

KAMLOOPS THOMPSON TEACHERS' ASSOCIATION

FINANCIAL STATEMENTS

June 30, 2016

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

INDEPENDENT AUDITORS' REPORT

STATEMENT OF FINANCIAL POSITION

STATEMENT OF CHANGES IN NET ASSETS

STATEMENT OF OPERATIONS

STATEMENT OF CASH FLOWS


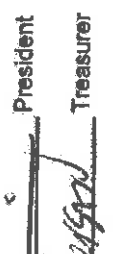
NOTES TO FINANCIAL STATEMENTS

CAPITAL AND GENERAL FUND SCHEDULE 1

PROFESSIONAL DEVELOPMENT FUND SCHEDULE 2

KAMLOOPS THOMPSON TEACHERS' ASSOCIATION
 STATEMENT OF FINANCIAL POSITION
 June 30, 2016

ASSETS	Capital and General Fund	Professional Development Fund	Reserve Fund	Total 2016	Total 2015
CURRENT ASSETS:					
Cash	\$ 160,106	\$ 148,577	\$ 119,343	\$ 428,026	\$ 385,785
Accounts receivable	47,684	6,788	-	54,450	46,155
Prepaid expenses	5,135	-	-	5,135	4,614
	<u>212,925</u>	<u>155,343</u>	<u>119,343</u>	<u>487,611</u>	<u>436,554</u>
PROPERTY AND EQUIPMENT (Note 4)	<u>94,242</u>	-	-	<u>94,242</u>	<u>98,784</u>
	<u>\$ 307,167</u>	<u>\$ 155,343</u>	<u>\$ 119,343</u>	<u>\$ 581,853</u>	<u>\$ 535,338</u>
LIABILITIES					
CURRENT LIABILITIES:					
Accounts payable and accruals	\$ 80,890	\$ 7,412	\$ -	\$ 88,302	\$ 110,002
Deferred revenue	-	8,146	-	8,146	8,396
Callable debt (Note 5)	-	-	-	-	1,522
Due to (from) other funds (Note 6)	<u>(2,463)</u>	<u>2,463</u>	-	-	-
	<u>78,427</u>	<u>18,021</u>	-	<u>96,448</u>	<u>119,920</u>
COMMITMENT (Note 7)					
NET ASSETS:					
Invested in capital	94,242	-	-	94,242	97,262
Unrestricted	134,498	-	-	134,498	87,849
Internally restricted	-	-	119,343	119,343	118,628
Restricted	-	137,322	-	137,322	111,679
	<u>228,740</u>	<u>137,322</u>	<u>119,343</u>	<u>485,405</u>	<u>415,418</u>
	<u>\$ 307,167</u>	<u>\$ 155,343</u>	<u>\$ 119,343</u>	<u>\$ 581,853</u>	<u>\$ 535,338</u>

APPROVED ON BEHALF OF THE BOARD:
 President
 Treasurer

See accompanying notes to financial statements.

KAMLOOPS THOMPSON TEACHERS' ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
 Year ended June 30, 2016

	Capital and General Fund	Professional Development Fund	Reserve Fund	Total 2016	Total 2015
NET ASSETS, beginning of year	\$ 185,111	\$ 111,679	\$ 118,628	\$ 415,418	\$ 326,795
EXCESS OF REVENUES OVER EXPENSES	43,629	25,643	715	69,987	88,623
NET ASSETS, end of year	\$ 228,740	\$ 137,322	\$ 119,343	\$ 485,405	\$ 415,418

See accompanying notes to financial statements.

