



50 ans de solidarité... *et la lutte continue!*
Fifty years of solidarity... *the struggle continues.*

Report of the National Board of Trustees

Introduction

Composition of the National Board of Trustees

During the last CUPW National Convention held in Toronto in October 2011, the following Sisters and Brothers were elected as National Trustees for their Region:

Atlantic Region.....	Brother Kevin Peterson
Quebec Region	Sister Josée Lambert
Metro-Montreal Region.....	Brother Roland Savard
Central Region.....	Sister Bev Collins
Metro-Toronto Region	Sister Adele Chaplain
Ontario Region	Sister Donna Hardy
Prairie Region.....	Sister Arla Mephram
Pacific Region	Brother Anthony Holzer

As per section 4.93 of the National Constitution, the following Sisters and Brothers were elected Alternate Trustees for their Region:

Atlantic Region.....	Sister Cheek (Marilyn) Totten, 1 st Brother Scott (William) Gaudet, 2 nd
Quebec Region	Brother Jean Marcon, 1 st Sister Dominique Morel, 2 nd
Metro-Montreal Region.....	Brother Michel Duguay, 1 st Brother Martin Champagne, 2 nd
Central Region.....	Sister Mary Aitken, 1 st Sister Maria Bondoc, 2 nd
Metro-Toronto Region	Brother Bright Acquah, 1 st Sister Rosannah Rampersad, 2 nd
Ontario Region	Sister Lorri Nippard, 1 st Sister Carol Stevenson, 2 nd
Prairie Region.....	Sister Cathryn Furtak, 1 st Brother Robert Laliberte, 2 nd
Pacific Region	Brother Brad Stenson, 1 st Sister Micki McCune, 2 nd

Sister Bev Collins of the Central Region and Brother Anthony Holzer of the Pacific Region were elected Chairperson and Secretary of the Board respectively, for the mandate 2011-2015.

History of the National Board of Trustees

This National Board of Trustees has a long standing role within our Union structure and culture. The first National Board of Trustees was elected in 1965, which was the birth of our Union, and was comprised of three elected members. Their role was that of a Committee of Finance and, among other things, they made recommendations as to the salary of elected officers.

The National Board of Trustees, which was similar in nature to that proposed by the Independent Working Group on structure, existed in this form until 1971. During that convention, the role of the National Board of Trustees began to change and resolutions were passed to ensure one member per Region and semi-annual verifications.

In 1986, the reports of the National Board of Trustees began being published in our national journal. The number of member representatives on the National Board of Trustees has increased over the years to our present eight members, one elected member representative for each region within our national structure. The right of the National Board of Trustees to review all financial matters, without restrictions, and to report, without censorship, to the rank and file membership was a hallmark of the serious approach the members took with regard to the National Board of Trustees. The National Board of Trustees was never intended to be “equivalent to” trustee committees of every other union. It is unique because it was formed from the will of the members gathered at Triennial Conventions.

The Role of the Trustees

The Trustees’ role is unique in that it works at arm’s length from the elected Officers and has the right to direct communication with the rank and file. It reviews the financial transactions of the Union from the perspective of the National Constitution and also from acceptable accounting practices. There is no other check and balance built into our union structure that can do this.

The Trustees have a very different role than the Auditors. We have been described as the “watch dogs” of the Union.

Because we must be active in the Union on some level in order to be elected, we have experience in the processes outlined in the National Constitution, and our main focus is ensuring that the concerns of the members – laid out in the Constitution, are respected. It is through us that the members are made aware of the financial and administrative processes and how they are functioning between conventions.

This task is made easier by the make-up of our Board, one member who is an activist on some level from each region. These members are generally aware of what is happening in their region and can clarify points to other Trustees when necessary. This make-up also gives the rank and file of each region access to someone for direct clarification of the reports, should they require it.

The duties and responsibilities of the National Board of Trustees are set out in sections 4.93 to 4.102 of our National Constitution.

The work consists of reviewing the national treasury books, expense reports, supporting documentation and any other information deemed necessary for the proper and efficient administration of the Union.

At the 2011 Convention, section 4.96 of the National Constitution was amended to reflect that the National Board of Trustees would meet annually. The verifications during this mandate were conducted over seven working days. The final verification for the fiscal year 2013-2014 was conducted over 10 working days as the Trustees had to prepare the annual verification report and its final report to Convention.

Meeting once per year has its challenges but the Board worked extra hours and on weekends to ensure its “yearly verification” was completed.

Over the 2011-2015 mandate, by meeting only once per year the Union realized a saving of approximately \$32,870 per year. Over the four-year mandate, meeting once per year resulted in total savings of approximately \$131,480. The savings resulted from costs associated to travel and accommodation.

During the annual meeting, the Trustees prepare a written report on their findings along with recommendations which is submitted to the National Executive Board. The National Executive Board is responsible for deciding whether or not to implement the National Board of Trustees recommendations, in whole or in part.

General Expenses

Statement of Expenses

We examined the monthly statement of expense forms for the National and Regional Officers, Union Representatives and Alternate Union Representatives. We also examined the monthly statement of expense forms, submitted by members of various committees, specialists and contract employees working for the Union.

We are troubled to again report, as we have during all verifications of this term and the past two reports to convention, that monthly expense reports (as the name would suggest), are not being submitted on a monthly basis. We cannot stress enough the importance of submitting monthly expense reports, whether or not there may be expenses to report. Not reporting each month and then combining several months leads to added workload for both the individuals reporting and for the staff at National Office. It also adds to the possibility of missing expenses because of the time lapse.

As with the last two reports to Convention and with the last four verifications, there are great concerns with, and a need to reign in, the high cost of vehicle rentals in some Regions. Throughout this term, it could not be verified that the usage of rented vehicle was always linked to union activities. We have lobbied, to no avail, for the introduction of mandatory use of a log book for all union-operated vehicles to alleviate this concern.

We recommend that the National Executive Board purchase vehicles and assign log books to each vehicle, to reign in the high costs associated with long-term rental of vehicles.

Expenses for Regional Offices

We reviewed the files containing the forms and receipts for the expenses of Regional Offices for the period of January 1, 2011 to June 30, 2014.

This was the first term that the National Board of Trustees met once per year instead of twice as in previous mandates, as per a change to the National Constitution following the 2011 National Convention.

In the first verification of this mandate, the National Board of Trustees reviewed the expenses for a six-month period, January 1, 2011 to June 30, 2011. The following verifications were yearly from July 1 to June 30 to correspond with the yearly audited reports.

There are seven of the eight Regional Office expenses now paid directly by National Office. The bank statements and bank reconciliation reports are also done by National Office for the Regional Office expenses for the seven regions.

