



2004 AGM & CONVENTION

# AUDITOR'S REPORT

& FINANCIAL STATEMENTS – MARCH 31, 2004



NEMETH THODY ANDERSON

Chartered Accountants

To the Members of  
CIEA, College Institute Educators' Association of British Columbia:

We have audited the balance sheet of CIEA, College Institute Educators' Association of British Columbia, as at March 31, 2004, and the statements of Revenue and Expenditures, General Operating Fund, Strike/Defence Fund, Capital Assets Fund and Staff Professional Development Fund, and cash flow 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, 2004, and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *BC Society's Act*, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Chartered Accountants

Vancouver, BC  
April 21, 2004

**CIEA, COLLEGE INSTITUTE EDUCATORS' ASSOCIATION OF BRITISH COLUMBIA  
BALANCE SHEET**

<b>MARCH 31</b>			<b>2004</b>	<b>2003</b>
	<b>Unappropriated Funds</b>	<b>Appropriated Funds</b>	<b>Total</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and short-term investments (Notes 2(b) and 3)	779,213	6,107,686	6,886,899	6,256,476
Membership dues and other receivables	39,560	-	39,560	34,923
Prepaid expenses and deposits	73,685	-	73,685	39,940
Due from General Operating Fund (Note 5)	-	3,738	3,738	136,817
	<u>892,458</u>	<u>6,111,424</u>	<u>7,003,882</u>	<u>6,468,156</u>
<b>Capital Assets</b> (Notes 2(c) and 4)	-	154,353	154,353	39,107
	<u>892,458</u>	<u>6,265,777</u>	<u>7,158,235</u>	<u>6,507,263</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued liabilities	188,181	-	188,181	150,385
Due to Defence Fund (Note 5)	3,738	-	3,738	136,817
	<u>191,919</u>	<u>-</u>	<u>191,919</u>	<u>287,202</u>
<b>NET ASSETS</b>				
<b>General Operating Fund</b> (Page 3)	700,539	-	700,539	741,298
<b>Strike/Defence Fund</b> (Page 4)	-	6,100,558	6,100,558	5,429,546
<b>Capital Assets Fund</b> (Page 5)	-	154,353	154,353	39,107
<b>Staff Professional Development Fund</b> (p. 6)	-	10,866	10,866	10,110
	<u>700,539</u>	<u>6,265,777</u>	<u>6,966,316</u>	<u>6,220,061</u>
	<u>892,458</u>	<u>6,265,777</u>	<u>7,158,235</u>	<u>6,507,263</u>

**COMMITMENTS** (Note 7)

Refer to accompanying notes.

**CIEA, COLLEGE INSTITUTE EDUCATORS' ASSOCIATION OF BRITISH COLUMBIA  
STATEMENT OF REVENUE AND EXPENDITURES**

<b>YEAR ENDED MARCH 31</b>	<b>2004</b>	<b>2004</b>	<b>2003</b>
	<i>(Unaudited)</i>		
	<b>Budgeted</b>	<b>Actual</b>	<b>Actual</b>
	\$	\$	\$
<b>Revenue</b>			
Membership dues	2,537,000	2,560,157	2,497,271
Investment income	28,000	46,027	58,918
	<hr/> 2,565,000	<hr/> 2,606,184	<hr/> 2,556,189
Less: Transfer to Strike/Defence Reserve	255,900	259,245	252,020
	<hr/> 2,309,100	<hr/> 2,346,939	<hr/> 2,304,169
<b>Expenditures</b> (Schedule, pages 8 and 9)			
Salaries and benefits	1,196,276	1,128,253	1,139,820
Administration/advocacy	482,801	479,058	450,676
Committee meetings/provincial bargaining	206,500	143,854	138,278
Local support/legal	220,000	259,184	167,980
Events	204,500	219,056	191,182
	<hr/> 2,310,077	<hr/> 2,229,405	<hr/> 2,087,936
<b>Excess of Revenue Over Expenditures Before Undernoted Items</b>	(977)	117,534	216,233
Gain on disposal of capital assets	-	1,150	-
Write-down of investments to market value	-	225	(225)
Amortization	(34,700)	(41,422)	(29,117)
	<hr/> (35,677)	<hr/> 77,487	<hr/> 186,891
<b>Excess of Revenues Over Expenditures For The Year</b>	<hr/> (35,677)	<hr/> 77,487	<hr/> 186,891

Refer to accompanying notes.

**CIEA, COLLEGE INSTITUTE EDUCATORS' ASSOCIATION OF BRITISH COLUMBIA**  
**STATEMENT OF GENERAL OPERATING FUND**  
(NOTE 2(a)(i))

<b>YEAR ENDED MARCH 31</b>	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>
<b>General Operating Fund, Beginning Of Year</b>	741,298	680,302
Add:		
Excess of revenue over expenditures for the year	77,487	186,891
Amortization	41,422	29,117
	<u>860,207</u>	<u>896,310</u>
Deduct:		
Transfer to Strike/Defence Fund	-	134,000
Transfer to Staff Professional Development Fund	3,000	3,000
Purchase of capital assets	156,668	18,012
<b>General Operating Fund, End Of Year</b>	<u>700,539</u>	<u>741,298</u>

Refer to accompanying notes.

