

The Faculty Association, The University of Western Ontario

Financial Statements

Year ended April 30, 2008

The Faculty Association, The University of Western Ontario

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Auditors' Report

To the Directors of The Faculty Association, The University of Western Ontario

We have audited the statement of financial position of The Faculty Association, The University of Western Ontario as at April 30, 2008 and the statements of operations, changes in fund balances 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 April 30, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Collins Barrow KMD LLP

Licensed Public Accountants

London, Canada
June 24, 2008

The Faculty Association, The University of Western Ontario
Statement of Operations
Year ended April 30, 2008

	Operating Fund	Grievances and Collective Bargaining Fund	Scholarship Fund	2008	2007
Revenues					
Membership dues	\$1,123,419	\$ -	\$ 30,600	\$1,154,019	\$1,088,179
Dues for Canadian and Ontario Associations	(423,034)	-	-	(423,034)	(402,414)
Net membership dues	700,385	-	30,600	730,985	685,765
Interest income	15,024	36,782	-	51,806	36,086
	715,409	36,782	30,600	782,791	721,851
Expenditures					
Employee wages	221,907	-	-	221,907	182,818
Legal fees	120,704	-	-	120,704	28,748
Release time	53,582	-	-	53,582	52,744
Scholarships paid	-	-	41,789	41,789	30,680
Administration and general	30,811	-	-	30,811	19,872
Travel	18,549	-	-	18,549	19,563
Donations	14,200	-	-	14,200	19,200
Reception	7,796	-	-	7,796	2,899
Other dues and memberships	7,008	-	-	7,008	6,396
Amortization	6,013	-	-	6,013	5,991
Occupancy Costs	4,392	-	-	4,392	4,356
Accounting fees	4,210	-	-	4,210	4,551
Negotiations	89	-	-	89	4,354
	489,261	-	41,789	531,050	382,172
Excess of revenues over expenditures					
	\$ 226,148	\$ 36,782	\$ (11,189)	\$ 251,741	\$ 339,679

See accompanying notes

The Faculty Association, The University of Western Ontario
Statement of Changes in Fund Balances
Year ended April 30, 2008

	Operating Fund	Grievances and Collective Bargaining Fund	Scholarship Fund	Total 2008	Total 2007
Balance, beginning of year	\$ 527,956	\$1,031,237	\$ 18,128	\$1,577,321	\$1,237,642
Excess of revenues over expenditures	226,148	36,782	(11,189)	251,741	339,679
Interfund transfers (note 5)	(83,558)	83,558	-	-	-
Balance, end of year	\$ 670,546	\$1,151,577	\$ 6,939	\$1,829,062	\$1,577,321

See accompanying notes

The Faculty Association, The University of Western Ontario
(Incorporated under the laws of Ontario)
Statement of Financial Position
As at April 30, 2008

	Operating Fund	Grievances and Collective Bargaining Fund	Scholarship Fund	2008	2007
ASSETS					
Current assets					
Cash	\$ 229,239	\$ -	\$ -	\$ 229,239	\$ 223,878
Membership dues receivable	102,811	-	-	102,811	1,022
Interest receivable	-	-	-	-	32,359
Short-term investments	473,038	1,068,019	-	1,541,057	1,357,559
Prepaid expenses	1,401	-	-	1,401	1,098
Interfund balances (note 5)	(90,497)	83,558	6,939	-	-
	<u>715,992</u>	<u>1,151,577</u>	<u>6,939</u>	<u>1,874,508</u>	<u>1,615,916</u>
Property, plant and equipment (note 4)	<u>18,652</u>	<u>-</u>	<u>-</u>	<u>18,652</u>	<u>19,595</u>
	<u>\$ 734,644</u>	<u>\$ 1,151,577</u>	<u>\$ 6,939</u>	<u>\$ 1,893,160</u>	<u>\$ 1,635,511</u>
LIABILITIES					
Current liabilities					
Accounts payable	\$ 62,839	\$ -	\$ -	\$ 62,839	\$ 58,190
Unearned revenue	1,259	-	-	1,259	-
	<u>64,098</u>	<u>-</u>	<u>-</u>	<u>64,098</u>	<u>58,190</u>
FUND BALANCES					
Operating fund	670,546	-	-	670,546	527,956
Grievances and collective bargaining fund (note 7)	-	1,151,577	-	1,151,577	1,031,237
Scholarship fund (note 6)	-	-	6,939	6,939	18,128
	<u>670,546</u>	<u>1,151,577</u>	<u>6,939</u>	<u>1,829,062</u>	<u>1,577,321</u>
	<u>\$ 734,644</u>	<u>\$ 1,151,577</u>	<u>\$ 6,939</u>	<u>\$ 1,893,160</u>	<u>\$ 1,635,511</u>