The National Office paying the Regional Office expenses has created a more efficient accounting process.

Expenses for Regional Activities

During verifications, we examined the expense accounts for union activities when Regional Offices received funds in advance from National Office.

National Directors are responsible for submitting a detailed expense report of each activity within 45 days under section 5.13 of the National Constitution.

During our first verification, we were concerned with the reconciliation of accounts between the Regions and National Office where funds had not been returned for several years. We are pleased to say that this is no longer a concern with all accounts now being reconciled. We appreciate the efforts of all concerned for both recognizing and alleviating this concern.

Transportation Expenses

We reviewed the travel expenses of the Union for this term. As with the last report to Convention and with the last six verifications, there are concerns and a need to reign in the high cost of vehicle rentals in some Regions. There are also concerns with the inconsistencies with prior authorization forms for personal and rental vehicles as these forms are either unsigned or late. Throughout this term, it could not always be verified that the usage of the personal and rented vehicles were always linked to union activities.

We recommend that the National Executive Board look into the purchase of vehicles versus the rental, long-term and short-term, of vehicles and impose restrictions on the types of vehicles rented.

During this mandate the National Board of Trustees are able to report on a significant change in car rental that will affect the expense on the costs associated with transportation. Although the purchasing of vehicles for some regions falls outside our mandate we believe the Union will see the benefit during the next mandate.

Arbitration Expenses

The National Board of Trustees also provided costs associated with arbitration. In the 3rd and 4th verifications the National Board of Trustees provided the National Executive Board with a detailed breakdown of the costs of arbitration. There are costs associated with legal fees that both Regional Offices and National Office can save the Union by using our elected Union Officers, Union Representatives, along with the use of workers advocates.

There are many changes to come for our Union as we move forward. Improvements to the above mentioned expenses will provide the strength and foundation the Union will require to move forward.

Termination of Employment and Moving

During this present mandate, we have reviewed the different amounts paid to National and Regional Officers and Union Representatives who took or left office between January 1, 2011 and June 30, 2014.

These payments were as follows:

• For 28 members: Moving and relocation expenses (section 7.39)	\$ 306,367.22
• Section 7.41 - 20 working days	79,204.77
• Unused annual leave credits	<u>110,656.77</u>
 TOTAL:	 \$ <u>496,228.76</u>

As a result of the adoption of resolution No. 192 at the 2005 National Convention, the severance pay set out in section 7.39 of the National Constitution, revised 2002, will no longer be paid to Officers and Union Representatives.

Accrued amounts will be paid at the rate of pay in effect on April 30, 2005, based on one of the following two options:

- the Union will keep the amounts on behalf of the member until his or her departure, or
- the Union will pay the amounts starting at the end of the 2005 National Convention.

During the 2011-2015 mandate, two officers received severance pay. These amounts come to a total of \$14,215.55.

Inventory Lists for National and Regional Offices

In order for the National Secretary-Treasurer to do a proper accounting of the assets of the Union, as per section 4.54 of the National Constitution, it would require an inventory list from National Office as well as all eight Regional Offices. These lists should include all items purchased by union funds excluding office supplies.

The National Board of Trustees found during this mandate that only once within our four verification periods was an updated inventory list received at the National Office for National Office and the eight regions. This was verified in the first verification period of our mandate.

During the second verification period, the National Board of Trustees found no updates at the National Office. The third verification revealed that that there was only one update for the inventory list from National Office and that seven of the eight regions do not have an inventory list kept at the National Office.

Our final verification found that there were only two updated inventory lists at the National Office and that six out of the eight regions and National Office do not have an updated inventory list.

Throughout the entire mandate, the Trustees have made several recommendations to capture all the inventory at National and Regional Offices. Unfortunately, none of these attempts produced the completed inventory lists that we were asking for.

The National Board of Trustees during our final verification was given information regarding the implementation and procedures to their current insurance policy.

Both video and photographs were taken of two different “sample offices” and sent to the insurance company for evaluation. This method was approved by both parties and an accurate value has been determined. National Office and the eight Regional Offices are adequately insured.

That the National Board of Trustees continues to recommend a yearly updated inventory list of the National Office and all Regional Offices so the Union has a detailed account of the Unions assets.

Attendance

During the 2011-2015 mandate, the National Board of Trustees reviewed leave taken by National and Regional Officers and Union Representatives.

At the end of our mandate, to June 30, 2014, approximately 2,617 days for National and Regional Officers and Union Representatives were not used.

Failure to use one’s annual leave can be detrimental to the health and safety of Officers and Union Representatives. This also represents a potential financial liability of **\$711,458** to the Union.

The National Board of Trustees, in every verification this mandate, has recommended that all Officers and Union Representatives use their annual leave and that section 7.38 of the National Constitution be applied to outstanding leave balances at the end of each fiscal year.

Finances

Budgets

We noted that the National Executive Board approved balanced budget forecasts for the 2010-2011, 2011-2012, 2012-2013 and 2013-2014 fiscal years, as per section 7.04 of the National Constitution.

Union Funds

We reviewed the annual audited financial statements prepared by the accounting firm of Marcil Lavallée. These audited statements provide data relating to the General Fund, Defence Fund and Reserve Fund.

As provided for in section 7.13 of the National Constitution, the following is a table providing the amount in each fund to June 30, 2014 in comparison with June 30, 2013, 2012 and 2011:

	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2011</u>
General Fund	\$ (1,861,309)	\$ (1,228,861)*	\$(2,359,869)*	\$ (2,457,929)*
Defence Fund	\$ 18,462,161	\$ 17,354,511	\$ 16,916,909	\$ 16,537,818*
Reserve Fund	\$ 12,218,649	\$ 8,105,210	\$ 5,286,565	\$ 6,895,895

*The balance for these funds has been restated in accordance with new accounting practices implemented on July 1st, 2013

The Defence Fund had a balance of \$18,462,161 on June 30, 2014, consisting of \$9,919,372 in liquid assets and various investments, plus an amount of \$8,542,789 in advances to related holdings.

On June 30, 2014, the Reserve Fund shows a balance of \$12,218,649.00. This reflects a substantial increase from June 30, 2013; a portion of this fund will be utilized by the end of the fiscal year 2014-2015 for National Convention.

