

CBC PENSIONERS NATIONAL ASSOCIATION

FINANCIAL STATEMENTS

MARCH 31, 2019

CBC PENSIONERS NATIONAL ASSOCIATION

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INDEPENDENT AUDITOR'S REPORT

To the Members of
CBC Pensioners National Association

Opinion

We have audited the financial statements of the CBC Pensioners National Association (the Association), which comprise the statement of financial position as at March 31, 2019, 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 March 31, 2019, 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 Management and Those Charged with Governance for the Financial Statements

Management 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.



Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
May 14, 2019

CBC PENSIONERS NATIONAL ASSOCIATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2019

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	2019	2018
REVENUE		
Membership dues	\$ 461,094	\$ 456,440
Interest	9,060	3,759
Other	12,887	12,154
	483,041	472,353
TRANSFERS		
Transfers to regions	137,654	127,417
Payments to chapters	24,697	19,569
85 and over refunds	23,831	30,630
	186,182	177,616
NET REVENUE	296,859	294,737
EXPENSES		
Meetings and conventions	92,201	54,896
2018 Triennial Convention	69,350	-
Honoraria	54,211	52,972
Communications	49,401	40,122
Translation	33,360	1,233
Rent	20,349	19,623
Travel	13,779	9,732
Telecommunications	6,274	5,784
Office	4,982	4,675
Insurance	4,757	4,709
Office furniture and equipment	1,019	53
Professional fees (Note 3)	6,469	6
Interest and service charges	1,175	1,190
	357,327	194,995
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (60,468)	\$ 99,742

CBC PENSIONERS NATIONAL ASSOCIATION

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2019

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	Unrestricted	Internal restrictions	2019 Total	2018 Total
BALANCE, BEGINNING OF YEAR	\$ 395,219	\$ 75,000	\$ 470,219	\$ 370,477
Excess (deficiency) of revenue over expenses	(60,468)	-	(60,468)	99,742
Interfund transfer (Note 4)	50,000	(50,000)	-	-
BALANCE, END OF YEAR	\$ 384,751	\$ 25,000	\$ 409,751	\$ 470,219

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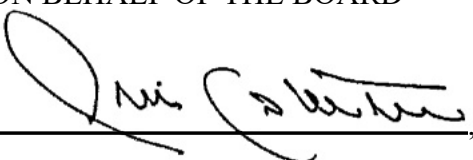
STATEMENT OF FINANCIAL POSITION

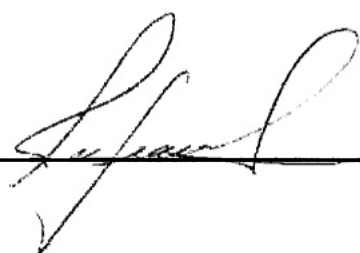
MARCH 31, 2019

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	2019	2018
ASSETS		
CURRENT ASSETS		
Cash	\$ 96,377	\$ 81,350
Prepaid expenses	9,906	11,853
Current portion of investments (Note 5)	150,991	266,696
	257,274	359,899
INVESTMENTS (Note 5)	159,553	118,908
	\$ 416,827	\$ 478,807
LIABILITY		
CURRENT LIABILITY		
Accounts payable	\$ 7,076	\$ 8,588
NET ASSETS		
Unrestricted	384,751	395,219
Internal restrictions	25,000	75,000
	409,751	470,219
	\$ 416,827	\$ 478,807

ON BEHALF OF THE BOARD


_____, Director


_____, Director

CBC PENSIONERS NATIONAL ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2019

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	2019	2018
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ (60,468)	\$ 99,742
Net change in non-cash working capital items:		
Prepaid expenses	1,947	(10,098)
Accounts payable	(1,512)	(7,161)
	435	(17,259)
	(60,033)	82,483
INVESTING ACTIVITIES		
Acquisition of term deposits	(239,040)	(301,701)
Proceeds of term deposits	314,100	242,959
	75,060	(58,742)
INCREASE IN CASH AND CASH EQUIVALENTS	15,027	23,741
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	81,350	57,609
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 96,377	\$ 81,350

Cash and cash equivalents consist of cash.

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NOTES TO THE FINANCIAL STATEMENTS

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1. STATUTE AND NATURE OF OPERATIONS

The CBC Pensioners National Association (the "Association") is a not-for-profit organization incorporated under the Canada Not-for-Profit Corporations Act, and operates as a non-profit association that provides various services to its members. The Association is exempt from income tax under Section 149(1)(1) of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The Association applies Canadian accounting standards for not-for-profit organizations (ASNFPO) in accordance with Part III of the CPA Canada Handbook – Accounting.

Revenue recognition

Membership dues are recognized as revenue in the year in which they become due if the amount to be received can be reasonably estimated and collection is reasonably assured. Membership dues that pertain to subsequent years are deferred and recognized as revenue in the period to which they relate.

Other revenue and interest are recognized when they become due.

Cash and cash equivalents

The Association's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that can fluctuate from being positive to overdrawn.

Capital assets

Capital assets are recorded as expenses in the period in which they are acquired.

Financial instruments

Measurement of financial instruments

The Association initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and investments.

Financial liabilities measured at amortized cost include accounts payable.

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NOTES TO THE FINANCIAL STATEMENTS

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. The Association determines whether a significant adverse change has occurred in the expected timing or amount of future cash flows from the financial asset. If this is the case, the carrying amount of the asset is reduced directly to the higher of the present value of the cash flows expected to be generated by holding the asset, and the amount that could be realized by selling the asset at the balance sheet date. The amount of the write-down is recognized in operations. The previously recognized impairment loss may be reversed to the extent of the improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

Transaction costs

Transaction costs related to financial instruments subsequently measured at amortized cost adjust the carrying amount of the financial asset or liability and are accounted for in the statement of operations using the straight-line method.

3. PROFESSIONAL FEES

During the prior year, the Association reversed the accrued fees payable for the audit of the financial statements in order to recognize the expense in the year in which the services were rendered.

4. INTERNAL RESTRICTIONS

During the year, the Board of Directors approved the transfer of \$25,000 (2018: \$25,000) to the Internally Restricted Fund for the 2021 Triennial Convention. This internally restricted amount is not available for any other purpose unless approved by the Board of Directors.

During the year, the Board of Directors approved the transfer of \$75,000 from the Internally Restricted Fund to the Unrestricted Fund to cover expenses incurred during the 2018 Triennial Convention.

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NOTES TO THE FINANCIAL STATEMENTS

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5. INVESTMENTS

	2019	2018
Term deposit, 0.08% - 2.45%, maturing between August 2019 and October 2021	\$ 310,544	\$ 385,604
Current portion of investments	150,991	266,696
	\$ 159,553	\$ 118,908

Estimated payments for the next three years are as follows:

2020	\$ 150,991
2021	\$ 84,553
2022	\$ 75,000

6. COMMITMENTS

The commitments of the Association under a lease agreement for the rental of premises maturing in November 2022 and a contract for website development aggregate to \$86,074. The instalments over the next four years are the following:

2020	\$ 32,522
2021	\$ 19,578
2022	\$ 20,211
2023	\$ 13,763