

**Canadian Union of
Labour Employees
Financial Statements**
For the year ended December 31, 2004
(Unaudited)

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Review Engagement Report

**To the Members of
Canadian Union of Labour Employees**

We have reviewed the statement of financial position of the Canadian Union of Labour Employees as at December 31, 2004 and the statements of operations, changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the organization.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

North Bay, Ontario
March 4, 2005

**Canadian Union of Labour Employees
Statement of Financial Position
(Unaudited)**

December 31

2004

Assets

Current

Cash and bank - general	\$ 112,996
Cash and bank - restricted	46,170
Short-term investments (Note 1)	62,413
Accounts receivable	<u>11,876</u>
	\$ 233,455

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	<u>\$ 2,000</u>
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Net Assets

Internally restricted funds (Note 2)	46,170
Unrestricted funds	<u>185,285</u>
	<u>231,455</u>
	\$ 233,455

**Canadian Union of Labour Employees
Statement of Changes in Net Assets
(Unaudited)**

For the year ended December 31	2004
Unrestricted net assets , beginning of year (Note 3)	\$ 179,102
Excess of revenues over expenses for the year	52,353
Less: transfer to internally restricted net assets	<u>(46,170)</u>
Unrestricted net assets , end of year	<u>\$ 185,285</u>
Internally restricted net assets , beginning of year (Note 2)	\$ -
Transfer from unrestricted fund net assets	<u>46,170</u>
Internally restricted net assets , end of year	<u>\$ 46,170</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**Canadian Union of Labour Employees
Statement of Operations
(Unaudited)**

For the year ended December 31

	2004 Budget (Unaudited)	2004 Actual
Membership fees	\$ 107,250	\$ 139,908
Expenses		
Executive meetings	33,000	36,032
Negotiations/bargaining	15,000	35,034
Arbitration	9,000	9,135
Joint committees	5,000	4,429
Professional fees	2,500	2,000
Membership services	3,000	1,124
Promotion	1,000	749
Donations, good and welfare	550	352
Printing, stationery and office supplies	2,050	124
Bank charges and interest	250	110
Conferences	250	-
Other income	(100)	(1,534)
	71,500	87,555
Excess of revenues over expenses for the year	\$ 35,750	\$ 52,353

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**Canadian Union of Labour Employees
Statement of Cash Flows
(Unaudited)**

For the year ended December 31

2004

Cash provided by (used in)

Operating activities

Excess of revenues over expenses for the year	\$ 52,353
Changes in non-cash working capital balances	
Accounts receivable	11,813
Short term investments	(794)
Accounts payable and accrued liabilities	<u>2,000</u>
	65,372

Investing and financing activities

Increase in restricted cash	<u>(46,170)</u>
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Increase in cash during the year

19,202

Cash, beginning of year

93,794

Cash, end of year

\$ 112,996

Canadian Union of Labour Employees Summary of Significant Accounting Policies (Unaudited)

December 31, 2004

Nature of Business	The Canadian Union of Labour Employees is a non-profit, unincorporated organization whose objective is to unite all employees of labour organizations in Canada into a single organization capable of acting in the best interests of its members. It provides collective labour agreement negotiations, protects the interests, rights and privileges of its members and promotes and upholds the principles of equity.
Basis of Accounting	The financial statements are prepared using the accrual basis of accounting.
Financial Instruments	The organization's financial instruments consist of cash, accounts receivable, short-term investments and accounts payable. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.
Short-term Investments	Short-term investments are stated at the lower of cost and market value.
Capital Assets	Capital assets are expensed in the year of acquisition.
Income Taxes	The organization is a non-profit organization and as such is not subject to income taxes.

**Canadian Union of Labour Employees
Notes to Financial Statements
(Unaudited)**

December 31, 2004

1. Short-term investments

Short-term investments held by the organization consist of seven guaranteed investment certificates, held at a Canadian Chartered Bank, that mature between February 2005 and December 2005. The interest rate on these investments varies between 1% and 1.65% per annum.

2. Internally Restricted Net Assets

Internally restricted net assets consist of funds put aside by director resolution to finance the 2006 annual general meeting to be held in Cuba.

3. Comparative Figures

No comparative figures have been presented since this is the first year the financial statements have been prepared and reported on by a public accountant. Opening net assets were determined by management by obtaining the opening balance of cash and bank, short-term investments and accounts receivable.