Local Annual Financial Statements

During the 2011-2015 mandate, the National Board of Trustees reviewed the Local Annual Financial Statements received at National Office. The following charts illustrates our findings:

ANNUAL FINANCIAL STATEMENTS												
REGION	NUMBER OF LOCALS				LOCALS UNDER TRUSTEESHIP				NON-PAYMENT TO LABOUR COUNCIL			
	VERIFICATION				VERIFICATION				VERIFICATION			
	1 st	2 nd	3 rd	4 th	1 st	2 nd	3 rd	4 th	1 st	2 nd	3 rd	4 th
Atlantic	35	35	35	35	0	1	0	0	16	21	18	12
Quebec	31	32	32	32	0	0	0	0	15	14	11	7
Metro-Montreal	2	2	2	2	0	0	1	1	0	0	0	0
Central	37	37	36	36	0	0	0	0	8	15	16	15
Metro-Toronto	1	1	2	2	0	0	0	0	0	0	2	2
Ontario	30	29	29	29	0	0	1	1	6	6	7	4
Prairie	35	35	35	35	1	1	1	0	9	30	10	9
Pacific	38	38	36	36	0	0	0	1	12	16	15	18
Total	209	209	207	207	1	2	3	3	66	102	79	67

ANNUAL FINANCIAL STATEMENTS									
	REPORTS NOT RECEIVED				REPORTS INCOMPLETE OR DO NOT BALANCE				
REGION	VERIFICATION				VERIFICATION				
	1 st	2 nd	3 rd	4 th	1 st *	2 nd	3 rd	4 th	
Atlantic	9	2	2	2		9	7	11	
Quebec	7	1	1	7		14	13	11	
Metro-Montreal	1	0	0	0		1	0	0	
Central	7	3	5	7		9	12	15	
Metro-Toronto	1	1	2	2		0	0	0	
Ontario	5	4	4	6		12	12	8	
Prairie	15	12	15	11		14	11	13	
Pacific	11	10	8	10		12	14	10	
Total	56	33	37	45		71	69	68	

* During the first verification, the Trustees did not record the number of Annual Financial Statements that did not balance.

First Verification	-	January 1 to June 30, 2011
Second Verification	-	July 1, 2011 to June 30, 2012
Third Verification	-	July 2, 2012 to June 30, 2013
Fourth Verification	-	July 2, 2013 to June 30, 2014

On average for the four years:

- 20% of Locals did not submit Annual Financial Statements;
- 34% of the Annual Financial Statements that were filed were either incomplete or did not balance;
- 37% of Locals that filed did not pay per capita tax to their District Labour Council.

“Non-Payment to Labour Council” does not include those Locals that did not file an Annual Financial Statement, thus there was no way to determine if such payment was made or if they are exempt from such payment.

Some Locals have more than one account. Not all accounts are reported on their Annual Financial Statement. Even though it is not a requirement under the National Constitution, some Locals include their bank statement while others do not.

The majority of these problems may be due to the inexperience of some Local Secretary-Treasurers.

Despite yearly reminder, training opportunities and precise instructions from the National Secretary-Treasurer and some National Directors, these problems continue.

It is a great concern of the National Board of Trustees that some Locals do not comply with section 9.29 of the National Constitution relating to Annual Financial Statements. This leaves no way to ensure that funds are available to properly represent the membership.

During our mandate when we verified Local Annual Financial Statements for 2011-2014, we had reported a number of problems with locals not reporting Annual Financial Statements. This chart is from the 2013-2014 verification.

No Annual Financial Statement 2013/2014						
Atlantic	Quebec	Central	Ontario	Toronto	Prairie	Pacific
Gander-Lewisporte	Rouyn-Noranda	Muskoka	Chatham	Toronto	Edmonton	Campbell River
Fredericton-Oromocto	Bois Francs	Newmarket	Guelph	Toronto Courier	Grande Prairie	Kamloops
	Haut-du-Lac	Napanee	Kitchener-Waterloo		Prince Albert	Prince George
	Outaouais-Québécois	Kingston	Brantford		The Pas	Trail
	Québec	Petawawa-Deep River	Orangeville		Moose Jaw	Upper Valley
	Rimouski	Sioux Lookout	St. Thomas		Neepawa	Whitehorse
	St-Jérôme	Thunder Bay			Lethbridge	Courtney
					Battleford	Fort McMurray
					Hay River	Dawson Creek
					Weyburn	Prince Rupert
					Swift Current	

Collective Agreement Funds

During the 2011-2015 mandate, we reported on the state of the different collective agreement funds.

Urban Operations bargaining unit funds:

- Appendix “L” – Childcare Fund
- Appendix “R” – International Postal Fund
- Appendix “S” – Parcel Delivery Model
- Appendix “T” – Service Expansion, Innovation and Change Committee
- Appendix “U” – Union Education Fund
- Appendix “AA” – Collection and Delivery Model
- Appendix “JJ” – Committee on Clear Language

The National Board of Trustees reported the audited revenues and expenses for the Child Care, Education and International Postal Funds for this mandate. The balances of the funds were provided as of the end of June 30 of every year.

The National Executive Board was able to deal with costs charged to the Education Fund by reducing the Port Elgin Educational from twice a year to twice per mandate in 2011-2015.

The decrease in number of worked hours due to postal transformation will not have its full effect on the fund until the next mandate.

The funds of the Urban Operations bargaining unit, billing and reimbursement process works efficiently.

Funds of the Rural and Suburban Mail Carriers bargaining unit:

- Appendix “D” – Education Fund

For Appendix “D”, Canada Post agrees to transfer the amounts to the Urban Operations bargaining unit Education Fund (Appendix “U”).

Education Funds - Private sector bargaining units

Here is the list of Private Sector bargaining units that have an education fund:

- Nova Scotia Medical Care – Bedford (Atlantic)
- Easy Express – Fredericton (Atlantic)
- RMS Pope (Atlantic)
- Bee Clean Kitchener-Waterloo (Ontario)
- Bee Clean Windsor (Ontario)
- Bee Clean Hamilton (Ontario)
- Dynamex – Red River (Prairie)

The balance of each of these funds, as of June 30, 2014, is listed in the fourth verification report.

CUPW Building Society

The entity “CUPW Holdings Limited” was changed to “CUPW Building Society” on June 16, 2009.

The Company is the owner of three buildings, two condominium offices and five residential condominium apartments:

- CUPW National Office at 377-385 Bank Street in Ottawa;
- CUPW Ontario Region at 344 Sovereign Road in London, Ontario;
- CUPW Pacific Region at 999 Carnarvon Street in New Westminster, British Columbia;
- Five residential condominium apartments located at 1223 Wellington St. in Ottawa, Ontario;
- CUPW Quebec Region at 5000 des Gradins Boulevard, Suite 340, in Quebec City;
- CUPW Metro-Montreal Region at 565 Crémazie East, room 4400 in Montreal, Quebec.

Based on the audited financial statements as of June 30, 2014, the balance on the commercial mortgage loan (from the Toronto Dominion Bank) is \$879,444 for the residential condominium apartments. The net value of the assets listed above of CUPW Building Society is \$8,771,809.