KAMLOOPS THOMPSON TEACHERS' ASSOCIATION
STATEMENT OF OPERATIONS
Year ended June 30, 2016

	Capital and General Fund (Schedule 1)	Professional Development Fund (Schedule 2)	Reserve Fund	Total 2016	Total 2015
REVENUES:					
Members fees and levies	\$ 397,550	\$ 20,587	\$ -	\$ 418,137	\$ 398,632
School District No. 73 grants	-	311,392	-	311,392	300,202
BC Teachers' Federation grants	36,292	3,500	-	39,792	26,388
District Day	-	-	-	-	225
Professional development training grant	-	11,597	-	11,597	9,029
Interest	225	123	715	1,063	1,399
Hardship	5	-	-	5	17,334
Miscellaneous	8,783	-	-	8,783	7,923
	<u>442,855</u>	<u>347,199</u>	<u>715</u>	<u>790,769</u>	<u>761,132</u>
EXPENSES:					
Administration	62,884	-	-	62,884	59,857
Executive expenses	24,175	-	-	24,175	17,113
Meetings/Committees	33,875	-	-	33,875	13,227
Occupancy costs	13,165	-	-	13,165	13,859
Office and miscellaneous	16,654	-	-	16,654	15,748
Professional development	-	321,556	-	321,556	279,316
Salaries and benefits	248,473	-	-	248,473	272,871
	<u>399,226</u>	<u>321,556</u>	<u>-</u>	<u>720,782</u>	<u>671,991</u>
EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER ITEMS	43,629	25,643	715	69,987	89,141
Gain (loss) on disposition of equipment	-	-	-	-	(518)
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 43,629</u>	<u>\$ 25,643</u>	<u>\$ 715</u>	<u>\$ 69,987</u>	<u>\$ 88,623</u>

See accompanying notes to financial statements.

KAMLOOPS THOMPSON TEACHERS' ASSOCIATION
STATEMENT OF CASH FLOWS
Year ended June 30, 2016

	2016	2015
OPERATING ACTIVITIES:		
Excess of revenues over expenses (Note 8)	\$ 69,987	\$ 88,623
Item not affecting cash:		
Amortization of property and equipment	4,542	4,478
	<u>74,529</u>	<u>93,101</u>
Changes in non-cash working capital:		
Decrease (increase) in accounts receivable	(8,295)	3,205
Increase in prepaid expenses	(520)	(1,745)
Increase (decrease) in accounts payable and accruals	(21,701)	18,639
Increase (decrease) in deferred revenue	(250)	752
Cash flows from operations	<u>43,763</u>	<u>113,952</u>
FINANCING ACTIVITIES:		
Debt reduction	(1,522)	(8,860)
Cash flows used in financing	<u>(1,522)</u>	<u>(8,860)</u>
INVESTING ACTIVITIES:		
Purchase of property and equipment	-	(3,780)
Loss on disposition of equipment	-	518
Increase in restricted funds	(18,326)	(57,610)
Cash flows used in investing	<u>(18,326)</u>	<u>(60,872)</u>
INCREASE IN CASH	23,915	44,220
CASH, beginning of year	<u>136,191</u>	<u>91,971</u>
CASH, end of year	\$ 160,106	\$ 136,191

See accompanying notes to financial statements.

KAMLOOPS THOMPSON TEACHERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 1. PURPOSE OF ORGANIZATION:

The Association operates under a constitution and bylaws with policies and procedures receiving membership adoption and is regulated by the laws of the Society Act (British Columbia). The Association is deemed a not-for-profit entity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

The Association is a constituent local of the B.C. Teachers' Federation which is a trade union representing all active members of the B.C. Teachers' Federation employed by School District No.73.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES:

These financial statements include the accounts of all funds under the direction of the Kamloops Thompson Teachers' Association and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant for the Association.

Fund Accounting:

Accounting transactions are recorded using the restricted fund accounting method. A fund is established for the purpose of carrying on a specific activity or attaining a certain objective in accordance with special regulations, restrictions or limitations. The funds are as follows:

a) Capital and General Fund:

The Capital and General Fund reports the assets, liabilities, revenues and expenses related to the Association's capital assets as well as the general activities of the Association.

b) Professional Development Fund:

The Professional Development fund reports the resources and expenditures relating to the oversight and delivery of professional development training and resources to the Association's members.

c) Reserve Fund:

The Reserve fund reports internally restricted net assets set aside for special, emergent, or significant expenses related to bargaining or strike actions.

Property and Equipment and Amortization:

Property and equipment are recorded at cost. Amortization is based on the estimated useful life of the assets and is recorded using the declining balance method at the following annual rates:

Building	4 %
Office equipment	20 %
Computer equipment	30 %

Impairment of long lived assets:

The Association reviews the useful lives and the carrying values of its capital assets if events or changes in circumstances indicate that the assets might be impaired, by reference to estimated future operating results and undiscounted net cash flows. If the undiscounted future cash flows expected to result from the use and eventual disposition of an asset are less than their carrying amount, the assets are considered to be impaired. An impairment loss is measured at the amount by which the carrying amount of the assets exceeds their fair value, which is estimated as the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset.

KAMLOOPS THOMPSON TEACHERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued):

Deferred Revenue:

Revenue is recorded in the period in which it relates.

