

**FEDERATION OF POST-SECONDARY EDUCATORS'
OF BRITISH COLUMBIA**

FINANCIAL STATEMENTS

MARCH 31, 2008



NEMETH THODY ANDERSON

Chartered Accountants

AUDITORS' REPORT

To the Members of
Federation of Post-Secondary Educators' of British Columbia

We have audited the balance sheet of Federation of Post-Secondary Educators' of British Columbia as at March 31, 2008, and the statements of Revenue and Expenditures, General Operating Fund, Strike/Defence Fund, Capital Assets Fund and Staff Professional Development Fund, and Cash Flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2008, and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the B.C. Society's Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Nemeth Thody Anderson

Chartered Accountants

Vancouver, B.C.

April 21, 2008



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FEDERATION OF POST-SECONDARY EDUCATORS' OF BRITISH COLUMBIA
BALANCE SHEET

MARCH 31			2008	2007
	Unappropriated Fund	Appropriated Funds	Total	Total
	\$	\$	\$	\$
ASSETS				
Current Assets				
Cash and short-term investments (Note 1(b))	179,236	7,336,685	7,515,921	7,202,492
Due from Strike/Defence Fund (Note 4)	170,449	-	170,449	110,791
Membership dues and other receivables	218,684	-	218,684	185,078
Prepaid expenses and deposits	53,550	-	53,550	63,529
	621,919	7,336,685	7,958,604	7,561,890
Capital Assets (Notes 2(c) and 3)	-	100,139	100,139	100,166
	621,919	7,436,824	8,058,743	7,662,056
LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities	338,870	-	338,870	297,155
Due to General Operating Fund (Note 4)	-	170,449	170,449	110,791
	338,870	170,449	509,319	407,946
NET ASSETS				
General Operating Fund (Page 3)	283,049	-	283,049	400,284
Strike/Defence Fund (Page 4)	-	7,160,335	7,160,335	6,746,439
Capital Assets Fund (Page 5)	-	100,139	100,139	100,166
Staff Professional Development Fund (Page 6)	-	5,901	5,901	7,221
	283,049	7,266,375	7,549,424	7,254,110
	621,919	7,436,824	8,058,743	7,662,056

COMMITMENTS (Note 5)

APPROVED BY THE DIRECTORS

Refer to accompanying notes.

FEDERATION OF POST-SECONDARY EDUCATORS' OF BRITISH COLUMBIA
STATEMENT OF REVENUE AND EXPENDITURES

YEAR ENDED MARCH 31	2008 Budgeted	2008 Actual	2007 Actual
	\$	\$	\$
	<i>(Unaudited)</i>		
Revenue			
Membership dues	2,913,525	3,019,976	2,861,174
Investment income	28,000	27,776	(1,463)
	<hr/>	<hr/>	<hr/>
	2,941,525	3,047,752	2,859,710
Less: Transfer to Strike/Defence Reserve	291,353	303,711	288,576
	<hr/>	<hr/>	<hr/>
	2,650,172	2,744,041	2,571,134
Expenditures (Schedule, pages 8 to 10)			
Administration	328,400	340,976	336,520
Advocacy and public relations	81,500	90,785	66,585
Affiliations and memberships	246,000	235,118	264,073
Bargaining	5,000	8,296	128,324
Committees	138,800	118,862	88,476
Events	280,000	334,640	294,505
Local support	230,000	359,487	240,355
Officer's relocation	8,000	-	-
President's Council and Executive	42,000	48,865	41,487
Salaries and benefits	1,317,000	1,346,215	1,227,526
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	2,676,700	2,883,244	2,687,851
Excess Of Expenditures Over Revenue Before Undernoted Items	(26,528)	(139,203)	(116,717)
Transfer to Staff Professional Development Fund	-	3,250	(3,250)
	<hr/>	<hr/>	<hr/>
Excess Of Expenditures Over Revenues For The Year	(26,528)	(142,453)	(119,967)

Refer to accompanying notes.

FEDERATION OF POST-SECONDARY EDUCATORS' OF BRITISH COLUMBIA
STATEMENT OF GENERAL OPERATING FUND
(NOTE 2(a)(i))

YEAR ENDED MARCH 31	2008	2007
	\$	\$
General Operating Fund, Beginning Of Year	400,284	392,524
Add: Amortization	41,986	47,836
Excess of expenditures over revenue for the year	(142,453)	(119,967)
Transfer from Strike/Defence Fund for Provincial Bargaining	6,580	135,000
Market value adjustment (Note 7)	18,611	-
	325,008	455,393
Deduct: Purchase of capital assets	41,959	55,109
General Operating Fund, End Of Year	283,049	400,284

Refer to accompanying notes.

