included in affiliations for the year ended June 30, 2023, is a contribution of \$25,000 (2022 - \$Nil) made by the Association to the CAUT Academic Freedom Fund.

8. Scholarships and endowments

During the year ended June 30, 2023, the Association made a \$75,000 (2022 - \$Nil) contribution to the BCIT Foundation to establish the BCIT Faculty & Staff Association Entrance Award Endowment. The purpose of this endowment is to provide entrance award scholarships to full-time BCIT students who are dependents of Association members. During the year, the Association also contributed \$1,000 (2022 - \$Nil) to the James Macadam Endowment. The other contributions for scholarships were made in accordance with Association policy.

9. Financial instruments

The Association, as part of its operations, carries a number of financial instruments. It is administration's opinion that the Association is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Liquidity risk

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association manages liquidity risk by maintaining an adequate amount of liquid assets with various maturities in order to ensure that it can meet all of its financial obligations as they come due.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association's main credit risk relates to its membership dues receivable. The Association manages its credit risk by performing regular investigation into delinquent and provides allowances for potentially uncollectible accounts. The Association has not made any provisions for doubtful accounts during the year.

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets and liabilities, known as price risk. The Association is exposed to interest rate cash flow risk with respect to its short-term and long-term investments.