Revenue Recognition:

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

Restricted contributions are recognized using the restricted fund method of accounting for contributions.

Members fees and levies, interest income and miscellaneous income are recognized as revenue of the appropriate fund when received or receivable.

Use of Estimates:

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

Callable debt:

The Association's demand loans are classified as current liabilities because the lender has the right to demand repayment within one year.

Financial Instruments Policy:

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. Transaction costs on the acquisition, sale or issue of these financial instruments are expensed when incurred. All other financial instruments are subsequently reported at amortized cost adjusted by transaction costs, which are amortized over the expected life of the instrument. These instruments are tested for impairment at each reporting date.

NOTE 3. FINANCIAL INSTRUMENTS:

The Association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Association's risk exposure and concentration as of June 30, 2016.

Credit Risk:

The Association is exposed to a credit risk by its customers. However, because the majority of revenues is from government agencies, credit risk concentration is reduced to the minimum.

Interest Risk:

The demand loan has a variable interest rate based on the lender's prime interest rate; therefore, the interest expense will vary with changes in the credit union's prime rate.

KAMLOOPS THOMPSON TEACHERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 4. PROPERTY AND EQUIPMENT:

	Cost	Accumulated Amortization	2016 Net	2015 Net
Land	\$ 17,000	\$ -	\$ 17,000	\$ 17,000
Building	123,082	50,279	72,803	75,836
Office equipment	15,896	13,691	2,205	2,756
Computer equipment	7,210	4,976	2,234	3,192
	<u>\$ 163,188</u>	<u>\$ 68,946</u>	<u>\$ 94,242</u>	<u>\$ 98,784</u>

NOTE 5. CALLABLE DEBT:

	2016	2015
Thompson Valley Savings Credit Union, mortgage, repaid during the year.	<u>\$ -</u>	<u>\$ 1,522</u>

NOTE 6. DUE TO (FROM) OTHER FUNDS:

	2016	2015
Interfund receivable owing from the Professional Development fund to the General Fund, noninterest bearing, unsecured, no stated terms of repayment.	<u>\$ (2,463)</u>	<u>\$ (5,548)</u>

NOTE 7. COMMITMENT:

The Association rents equipment under a long-term lease which expires February 2020.

Future minimum lease payments as at June 30, 2016 are as follows:

2017	2,120
2018	2,120
2019	2,120
2020	1,060
	<u>\$ 7,420</u>

NOTE 8. CASH FLOW INFORMATION:

During the year the Association paid \$5 (2015 - \$240) and earned \$1,063 (2015 - \$1,399) in interest.

KAMLOOPS THOMPSON TEACHERS' ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

NOTE 9. EMPLOYEE FUTURE BENEFITS:

During the year the Association contributed \$3,740 (2015 - \$3,740) to a defined contribution registered retirement savings plan for an employee.

NOTE 10. BUDGET FIGURES:

The budget information disclosed is for information purposes only. The budget has been approved by the Executive Committee, but has not been audited.

NOTE 11. COMPARATIVE FIGURES:

Some of the comparative figures have been reclassified to conform to the current year's presentation.

KAMLOOPS THOMPSON TEACHERS' ASSOCIATION
CAPITAL AND GENERAL FUND
STATEMENT OF OPERATIONS
Year ended June 30, 2016

	Budget (unaudited)	2016	2015
REVENUES:			
BC Teachers' Federation grants:			
Staff representative training	\$ 55,000	\$ 21,197	\$ 10,563
Job Action	5,000	-	-
Social Justice	1,000	1,163	-
Support	13,300	11,601	11,575
Public relations	1,000	-	-
Political action	1,000	-	750
Labour Council	-	2,331	-
	<u>76,300</u>	<u>36,292</u>	<u>22,888</u>
Members fees and levies	390,000	397,550	378,453
Interest	-	225	188
Retirement banquet	7,500	5,841	5,006
Social Committee	-	1,218	-
Hardship	750	5	17,334
Miscellaneous	2,500	1,724	2,917
	<u>\$ 477,050</u>	<u>442,855</u>	<u>426,786</u>
EXPENSES:			
Administration:			
BCTF Annual General Meeting	\$ 2,000	5,240	1,284
Bursaries and scholarships	10,000	11,500	9,500
Donations	500	123	647
Honorary membership - Karl Knapp	500	493	-
Honours banquet	1,000	1,000	500
Professional fees	11,000	9,450	9,450
Retirement banquet	10,000	9,855	8,112
Hardship	-	2,000	18,398
Staff representative training	57,500	23,223	11,966
	<u>92,500</u>	<u>62,884</u>	<u>59,857</u>
Executive expenses:			
President	750	104	177
Vice-president	750	8	4
Executive meeting	3,500	7,954	3,002
Grievance meeting	8,000	9,333	5,401
Travel	5,000	5,804	3,383
Executive retreat	2,000	972	5,146
	<u>20,000</u>	<u>24,175</u>	<u>17,113</u>
Meetings/Committees:			
Bargaining	5,000	5,247	1,062
Health and safety (recovery)	1,000	-	(176)
Aboriginal education	1,000	716	888
Arbitrations	5,000	3,515	110
Job Action	-	-	5,063