FEDERATION OF POST-SECONDARY EDUCATORS' OF BRITISH COLUMBIA
STATEMENT OF STRIKE/DEFENCE FUND
(NOTE 2(a)(ii))

YEAR ENDED MARCH 31	2008	2007
	\$	\$
Strike/Defence Fund, Beginning Of Year	6,746,439	6,465,253
Add: Market value adjustment (Note 7)	250,294	-
Investment Income	261,526	398,027
Member contributions	303,711	288,576
	7,561,970	7,151,856
Deduct: Better funding . . . Better Futures Campaign	361,243	231,537
Services charges	33,812	38,880
Transfer to General Operating Fund for Provincial Bargaining	6,580	135,000
Strike/Defence Fund, End Of Year	7,160,335	6,746,439

Refer to accompanying notes.

FEDERATION OF POST-SECONDARY EDUCATORS' OF BRITISH COLUMBIA
STATEMENT OF CAPITAL ASSETS FUND
(NOTE 2(a)(iii))

YEAR ENDED MARCH 31	2008	2007
	\$	\$
Capital Assets Fund Balance, Beginning Of Year	100,166	92,893
Add: Purchase of capital assets	<u>41,959</u>	<u>55,109</u>
	142,125	148,002
Deduct: Amortization	<u>41,986</u>	<u>47,836</u>
Capital Assets Fund Balance, End Of Year	<u>100,139</u>	<u>100,166</u>

Refer to accompanying notes.

FEDERATION OF POST-SECONDARY EDUCATORS' OF BRITISH COLUMBIA
STATEMENT OF STAFF PROFESSIONAL DEVELOPMENT FUND
(NOTE 2(a)(iv))

YEAR ENDED MARCH 31	2008	2007
	\$	\$
Staff Professional Development Fund Balance, Beginning Of Year	7,221	7,071
Add: Transfer from General Operating Fund	3,250	3,250
Interest earned	184	165
	<hr/>	<hr/>
	10,655	10,486
Deduct: Professional development	4,754	3,265
	<hr/>	<hr/>
Staff Professional Development Fund Balance, End Of Year	5,901	7,221

Refer to accompanying notes.

FEDERATION OF POST-SECONDARY EDUCATORS' OF BRITISH COLUMBIA
STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31	2008	2007
	\$	\$
Cash From Operating Activities		
Net earnings/(deficit) for the year		
General Operating Fund	(142,453)	(119,967)
Strike/Defence Fund	170,182	416,186
Staff Professional Development Fund	(1,320)	150
Market value adjustment		
General Operating Fund	18,611	-
Strike/Defence Fund	250,294	-
	<u>295,314</u>	<u>296,369</u>
Item not involving cash		
Amortization of capital assets	41,986	47,836
	<u>337,300</u>	<u>344,205</u>
Cash provided by changes in non-cash working capital items:		
Membership dues and other receivables	(33,606)	(74,713)
Prepaid expenses and deposits	9,979	20,335
Accounts payable and accrued liabilities	41,715	(1,660)
	<u>18,088</u>	<u>(56,038)</u>
	<u>355,388</u>	<u>288,167</u>
Investing Activities		
Purchase of capital assets	(41,959)	(55,109)
Net Increase In Cash And Short-Term Investments	<u>313,429</u>	<u>233,058</u>
Cash and short-term investments, beginning of year	<u>7,202,492</u>	<u>6,969,434</u>
Cash And Short-Term Investments, End Of Year	<u>7,515,921</u>	<u>7,202,492</u>
General Operating Fund	179,236	338,041
Strike/Defence Fund	7,330,784	6,857,230
Staff Professional Development Fund	5,901	7,221
	<u>7,515,921</u>	<u>7,202,492</u>

Refer to accompanying notes.