See accompanying notes

On behalf of the Board



Directors

The Faculty Association, The University of Western Ontario

Statement of Cash Flows

Year ended April 30, 2008

	2008	2007
Operating activities		
Excess of revenues over expenditures	\$ 251,741	\$ 339,679
Item not affecting cash		
Amortization	6,013	5,990
	257,754	345,669
Change in non-cash working capital items		
(Increase) decrease in membership dues receivable	(101,789)	98,594
Decrease (increase) in interest receivable	32,359	(8,837)
Decrease in other receivables	-	250
Increase in prepaid expenses	(303)	(427)
Increase (decrease) in accounts payable	4,649	(8,940)
Increase in unearned revenue	1,259	-
	193,929	426,309
Investing activity		
Purchase of property, plant and equipment	(5,070)	(7,331)
Change in cash position	188,859	418,978
Cash, beginning of year	1,581,437	1,162,459
Cash, end of year	\$1,770,296	\$1,581,437
Cash consists of:		
Cash	\$ 229,239	\$ 223,878
Short-term investments	1,541,057	1,357,559
	\$1,770,296	\$1,581,437

See accompanying notes

1. Nature of operations

The Faculty Association, The University of Western Ontario is the certified bargaining agent for faculty teaching at least 1.0 courses per year (excluding clinical faculty) and for librarians and archivists at The University of Western Ontario. As a non-profit organization, The Faculty Association, The University of Western Ontario is not subject to income taxes on any earned income.

2. Change in accounting policy

The Faculty Association, The University of Western Ontario has adopted the provisions of CICA Section 3855, "Financial Instruments - Recognition and Measurement" on May 1, 2007, which addresses the classification, recognition and measurement of financial instruments in the financial statements. There has been no material impact on the financial statements as a result of applying the recommendations of this section.

3. Significant accounting policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The significant policies are detailed as follows:

(a) Revenue Recognition

The Association follows the deferral method of accounting for contributions.

Operating grants and membership dues are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant is related to a future period, it is deferred and recognized in the subsequent period.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized.

The Faculty Association, The University of Western Ontario
Notes to the Financial Statements
April 30, 2008

3. Significant accounting policies, continued

(b) Property, plant and equipment

Property, plant and equipment are recorded at cost. The Association provides for amortization using the following methods at rates designed to amortize the cost of the property, plant and equipment over their estimated useful lives. The annual amortization rates and methods are as follows:

Furniture and fixtures	20% Declining balance
Computer equipment	30% Declining balance
Computer software	30% Declining balance

(c) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(d) Financial instruments

The Association's financial instruments consist of cash, short-term investments, membership dues receivable, interest receivable and accounts payable. Due to the current nature of these financial instruments, their carrying value approximates their fair value.

Short-term investments consist of interest bearing bank deposits, which are being held for trading. Unless otherwise noted it is management's opinion that the Association is not exposed to significant interest, currency or credit risks.

4. Property, plant and equipment

			2008	2007
	Cost	Accumulated amortization	Net	Net
Furniture and fixtures	\$ 11,932	\$ 6,697	\$ 5,235	\$ 6,031
Computer equipment	30,326	17,619	12,707	12,550
Computer software	3,478	2,768	710	1,014
	<u>\$ 45,736</u>	<u>\$ 27,084</u>	<u>\$ 18,652</u>	<u>\$ 19,595</u>

5. Subsequent events

Subsequent to the year-end interfund transfers, previously approved by the Board, were made. These included \$133,558 which was transferred to the Grievance and Collective Bargaining Fund from the Operating Fund as an allocation of surplus funds as per the budget and \$50,000 was transferred from the Grievances and Collective Bargaining Fund to the Operating Fund to finance the legal fee expenditures, which were greater than had been budgeted.

6. Scholarship Fund

This amount is restricted by the Membership of The Faculty Association, The University of Western Ontario for the payment of scholarships. These internally restricted amounts are not available for other purposes without approval of the Membership.

7. Grievances and Collective Bargaining Fund

This amount is internally restricted by the Membership of The Faculty Association, The University of Western Ontario for contingencies, for the payment of expenses associated with legal advice and arbitration arising from grievances and rights cases and/or expenses associated with collective bargaining in excess of budget and as a means of providing funds in the event of a strike.

8. Endowment Funds

The University of Western Ontario administers two scholarships on behalf of the Association. As at April 30, 2008 the total funds of these funds amounted to \$40,000. During the year the Association contributed \$11,189 towards the funding of these scholarships.