External Organizing

According to section 7.17 of the National Constitution, an amount equal to half of the Reserve Fund deposits is set aside to create an External Organizing Fund.

The table below shows the results based on the audited financial statements:

Fiscal year 2010-2011

Balance on July 1 st , 2010	\$ 211,445
Plus amounts from External Organizing Fund	\$ 728,413
Minus expenses	<u>(\$ 514,893)</u>
Balance on June 30, 2011	\$ 434,965

Fiscal year 2011-2012

Balance on July 1 st , 2011	\$ 434,965
Plus amounts from External Organizing Fund	\$ 752,027
Minus expenses	<u>(\$ 190,316)</u>
Balance on June 30, 2012	\$ 996,676

Fiscal year 2012-2013

Balance on July 1 st , 2012	\$ 996,676
Plus amounts from External Organizing Fund	\$ 748,825
Minus expenses	<u>(\$ 267,410)</u>
Balance on June 30, 2013	\$ 1,478,091

Fiscal year 2013-2014

Balance on July 1 st , 2013	\$ 1,478,091
Plus amounts from External Organizing Fund	\$ 738,656
Minus expenses	<u>(\$ 362,136)</u>
Balance on June 30, 2014	\$ 1,854,611

Concerning the rate of union dues, it is established when the National Executive Board recommends the ratification of a new collective agreement.

For the period July 1, 2010 to June 30, 2014, a total amount of \$1,334,755 was used to pay expenses related to different organizing campaigns. It should be noted that related legal fees are not charged to the External Organizing Fund.

According to the information we obtained, the twelve active Private Sector units had a total of 696 members on June 30, 2014, and union dues received from these units amounted to \$124,504.

However, the Rural and Suburban Mail Carriers (RSMC) bargaining unit had 8,088 members on June 30, 2014, and union dues received from this unit exceeded \$3,000,000 a year.

Given these results, we believe the next National Executive Board should prioritize the organizing and/or the integration of new bargaining units involving a large number of workers.

Union Leave Billings

26.06 Union Leave Billings

The National Board of Trustees reviewed the union leave billings, as per clause 26.06 of the Urban Operations Collective Agreement, for the period January 1, 2011 to June 30, 2014.

In our first verification, we reported that the sum of \$716,065.34 had been recovered from some Locals pertaining to the outstanding union leave pre-April 2000 amount of \$1,207,925.97.

Based on information received at our fourth verification, all outstanding union leave pre-April 2000 has been recovered in full from all Locals. Thanks should be given to previous National Boards of Trustees over the past 14 years for their efforts in having outstanding 26.06 leave recovered from locals and returned to the General Fund.

During this four year verification mandate, a total of \$1,320,575.10 has been deducted from Local rebates for union leave not paid to Canada Post from the Locals themselves. Approximately \$491,860.06 of this amount was for union leave pre-April 2000. This leaves a total of \$828,715 deducted from Local rebates for union leave from January 1, 2011 to June 30, 2014.

The practice of several Locals is to have the National Office deduct the monthly union leave owed, on a regular basis, from their Local rebates. This is a concern of the National Board of Trustees because when Locals are not following the steps set out in clause 26.06, in particular 26.06 (f), they are not checking for errors in the billing. The National Office has no way of knowing if errors exist. This may result in Canada Post being paid money that actually belongs to the Local.

The National Board of Trustees urges Locals to review their union leave bills from Canada Post and follow the steps set out in clause 26.06 of the Urban Collective Agreement.

Rural & Suburban Mail Carriers

Article 34 – Transition Committee

During the last mandate, expenses were reviewed relating to the RSMC's Transition Committee. These expenses were paid by CUPW and billed to CPC.

The National Board of Trustees verified at our first verification an amount of \$133,807.59 was to be received from Canada Post for the period from April 1 to June 30, 2011.

As for the incurred expenses for accommodation and per diem, a protocol was signed and came into effect on October 1, 2010. The protocol states that two-thirds of the accommodation and living expenses are to be paid by the employer and one third by the Union.

During the second verification, based on the information made available to us, an amount of \$77,437.20 was to be received from Canada Post for the period from July 1, 2011 to June 30, 2012.

During our third verification, the Transition Committee ceased its activities in December 2012. As of June 2013, Canada Post still owed \$15,080.68 for the period of July 1, 2012 to December 31, 2012.

The National Board of Trustees verified during our fourth and final verification that as of June 2013, Canada Post still owed \$15,080.68 for the period of July 1, 2012 to December 31, 2012. This outstanding amount was paid in full to the Union by October 2013.

Joe Davidson Fund

The “Joe Davidson Education” was created as a tribute to this great trade unionist and in particular in recognition of his leadership as National President of the Canadian Union of Postal Workers from 1974 to 1977 and his efforts to unify the members.

The following bursaries were granted under section 11.04 of the National Constitution for the 2011-2015 mandate totaling \$50,298.82 of bursary to cover per diem, travel, lost wages, childcare and registration fees:

• First Verification:	Labour College of Canada	\$ 6,643.85
	Quebec Federation of Labour	\$ 4,469.20
• Second Verification:	Labour College of Canada	\$ 8,309.18
	Labour College of Canada	\$ 4,440.48
• Third Verification:	Labour College of Canada	\$ 8,276.68
	Labour College of Canada	\$ 7,698.30
• Fourth Verification:	Labour College of Canada	\$ 8,010.92
	Quebec Federation of Labour	\$ 2,450.21

Education bursary shall be granted annually to both the Labour College of Canada and the Union Education Service of the Quebec Federation of Labour at an equal amount. This Education fund is funded by Canada Post Corporation.

The incoming National Board of Trustees can report regularly on the administration of this fund so that the membership continues to be aware of its existence and maintains the tribute to the union leader after which it is named.

Check-Off and Membership

During the 2011-2015 mandate, we continued to monitor changes in the number of members.

Urban Operations Postal Unit

The following table compares information obtained during the last verification carried out in the 2008-2011 term with that obtained during the last verification done in the 2011-2015 term:

MEMBERSHIP IN THE URBAN OPERATIONS UNIT	
Average from July 1 st to December 31 st , 2010	44,547
Average from January 1 st to June 30, 2014	42,109
Variation	(2,438)

Therefore, during the 2011-2015 term, staffing in the Urban Operations bargaining unit decreased by 2,438 members. As of December 31, 2010, membership stood at an audited six-month average of 44,547 members.

Conclusion: During the past four years, membership in the Urban Operations bargaining unit decreased by 5.5% as a result of various decisions made by the Canada Post Corporation (closures, elimination of positions, mechanization, postal transformation, elimination of door-to-door delivery, etc.).