FEDERATION OF POST-SECONDARY EDUCATORS' OF BRITISH COLUMBIA
SCHEDULE OF EXPENDITURES

YEAR ENDED MARCH 31	2008 Budgeted	2008 Actual	2007 Actual
	\$	\$	\$
	<i>(Unaudited)</i>		
Administration			
Amortization	45,500	41,986	47,836
Audit	7,000	10,030	6,881
Bank charges and interest	2,400	3,846	1,934
Employee relation	2,400	6,128	5,902
Equipment lease and maintenance	20,000	17,335	31,831
Insurance	4,500	4,394	4,640
Office maintenance	2,500	161	1,872
Office supplies	14,000	21,829	16,268
Parking and transit	24,000	16,101	14,844
Postage and courier	5,000	7,283	3,696
Printing/photocopying	6,000	5,305	4,814
Rent	138,500	135,186	138,438
Staff training	6,000	9,704	3,190
Subscriptions	16,000	16,491	19,437
Telecommunications	25,000	39,484	28,749
Website communication	7,000	5,713	6,188
	328,400	340,976	336,520
Advocacy And Public Relations			
Donations/recognition	10,000	17,887	15,000
FPSE Publications	2,500	-	-
International solidarity	15,000	5,000	-
Public relations/communications/lobbying	20,000	4,166	13,487
Representations - B.C. federal/labour groups	10,000	6,313	5,373
Representations - CAUT/NUCAUT	5,000	34,164	13,030
Representations - Federal Government	3,000	3,985	947
Representations - Provincial Government	6,000	14,197	6,809
Representations - Other	5,000	10,453	8,559
Representations - Provincial committees/agencies	5,000	(5,380)	3,380
	81,500	90,785	66,585
Affiliations And Memberships			
Affiliation - B.C. Federation of Labour	74,500	72,792	73,260
Affiliation - CAUT	77,500	80,493	77,798
Affiliation - NUCAUT Levy	-	-	24,913
Affiliation - NUCAUT/CLC	82,500	76,457	79,895
Memberships	11,500	5,376	8,207
	246,000	235,118	264,073

FEDERATION OF POST-SECONDARY EDUCATORS' OF BRITISH COLUMBIA
SCHEDULE OF EXPENDITURES

YEAR ENDED MARCH 31	2008 Budgeted \$ (Unaudited)	2008 Actual \$	2007 Actual \$
Bargaining			
JADRC/JCBA/Joint Admin - ERIP	5,000	1,838	2,883
Provincial bargaining	-	6,458	125,441
	5,000	8,296	128,324
Committees			
Ad Hoc	1,000	-	-
Bargaining Co-ordination Committee	16,000	7,858	13,095
Contract administration review	16,000	9,270	11,054
Disability management and rehabilitation	8,000	5,692	8,078
Education policy	8,000	4,000	8,486
Human rights and international solidarity	8,000	6,535	3,900
Non-regular faculty	16,000	26,064	12,030
Outreach	23,800	5,589	1,238
Pension advisory	18,000	20,937	6,139
Professional and scholarly development	8,000	12,616	7,725
Status of women	8,000	9,291	9,240
Workplace health, safety and environment	8,000	11,010	7,491
	138,800	118,862	88,476
Events			
B.C. Federation of Labour Convention	25,000	26,001	32,835
Bargaining Strategy Conference	-	-	15,449
Conferences	20,000	26,034	29,018
Annual general meeting	145,000	190,364	156,091
Joint Committee Conference	58,000	51,172	44,987
President's retreat	16,000	25,547	15,965
Scholarly Activities Conference	16,000	15,522	160
	280,000	334,640	294,505
Local Support			
Legal	150,000	323,795	166,455
Staff travel to local offices	80,000	35,692	73,900
	230,000	359,487	240,355
Officer's Relocation			
Allowance	3,500	-	-
Moving expenses	4,500	-	-
	8,000	-	-

FEDERATION OF POST-SECONDARY EDUCATORS' OF BRITISH COLUMBIA
SCHEDULE OF EXPENDITURES

YEAR ENDED MARCH 31	2008 Budgeted	2008 Actual	2007 Actual
	\$	\$	\$
	<i>(Unaudited)</i>		
President's Council And Executive			
Executive Committee	10,000	2,393	2,867
President's Council	32,000	46,472	38,620
	42,000	48,865	41,487
Salaries and Benefits			
Benefits to officers	79,000	93,674	75,702
Benefits to staff	204,000	214,739	204,665
Officer's transition	20,000	-	-
Other duty release	5,000	-	-
Overtime	40,000	36,320	35,293
President	80,000	77,754	73,278
Secretary-Treasurer	80,000	77,776	70,853
Staff reps	504,000	527,481	490,312
Support staff	265,000	281,997	246,407
Vice-Presidents	40,000	36,474	31,016
	1,317,000	1,346,215	1,227,526

1. Purpose Of The Federation

Federation of Post-Secondary Educators' of British Columbia ("FPSE") is a non-profit organization incorporated under the provisions of "*The British Columbia Society's Act*". FPSE represents the professional and labour relations interests of its membership. Its membership includes faculty and staff of colleges, university-colleges, institutes and agencies across British Columbia. The Federation is a certified bargaining agent under the labour code of British Columbia.