**CIEA, COLLEGE INSTITUTE EDUCATORS' ASSOCIATION OF BRITISH COLUMBIA**  
**STATEMENT OF STRIKE/DEFENCE FUND**  
(NOTE 2(a)(ii))

<b>YEAR ENDED MARCH 31</b>	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>
<b>Strike/Defence Fund, Beginning Of Year</b>	5,429,546	4,810,211
Add:		
Increase in value of short-term investments	46,955	-
Investment Income	381,146	302,472
Member contributions	259,245	252,020
Transfer from General Operating Fund	-	134,000
	<u>6,116,892</u>	<u>5,498,703</u>
Deduct:		
Services charges	16,334	22,202
Write-down of investments to market value	-	46,955
<b>Strike/Defence Fund, End Of Year</b>	<u>6,100,558</u>	<u>5,429,546</u>

Refer to accompanying notes.

**CIEA, COLLEGE INSTITUTE EDUCATORS' ASSOCIATION OF BRITISH COLUMBIA**  
**STATEMENT OF CAPITAL ASSETS FUND**  
(NOTE 2(a)(iii))

<b>YEAR ENDED MARCH 31</b>	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>
<b>Capital Assets Fund Balance, Beginning Of Year</b>	39,107	50,212
Add:		
Purchase of capital assets	156,668	18,012
	195,775	68,224
Deduct:		
Amortization	41,422	29,117
<b>Capital Assets Fund Balance, End Of Year</b>	154,353	39,107

Refer to accompanying notes.

**CIEA, COLLEGE INSTITUTE EDUCATORS' ASSOCIATION OF BRITISH COLUMBIA**  
**STATEMENT OF STAFF PROFESSIONAL DEVELOPMENT FUND**  
(NOTE 2(a)(iv))

<b>YEAR ENDED MARCH 31</b>	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>
<b>Staff Professional Development Fund Balance, Beginning Of Year</b>	10,110	11,139
Add:		
Transfer from General Operating Fund	3,000	3,000
Interest earned	229	266
	13,339	14,405
Deduct:		
Professional development	2,473	4,295
<b>Staff Professional Development Fund Balance, End Of Year</b>	10,866	10,110

Refer to accompanying notes.

**CIEA, COLLEGE INSTITUTE EDUCATORS' ASSOCIATION OF BRITISH COLUMBIA**  
**STATEMENT OF CASH FLOW**

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<b>YEAR ENDED MARCH 31</b>	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>
<b>Cash from Operating Activities</b>		
Excess of revenues over expenditures	746,255	668,197
Amortization of capital assets	41,422	29,117
Net change in non-cash working capital	(586)	69,839
	<hr/>	<hr/>
Net cash generated through operating activities	787,091	767,153
	<hr/>	<hr/>
<b>Financing and Investing Activities</b>		
Purchase of capital assets	(156,668)	(18,012)
	<hr/>	<hr/>
<b>Net Increase in Cash and Short-Term Investments</b>	630,423	749,141
Cash and short-term investments, beginning of year	6,256,476	5,507,335
<b>Cash And Short-Term Investments, End Of Year</b>	<hr/> 6,886,899	<hr/> 6,256,476

Refer to accompanying notes.

**CIEA, COLLEGE INSTITUTE EDUCATORS' ASSOCIATION OF BRITISH COLUMBIA  
SCHEDULE OF EXPENDITURES**

<b>YEAR ENDED MARCH 31</b>	<b>2004</b> (Unaudited) <b>Budgeted</b>	<b>2004</b> <b>Actual</b>	<b>2003</b> <b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Salaries and Benefits</b>			
President	73,257	65,277	61,846
Vice-Presidents	36,628	22,428	31,127
Secretary Treasurer	73,257	64,200	65,016
Benefits of officers and staff	245,600	232,474	226,877
Other duty release	5,000	-	-
Officer's transition	18,314	5,455	10,400
Staff representatives	473,380	467,722	458,951
Staff overtime	20,000	37,296	30,818
Support staff	250,840	233,401	254,785
	<b>1,196,276</b>	<b>1,128,253</b>	<b>1,139,820</b>
<b>Administration/Advocacy</b>			
Audit	6,250	6,349	6,233
Bank charges and interest	800	1,095	2,862
Employee relations	3,500	1,293	3,917
Equipment lease and maintenance	5,000	9,876	5,614
Insurance	2,750	3,496	2,440
Lobbying and public relations			
Lobbying and public relations	15,000	23,017	17,089
CIEA publications	20,000	4,746	14,693
Donations	4,000	5,170	3,932
Hosting	500	255	379
Special representations (Note 6)	29,500	30,375	30,324
Memberships			
BC Federation Of Labour	49,141	49,140	47,203
CAUT	60,885	59,184	60,939
CLC/NUCAUT	54,225	54,306	50,080
Other	9,000	8,145	8,180
Office maintenance	2,000	2,012	1,907
Office move	10,000	10,335	-
Postage and courier	8,000	3,691	8,001
Printing	10,000	4,280	8,150
Relocation	8,000	-	-
Rent	133,250	140,912	126,252
Staff training	5,000	4,933	4,721
Subscriptions and books	17,000	16,424	18,774
Supplies	12,000	17,157	12,706
Telecommunications	12,000	14,445	11,098
Website maintenance	5,000	8,422	5,182
	<b>482,801</b>	<b>479,058</b>	<b>450,676</b>

