

# 2014 – 2015 TFEU Audit Report

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To: The Council Members of TFEU

We are pleased to provide the following information for your review and consideration in order to assist you in carrying out your responsibilities with respect to the review and acceptance of the financial statements of TFEU for the year ended June 30, 2015. A summary of the information provided is as follows:

## Description

- Significant audit, accounting, and reporting matters
- Significant qualitative aspects of accounting practices
- Misstatements
- Control deficiencies

This report is intended to communicate to you the results of our examination. We would be pleased to receive any comments or suggestions for improvements, which you may have.

We would like to thank of the staff of TFEU for their cooperation and assistance during the course of our work. We appreciate the opportunity to serve you.

## ***SIGNIFICANT AUDIT, ACCOUNTING AND REPORTING MATTERS***

### Fees

During the year, TFEU collects fees from its members. The fees are deducted from the member by the BC Teachers' Federation payroll system. It is then remitted to TFEU on a monthly basis. Each remittance is accompanied with a list of each member. When necessary, management can confirm the fees collected with payroll reports.

### Multi-year Financial Statements

#### *Observation and implications*

TFEU's prepares its financial statements to only reflect the current year.

#### *Recommendation*

We recommend that management include at least the most current 2-years of financial data in their report. This will give management and members more insight when analyzing trends (on revenues, expenses, etc.)

#### *Management Response*

Financial statements presented will include at least 2-years

## ***SIGNIFICANT QUALITATIVE ASPECTS OF ACCOUNTING STATEMENTS***

### Cash-basis Accounting

#### *Observation and implications*

Financial statements are prepared on a cash basis and are recorded when cash is received or disbursed. As such, transactions actions are not reflected in the period that they occur and does not provide an accurate picture of TFEU's financial position.

Consequently, fees are either being over/understated for the period.

#### *Recommendation*

That accruals be performed at year end and be accounted for in the period that they are associated to

#### *Management Response*

Accruals to be performed for fees and will make adjustments to the 2013-2014 statements and for subsequent years

### ***MISSTATEMENTS***

#### Corrected Mistatements

Fees for May 2014 to June 2014 were recognized in 2014-2015 are to be accrued and adjusted. Further, June 2015 fees are to be accrued to be reflected in the 2014-2015 statements

### ***CONTROL DEFICIENCIES***

We identified no control deficiencies during our audit