Rural and Suburban Mail Carriers (RSMC)

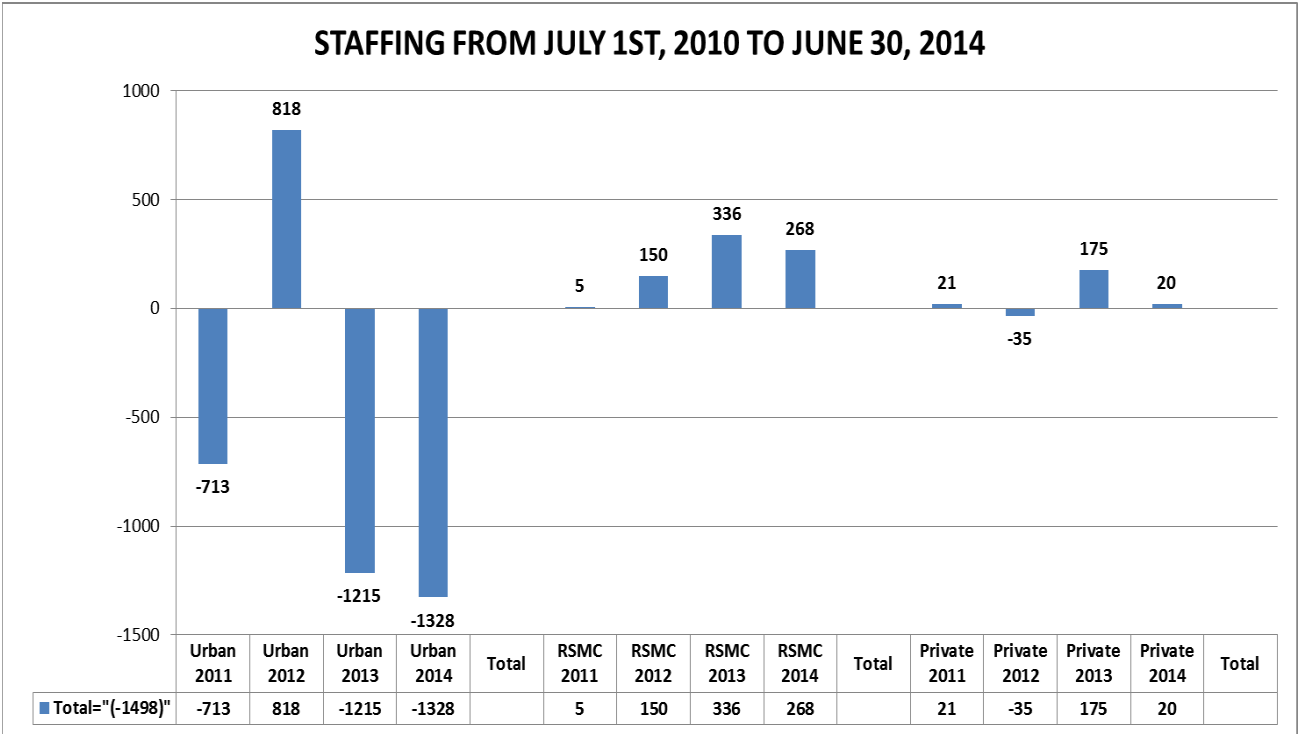
The number of RSMC members has increased by 10.5%, i.e. 759 additional members.

MEMBERSHIP – RURAL AND SUBURBAN MAIL CARRIERS (RSMC)	
Average from July 1 st to December 31, 2010	7,280
Average from January 1 st to June 30, 2014	8,039
Variation	759

External Organizing – Private Sector Bargaining Units

Membership in the Union’s 22 private sector bargaining units is back to the same level it was during the 2005-2008 mandate, but with more units. The table below compares information obtained during the last verification of the 2008-2011 term to the information obtained in the last verification of the 2011-2015 mandate:

MEMBERSHIP IN PRIVATE-SECTOR UNITS	
Average from July 1 st to December 31 st , 2010	585
Average from January 1 st to June 30, 2014	766
Variation	181



The two tables below compare overall union membership information obtained in the last verification done during the 2008-2011 mandate with that obtained during the last verification done in the 2011-2015 mandate.

FULL-TIME, PART-TIME AND TEMPORARY EMPLOYEES				
	FULL-TIME	PART-TIME	TEMPORARY	TOTAL
Average from July 1 st to December 31, 2010	41,051	6,339	5,022	52,412
Average from January 1 st to June 30, 2014	37,201	5,854	7,859	50,914
Variation	(3,850)	(485)	2,837	(1,498)

- The National Board of Trustees has noted that, between January 2011 and June 2014, Canada Post has radically increased its use of temporary employees at the expense of regular full-time and part-time employees.

MEMBERS IN GOOD STANDING (MIGS), MEMBERS AND RAND MEMBERS				
	MIGS	MEMBERS	RAND	TOTAL
*Average from July 1 st to December 31, 2010	47,014	2,505	3,250	52,769
**Average from January 1 st to June 30, 2014	44,234	2,056	5,084	51,374
Variation	(2,780)	(449)	1,834	(1,395)

- * MIGS (members in good standing) include 357 lifetime members.
- ** 460 lifetime members are included among members in good standing.

Note: The retired member status is not included in the chart above (section 1.21 of the National Constitution).

Lastly, the distribution of union dues for the 2011-2015 mandate was done in accordance with the following sections of the National Constitution:

- 7.08 64 % deposited in the General Fund
- 7.08 26% is returned to the Local
- 7.08 Additional Local Rebates
- 7.08 Basic Life Insurance Premiums
- 7.20 The 10 % of dues earmarked for the Defence Fund was deposited in the General Fund.
- 9.26 Additional Local Assessments
- 9.41 Provincial Federation of Labour Affiliation

Conclusion

During the 2011-2015 mandate, the National Board of Trustees was pleased to report improvements in a number of items that were reported in our annual verifications. The expense reports of National and Regional Officers and Union Representatives are, for the most part, completed on a monthly basis. The National Board of Trustees was pleased that the National Secretary-Treasurer implemented some of our recommendations, including a national travel authorization form and a detailed national mileage claim form.

The national cell phone plan has kept cell phone costs to a minimum, and all but a few representatives of the Union are on the national cell phone plan.

The National Board of Trustees is still concerned about the costs of vehicle rentals. The Board is very pleased to report that after two mandates (seven years), the incoming National Board of Trustees will report in their first verification that three vehicles have been purchased, as per section 7.43 of the National Constitution, for two regions in an effort to reduce rental costs. The National Board of Trustees, in its fourth verification, reported that the pre-April 2000 payment of leave for union business file (clause 26.06 of the urban operations collective agreement) has been fully recovered from Locals and reimbursed to the General Fund. Although there have been improvements throughout our verifications, there are a number of areas that are not satisfactory. It is alarming that many Locals are not paying the monthly “Statement of Earnings” for used 26.06 leave and that National Office is having to recover this unpaid billing from the Locals’ monthly rebate.