**CIEA, COLLEGE INSTITUTE EDUCATORS' ASSOCIATION OF BRITISH COLUMBIA  
SCHEDULE OF EXPENDITURES**

<b>YEAR ENDED MARCH 31</b>	<b>2004</b> (Unaudited) <b>Budgeted</b> \$	<b>2004</b> <b>Actual</b> \$	<b>2003</b> <b>Actual</b> \$
<b>Committee Meetings/Provincial Bargaining</b>			
Bargaining Co-ordination & Review	14,000	11,735	14,587
Provincial bargaining	60,000	40,802	-
Common Agreement	5,000	472	2,483
Contract Administration Review	13,000	9,379	9,356
Disability Management & Rehabilitation	13,000	8,232	9,555
Education Policy	6,500	3,364	5,741
Executive	5,000	3,388	4,269
Human Rights & Intl Solidarity	6,500	5,418	6,232
Occupational Health & Safety	6,500	5,041	6,155
Other	2,000	-	138
Pension Advisory	19,000	15,337	28,420
Presidents' Council	30,000	22,391	29,569
Professional Development	6,500	4,688	6,487
Status of Non-Regular Faculty	13,000	8,561	8,697
Status of Women	6,500	5,046	6,589
	<b>206,500</b>	<b>143,854</b>	<b>138,278</b>
<b>Local Support/Legal</b>			
Legal	150,000	180,455	104,515
Direct services	70,000	78,729	63,465
	<b>220,000</b>	<b>259,184</b>	<b>167,980</b>
<b>Events</b>			
Annual General Meeting & Convention	130,000	136,628	118,248
Presidents' Retreat	10,000	18,223	4,862
BC Federation of Labour Convention	15,000	10,329	12,343
Joint Committee Conference	32,500	33,451	34,947
Other conferences	17,000	20,425	20,782
	<b>204,500</b>	<b>219,056</b>	<b>191,182</b>

**CIEA, COLLEGE INSTITUTE EDUCATORS' ASSOCIATION OF BRITISH COLUMBIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2004**

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**1. Operations**

CIEA, College Institute Educators' Association of British Columbia is a non-profit organization incorporated under the provisions of the *British Columbia Society's Act*. CIEA 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.

**2. Significant Accounting Policies**

The undernoted accounting policies are set forth to facilitate an understanding of the accompanying financial statements.

(a) Fund Accounting

The financial statements of the Association 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 reserve represents excess member funding, interest earned on term deposits, miscellaneous grants and other income. Amounts in the reserve are available to provide interim working capital and discretionary appropriations to the encumbered reserve.

(ii) Strike/Defence Fund

The amount in these reserves represents discretionary appropriations from the operating reserve to a 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 CIEA 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 recorded at the lesser of cost and market value. As the majority of investments are represented by long-term bonds and related instruments, there is an inherent risk that the market value of these financial instruments may increase or decrease in value materially based on the prevailing interest rates.

**CIEA, COLLEGE INSTITUTE EDUCATORS' ASSOCIATION OF BRITISH COLUMBIA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**2. Significant Accounting Policies** (continued)

(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.

**3. Cash and Short-Term Investments**

	<b>2004</b>		<b>2003</b>	
	<b>Cost</b>	<b>Market Value</b>	<b>Cost</b>	<b>Market Value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Unappropriated</b>				
Cash	123,674	123,674	236,972	236,972
Marketable securities and accrued interest	655,539	667,863	716,890	716,665
	779,213	791,537	953,862	953,637
<b>Appropriated</b>				
Cash	145,995	145,995	90,521	90,521
Marketable securities and accrued interest	5,961,691	6,043,394	5,259,273	5,212,318
	6,107,686	6,189,389	5,349,794	5,302,839

**4. Property, Plant and Equipment**

	<b>2004</b>		<b>2003</b>	
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>	<b>Net Book Value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Computer	168,313	101,110	67,203	22,821
Office furniture and equipment	232,214	163,188	69,026	15,914
Leasehold improvements	19,078	954	18,124	372
	419,605	265,252	154,353	39,107

**5. To/From Strike/Defence Fund**

The inter-fund receivable/payable balance is the amount not transferred relating to March Strike/Defence Fund contributions.

**6. Special Representations**

These expenditures include representations to provincial and federal governments, provincial committees/agencies, BC Federation of Labour/labour groups and CAUT/educational organizations.

**7. Commitments**

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

	<u>\$</u>
2005 .....	70,525
2006 .....	70,525
2007 .....	70,525
2008 .....	70,525
2009 .....	74,317

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