2. Significant Accounting Policies

The financial statements of the Federation are prepared using Canadian generally accepted accounting principles. To facilitate review of these financial statements, the significant accounting policies followed by the Federation are summarized below.

(a) Fund Accounting

The financial statements of the Federation reflect the accrual basis of accounting and follow the restricted fund method of accounting for dues collected.

(i) General Operating Fund

The amount in this fund represents excess member funding, interest earned on investments, miscellaneous grants and other income. Amounts in the fund are available to provide interim working capital and discretionary appropriations to the encumbered fund.

(ii) Strike/Defence Fund

The amount in this fund represents discretionary appropriations from the operating fund to a strike/defence fund for the purposes of protecting member interests during negotiations and job actions.

(iii) Capital Assets Fund

Amounts included in this fund represent the acquisition of capital assets at cost, net of accumulated amortization.

(iv) Staff Professional Development Fund

A fund administered by the FPSE Staff Professional Development Committee for the purpose of funding activities which enhance employees' abilities to perform their duties and further their career development.

(b) Short-Term Investments

Short-term investments are classified as held for trading and are recorded at market value.

2. Significant Accounting Policies (Cont'd)

(c) Capital Assets

Capital assets are recorded at cost less accumulated amortization which is calculated on the straight-line basis over the following periods:

Computer	- 3 years
Office furniture and equipment	- 5 years
Leasehold improvements	- Term of premises lease

(d) Use Of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, particularly the recoverability of membership dues, other receivables and accrued interest income, capital assets, and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

(e) Income Taxes

No provision exists in the accounts for income taxes as the organization is not subject to income taxes.

(f) Impairment Of Long-Lived Assets

An impairment charge is recognized for long-lived assets, including intangible assets with definite lives, when an event or change in circumstances causes the assets carrying value to exceed the total undiscounted cash flows expected from its use and eventual disposition. The impairment loss is calculated as the difference between the fair market value of the asset and its carrying value.

(g) Revenue Recognition

- (i) The organization uses the restricted fund method for accounting for membership dues. Unrestricted contributions received for the organization's programs are recognized as income when received or receivable. Other revenues are recognized on an accrual basis and are recorded in the appropriate funds, according to source.
- (ii) Unrealized gains and losses on held-for-trading financial assets are included in investment income and recognized as revenue in the statements of "*Revenue and Expenditures*" and "*Strike/Defence Fund*".

3. Capital Assets

	2008		2007	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Computer	283,984	212,799	71,185	51,432
Office furniture and equipment	243,584	232,315	11,269	27,590
Leasehold improvements	30,029	12,344	17,685	21,144
	557,597	457,458	100,139	100,166

4. Inter-Fund Balances

	2008	2007
	\$	\$
Outstanding March Strike/Defence Fund transfer	24,849	16,684
Provincial bargaining costs paid by the General Operating Fund	(6,580)	-
Better Funding . . . Better Futures Campaign expenditures paid by the General Operating Fund	(188,718)	(127,475)
	(170,449)	(110,791)

5. Commitments

The Federation is committed to minimum lease payments on premises over the next two fiscal years ended as follows:

	\$
2009	74,317
2010	75,075

6. Financial Instruments

The financial instruments of the organization consist of cash and short-term investments, membership dues and other receivables and accounts payable. It is management's opinion that the organization is not exposed to significant credit or interest rate risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying value.

7. Accounting Policy Change

Effective for the 2008 fiscal year, the rules governing accounting for financial instruments has changed. In prior years, investments were reported at the lower of their cost or market value. The new rules require reporting of investments at their market value. The difference between the carrying value of the short-term investments and their market value as at March 31, 2007 has been applied directly to the opening fund balances as follows:

	\$
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General Operating Fund market value increase	18,611
Strike/Defence Fund market value increase	250,294
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8. Comparative Figures

Certain comparative figures have been changed to conform to current year financial statement presentation.