There are problems where travel authorization forms, although filled out, are not signed until after the date of travel. The cost of car rentals is still high and needs to be examined for cost savings. Another area of concern is the cost of legal and arbitration fees. By using Union Representatives and Worker Advocates, these costs could be reduced.

Throughout our mandate, we reviewed the cost of child and/or elder care for Regional and National activities. There is concern about the members' understanding of the guidelines for claiming child and/or elder care expenses.

For our last two verifications, we noted that there is no real means of verifying or cross-referencing claims for per diem. The response from the National Executive Board on our concerns and issues raised was not satisfactory.

There is great concern about how many Locals are not filing balanced Annual Financial Statements or filing them at all.

The amount of unused annual leave is still an increasing liability to the Union. The urban operations bargaining unit continues to decrease, resulting in reduced revenue to service the membership.

Therefore, the National Board of Trustees recommends:

- That the incoming National Executive Board continue to find ways to reduce the Union's overall operating costs while still providing the current level of service to our membership, and to continue on the improvements made in the 2011-2015 mandate.

The National Board of Trustees would like to take this opportunity to thank every member of the staff at the National Office for their support, cooperation and assistance provided at each of our verifications. CUPW has wonderful staff and they are not always recognized for their contributions and the exceptional work they do! Without their assistance and dedication, our work would be almost impossible to perform.

This concludes our report, which we now submit to the 2015 National Convention.

Bev Collins
Chairperson
Central Region

Anthony Holzer
Secretary
Pacific Region

Kevin Peterson
Member
Atlantic Region

Jean Marcon
Member
Quebec Region

Roland Savard
Member
Metro-Montreal Region

Adele Chaplain
Member
Metro-Toronto Region

Donna Hardy
Member
Ontario Region

Arla Mephram
Member
Prairie Region

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APPENDIX ‘A’

FOURTH VERIFICATION

JANUARY 28 TO FEBRUARY 8, 2015

2011-2014 TERM

1. INTRODUCTION

The National Board of Trustees met from January 26 to February 8, 2015 at the National Office of the Union in Ottawa for the fourth verification of this mandate.

As provided in the National Constitution under sections 4.96 to 4.99, we have completed an examination of the financial transactions of the Union for the period of July 1, 2013 to June 30, 2014.

The work of the National Board of Trustees consisted of examining the national treasury books, vouchers pertaining to expenditures, expense accounts for National and Regional Officers and Union Representatives as well as all other documents deemed useful and necessary for a sound administration of the union funds.

2. COMPOSITION OF THE NATIONAL BOARD OF TRUSTEES

The National Board of Trustees is composed of the following members:

Central Region	Sister Bev Collins	Chairperson
Pacific Region	Brother Anthony Holzer	Secretary
Atlantic Region	Brother Kevin Peterson	Member
Québec Region	Sister Josée Lambert	Member
Metro-Montréal Region	Brother Roland Savard	Member
Metro-Toronto Region	Sister Adele Chaplain	Member
Ontario Region	Sister Donna Hardy	Member
Prairie Region	Sister Arla Mephram	Member

At our first meeting held on February 13, 2012, the National Board of Trustees elected Sister Bev Collins, Central Region, and Brother Anthony Holzer, Pacific Region, Chairperson and Secretary of the Board respectively.

Sister Josée Lambert was unable to attend the fourth verification. She was replaced by the 1st Alternate Trustee, Brother Jean Marcon from the Québec Region.

3. RESOLUTIONS AND RECORDINGS

The National Board of Trustees verified all resolutions and records of proceedings of the National Executive Board meetings for the period of July 1, 2013 to June 30, 2014, for the purpose of verifying financial resolutions, as per section 4.99 of the National Constitution.

During this verification, the National Board of Trustees continued to find resolutions that did not contain a dollar amount and/or which fund was to be accessed so as to allow us to properly verify that expenses were constitutional. The Trustees noticed an improvement in this mandate's resolutions from the National Executive Board.

Therefore the National Board of Trustees recommends:

- That the National Executive Board defer a resolution until a dollar amount, timeframe and fund that it applies to are attached.

The National Executive Board continues to improve its performance on this issue. Where deferring a decision until complete financial information is received does not adversely affect the cost of such decision, the Board will do so. In any event, accounting staff will estimate the cost of each board resolution and include it in the minutes before adoption.

4. ANNUAL VERIFICATION

A meeting of the National Board of Trustees, as per section 4.96 of the National Constitution, convened for its fourth verification since the 2011 Convention, from January 26 to February 8, 2015. The National Board of Trustees conducted a full year's verification, from July 1, 2013 to June 30, 2014.

There is no date scheduled for the first verification of the National Board of Trustees 2015-2019 mandate.

Therefore the National Board of Trustees recommends:

- That the newly elected National Board of Trustees be given an additional two working days for their 1st verification of the 2015-2019 mandate in order to train new board of Trustees, as per the role and responsibilities of the National Board of Trustees outlined in the National Constitution, and the opportunity to familiarize themselves with the process used for making annual verifications.

This recommendation will be reviewed by the National Executive Board elected at the May 2015 National Convention and considered for inclusion in the 2015-2019 schedule of events.

- That the National Secretary-Treasurer communicate, as soon as possible, to the members of the National Board of Trustees the dates scheduled for their first verification to take place in 2016.

As soon as the next National Executive Board establishes the schedule of events for the 2015-2019 mandate, it will be shared with the members of the National Board of Trustees.

5. STRIKE & LOCKOUT EXPENSES

During this verification, the National Board of Trustees was able to verify the amounts that were taken from the Defence Fund to pay for strike/lockout related legal activities, as per section 7.20 of the National Constitution.

“Amounts Owing by Locals” is deducted off the Local’s rebates. The chart below reflects verified reports received from Locals as of June 30, 2014.

REGION	STRIKE/ LOCKOUT PAY ADVANCES	STRIKE/ LOCKOUT PAY	* OTHER EXPENSES	FUNDS RETURNED BY LOCALS	AMOUNTS OWING BY LOCALS
Ontario	1,606,248.05	1,238,984.00	7,875.08	358,688.97	700.00
Pacific	1,217,381.90	965,363.00	4,831.00	247,104.10	83.80
TOTAL	2,823,629.95	2,204,347.00	12,706.08	605,793.07	783.80

* Strike/lockout pay expenses include all bank charges incurred for the distribution of strike/lockout pay.