See accompanying notes to financial statements.

KAMLOOPS THOMPSON TEACHERS' ASSOCIATION
CAPITAL AND GENERAL FUND
STATEMENT OF OPERATIONS
Year ended June 30, 2016

	Budget (unaudited)	2016	2015
EXPENSES (continued):			
Kamloops Teachers On Call	500	-	470
Kamloops District Labour Council / B.C. Fed. (recovery)	5,000	4,651	(2,310)
Meetings	3,000	4,100	845
Political action	5,000	4,574	3,435
Public relations	3,000	2,199	1,245
Social	3,500	1,736	462
Social Justice	2,000	7,137	2,133
	<u>34,000</u>	<u>33,875</u>	<u>13,227</u>
Occupancy costs:			
Amortization on building	-	3,033	3,160
Building, insurance and maintenance	5,500	4,688	3,827
Interest on callable debt	9,100	5	240
Property tax	4,200	3,666	3,767
Utilities	3,000	1,773	2,865
	<u>21,800</u>	<u>13,165</u>	<u>13,859</u>
Office and miscellaneous:			
Amortization	-	1,509	1,318
Equipment lease	3,500	2,802	2,846
Interest and bank charges	750	776	686
Miscellaneous	3,000	560	1,714
Postage	700	714	625
Supplies	7,500	2,785	4,457
Telephone	7,000	7,508	4,102
	<u>22,450</u>	<u>16,654</u>	<u>15,748</u>
Salaries and benefits:			
President	119,000	109,891	108,554
Vice-President	93,000	77,544	100,214
Secretarial	50,000	55,544	57,400
Sick time	5,000	2,689	3,898
RRSP contributions	4,000	2,805	2,805
	<u>271,000</u>	<u>248,473</u>	<u>272,871</u>
Total expenses	<u>\$ 461,750</u>	<u>399,226</u>	<u>392,675</u>
EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER ITEMS		43,629	34,111
Gain (loss) on disposition of equipment		-	(518)
EXCESS OF REVENUES OVER EXPENSES		<u>\$ 43,629</u>	<u>\$ 33,593</u>

See accompanying notes to financial statements.

**KAMLOOPS THOMPSON TEACHERS' ASSOCIATION
PROFESSIONAL DEVELOPMENT FUND
STATEMENT OF OPERATIONS
Year ended June 30, 2016**

	Budget (unaudited)	2016	2015
REVENUES:			
Member levies	\$ 19,860	\$ 20,587	\$ 20,179
School District No. 73 grants	302,689	311,392	300,202
District day revenue	-	-	225
BC Teachers' Federation grants	-	3,500	3,500
Professional development training grant	-	11,597	9,029
Interest	-	123	67
	<u>\$ 322,549</u>	<u>347,199</u>	<u>333,202</u>
EXPENSES:			
Chairperson and bookkeeper	\$ 42,815	46,355	40,124
District day	43,015	40,424	29,004
Fee reimbursements	27,573	21,442	29,237
Leadership workshops	11,029	1,357	5,264
Local Provincial Specialists Association grants	6,342	5,278	3,290
TTOC conference	5,515	1,736	-
North Thompson professional development	-	8,703	8,640
Operating costs	4,000	2,290	2,895
Professional development initiatives	19,577	9,652	6,268
Program for quality teaching	-	7,521	1,607
Professional development settlement	-	-	2,500
Representative training	-	12,904	9,576
School grants	162,683	163,894	140,911
	<u>\$ 322,549</u>	<u>321,556</u>	<u>279,316</u>
EXCESS OF REVENUES OVER EXPENSES		<u>\$ 25,643</u>	<u>\$ 53,886</u>

See accompanying notes to financial statements.