Therefore the National Board of Trustees recommends:

- That the National Secretary-Treasurer, in conjunction with the National Directors, ensure that Locals forward final financial reports and outstanding funds to the National Union.

All strike pay related reports have been received and all outstanding funds returned to the National Level.

6. NEGOTIATIONS

During this verification, the National Board of Trustees verified the amounts spent on negotiations for the various bargaining units.

Expenses for the RSMC Bargaining unit totaled \$6,914.00.

7. LOCAL FINANCIAL REPORTS

The National Board of Trustees reviewed all the Annual Financial Statements that were received from the Locals covering the period of July 1, 2013 to June 30, 2014.

Financial Statement forms covering the period of review were sent to the Locals in accordance with section 9.30 of the National Constitution. The obligation of submitting an Annual Financial Statement by each Local to the National Secretary-Treasurer is contained within section 9.29 of the National Constitution.

	<i>Number of Locals in region</i>	<i>Reports not received 2013-14</i>	<i>Locals under Trusteeship</i>	<i>Non-payment to Labour Council⁽¹⁾</i>
Atlantic	35	2	0	12
Québec	32	7	0	7
Montréal	2	0	1	0
Central	36	7	0	15
Toronto	2	2	0	2
Ontario	29	6	1	4
Prairie	35	11	0	9
Pacific	36	10	1	18
Total	207	45	3	67

(1) Non-payment to Labour Council does not include those Locals that have not filed a 2013-2014 Annual Financial Statement, thus there is no way to determine if such payment was made, or if they are exempt from this payment.

- 7.1 There were 45 Locals that did not submit their July 1, 2013 to June 30, 2014 annual financial statements, an increase of 8 Locals from the 2012-2013 reporting period.
- 7.2 There were 67 Locals that did not submit the per capita dues payment to Labour Councils. This represents a decrease of 12 Locals from the 2012-2013 reporting period. This is a requirement under section 9.42 of the National Constitution.
- 7.3 All but one local did not submit their Annual Financial Statement on the proper form sent to them by the National Secretary-Treasurer.

Despite yearly reminders and precise instructions from the National Secretary-Treasurer on completing the Annual report 58 Local’s Annual Financial Statements were not complete or did not balance.

Poor accounting practises and missing information makes it difficult to determine whether the statements actually balance.
- 7.4 The 45 Locals that did not submit their July 1, 2013 to June 30, 2014 Annual Financial Statements, plus the 58 Locals whose Annual Financial Statements did not balance, represent 50 % of the total number of Locals.
- 7.5 Some Locals have more funds other than the General Fund. **We found that some Locals report all fund accounts, while others do not.**
- 7.6 There are three Locals who have not filed an Annual Financial Statement in seven years, two Locals has not filed in five years, two Locals have not filed in four years, four Locals have not filed in three years and seven Locals have not filed in two years.

No Annual Financial Report since...				
2007	2009	2010	2011	2012
Hay River (Prairie)	Battleford (Prairie)	Courtney (Pacific)	Napanee (Central)	Muskoka (Central)
Swift Current (Prairie)	Chatham (Ontario)	Moose Jaw (Prairie)	Dawson Creek (Pacific)	Newmarket (Central)
Weyburn (Prairie)			Prince Rupert (Pacific)	Gander-Lewisporte (Atlantic)
			Fort McMurray (Pacific)	Lethbridge (Prairie)
				Neepawa (Prairie)
				Rouyn-Noranda (Quebec)
				Toronto

Therefore the National Board of Trustees recommends:

- 7.1 That the National Secretary-Treasurer, in conjunction with the National Directors of each region, continue to contact all Locals in writing as a reminder to meet their obligations under section 9.29 of the National Constitution. A copy of said notice to be placed in the Local Annual Financial Statement file at National Office.

Locals are advised annually of their obligations under section 9.29 of the National Constitution. Reminder notices are sent to Locals that are delinquent in submitting Annual Financial Statements. The notices are copied to the respective National Director and in future will be copied to the Local’s file.

- 7.2 That the National Secretary-Treasurer, in conjunction with the National Directors of each region, contact all Locals in writing as a reminder to meet their obligations under section 9.42 of the National Constitution. **A letter of explanation for non-payment to District Labour Council to accompany the Annual Financial Statement.**

The cover letter sent to Locals with the Annual Financial Statement form includes reference to the obligation to pay per capita to their District Labour Council. The detailed instructions on how to complete the Annual Financial Statement will be amended to include detail about District Labour Council payments and the ramifications of failure to pay.

- 7.3 That the Local Annual Financial Statements that do not balance or have missing information be returned to the local. That the National Director provide proper training to the local to ensure a balanced, complete Annual Financial Statement.

In the past, when a Local's Annual Financial Statement did not balance or was incorrect, the National Secretary-Treasurer would correspond with the Local suggesting where errors could be and recommending action to resolve them. This was time consuming and not all problems in this regard have been dealt with in this manner. Simply returning to Locals incorrect or incomplete reports for correction will be tried as per the Trustee's suggestion and the results monitored.

- 7.4 That the National Secretary-Treasurer, in conjunction with the National Directors of each region, contact all **Locals in writing to report on all funds of the Local**, as per section 9.30 of the National Constitution.

Under the National Constitution, Locals have a certain amount of autonomy from the National Office. The financial reporting requirements for Locals are meant to ensure dues money is properly spent and accounted for. The cover letter accompanying Annual Financial Statement forms will stress the need to report on all accounts that include funds collected as dues.

- 7.5 That the National Secretary-Treasurer in conjunction with the National Directors, contact the applicable Locals in writing to investigate this non-compliance under section 9.29 of the National Constitution. **The National Secretary-Treasurer shall apply section 9.31 of the National Constitution.**

Local rebates are being withheld from those Locals delinquent in submitting Annual Financial Statements as per the provisions of section 9.31. The step of placing such Locals under trusteeship and/or merging with another Local is a matter to be recommended by the National Director.

8. EXPENSES FOR REGIONAL ACTIVITIES

The National Board of Trustees examined the expense accounts with respect to union activities for which the National Directors have received an advance. During this verification, 35 activities were held throughout the eight regions.

- 8.1 All regions have submitted their expense reports required under section 5.13 of the National Constitution. The vouchers included were clear and easy to check.

We, the National Board of Trustees, appreciate the work done by the regions in submitting their activity reports, and ask them to continue their efforts in this regard.

- 8.2 Six of eight regions had outstanding balances due to National office as of June 30, 2014 with one region paid fully and one having a balance due to them. Outstanding balances are to be expected and are little cause for concern; as long as they are reconciled in a timely manner; because of the timeframe involved between the advance being forwarded, holding the activity and the final reconciliation of the accounts.

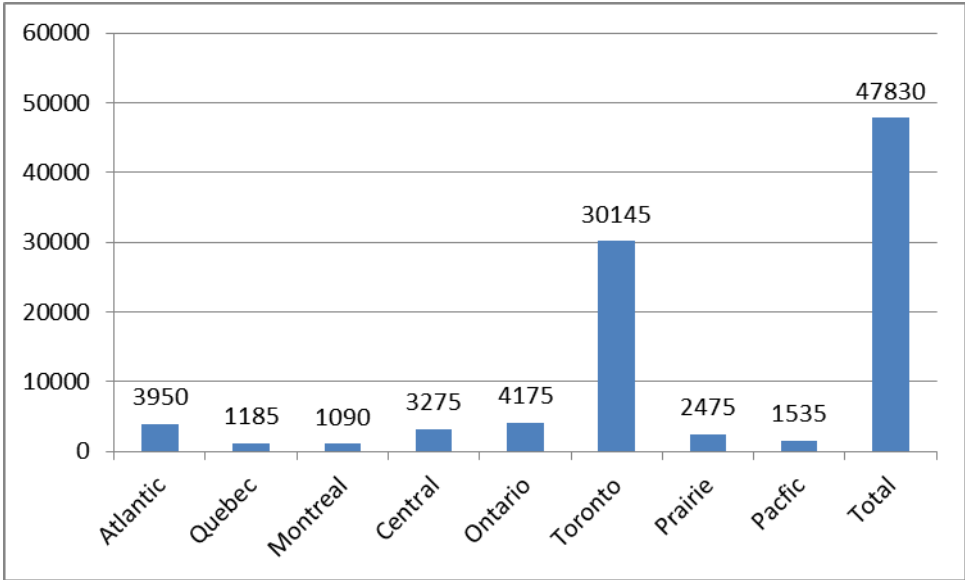
The National Board of trustees appreciates the efforts of the Regions to reconcile these accounts; as this has been a concern during past verifications.

8.3 Child/Elder Care Costs

The National Board of Trustees has concerns about members understanding of the guidelines for claiming child/elder care expenses.

The total costs associated with child/elder care for this verification period are \$47,830.00.

Child/elder care costs for 3 & 5 day Regional Educational sessions; by region



Therefore the National Board of Trustees recommends:

- 8.1 That the National level and the Regional level of the Union communicate the proper use of child/elder care funding to those wishing to access this funding.

The guidelines for eligibility for child/elder care funding are set out in writing on the reverse of the claim form. National Directors are aware of their responsibilities in ensuring adherence to those guidelines.

9. EXPENSES FOR REGIONAL OFFICES

The National Board of Trustees reviewed the files containing bank statements, reconciliation reports, forms and receipts for the expenses of regional offices for the period of July 1, 2013 to June 30, 2014.

- 9.1 Seven of the eight regional offices expenses are now paid by the National Office. Metro-Montréal region continues to submit their monthly expense report.
- 9.2 All regions submit bank reconciliation reports for the General Fund and the Activity Accounts.

- For this verification Atlantic, Toronto and Pacific regions have closed their accounts for meetings.
- Québec, Central, Ontario and the Prairies regions meeting account is still open for this verification.
- The Ontario region has a balance of \$6,963.54 to be submitted to National Office from their meeting account.

The National Board of Trustees, appreciate and would encourage the National Directors to continue to submit copies of bank reconciliation reports, for all Union accounts in accordance with a prior decision made by the National Executive Board in June 2000.

10. ARBITRATION

The National Board of Trustees believes that as reported in the previous verification that there is still room to improve legal fee costs.

	Arbitrators &Cancellation fees/ Arbitres et frais d'annulation *1	Legal fees & Professional fees/ Frais juridiques et honoraires professionnels *2	Witness/ Témoins	Worker advocate/ Plaideurs- plaideuses	medical review RSMC/Révisions médicales FFRS	Other/Autres	Total/Total
National/Bur. National	\$ 163,415.19	\$ 512,558.62	\$ 33,499.78			\$ 149,682.16	\$ 859,155.75
Atlantic/Atlantique	\$ 258,222.64	\$ 330.63	\$ 3,852.56	\$ 610.82		\$ 282.85	\$ 262,733.80
Quebec/Québec	\$ 105,799.91	\$ 85,167.36	\$ 4.43			\$ 148.83	\$ 191,111.67
Montreal/Montréal	\$ 177,625.30	\$ 90,916.37	\$ 2,043.10		\$ 7,222.48	\$ 956.34	\$ 278,763.54
Central/Centre	\$ 83,020.21	\$ 65,458.31	\$ 482.94			\$ 741.17	\$ 149,702.63
Ontario	\$ 304,246.17	\$ 257,697.51	\$ 4,387.73			\$ 842.83	\$ 567,174.24
Toronto	\$ 139,271.72	\$ 226,566.28	\$ 2,875.30			\$ 3,027.87	\$ 371,741.17
Prairie/Prairies	\$ 324,500.16		\$ 2,906.07	\$ 1,657.26		\$ 5,916.01	\$ 334,979.50
Pacific/Pacifique	\$ 213,375.16	\$ 6,876.35	\$ 1,536.86	\$ 29,825.17	\$ 1,036.79	\$ 6,267.82	\$ 258,918.15
Total	\$ 1,769,476.41	\$ 1,245,571.43	\$ 51,579.91	\$ 32,093.25	\$ 8,259.27	\$ 167,300.18	\$ 3,274,280.45

*1 – Cancellation fees were included in arbitrator costs for charting purposes only.

*2 - Professional fees are combined with legal fees for charting purposes only National (\$4373.74), Ontario (\$3485.60) and Pacific (\$78.74) incurred these fees.

- 10.1 The above table totals \$3,274,280.45 and from this amount, we have broken down the arbitration costs into 6 categories.
- 10.2 Legal fees remain high in regions and National offices except for a few exceptions. National and Regional offices should use the Union Officers and Union Representatives and trained worker advocates to alleviate the costs of legal fees, as per section 10.08 (i).
- 10.3 There has not been a misclassification of figures associated with the cost of legal fees. It’s evident that some regions are not using lawyers while others rely on lawyers for arbitration.

Therefore, the National Board of Trustees recommends:

- Training and using Worker Advocates for the arbitration process, as per section 10.08 (i).
10.08 (i) refers to utilization of Regional Union Representatives for formal arbitration to reduce the cost of lawyers. This is being done in most regions and will be continued in an increasing manner.
- Union Representatives have a bigger role in the arbitration process.
As per the previous recommendation, the Union is proceeding to increase the role of Union Representatives in the arbitration process.

11. CHILD/ELDER CARE

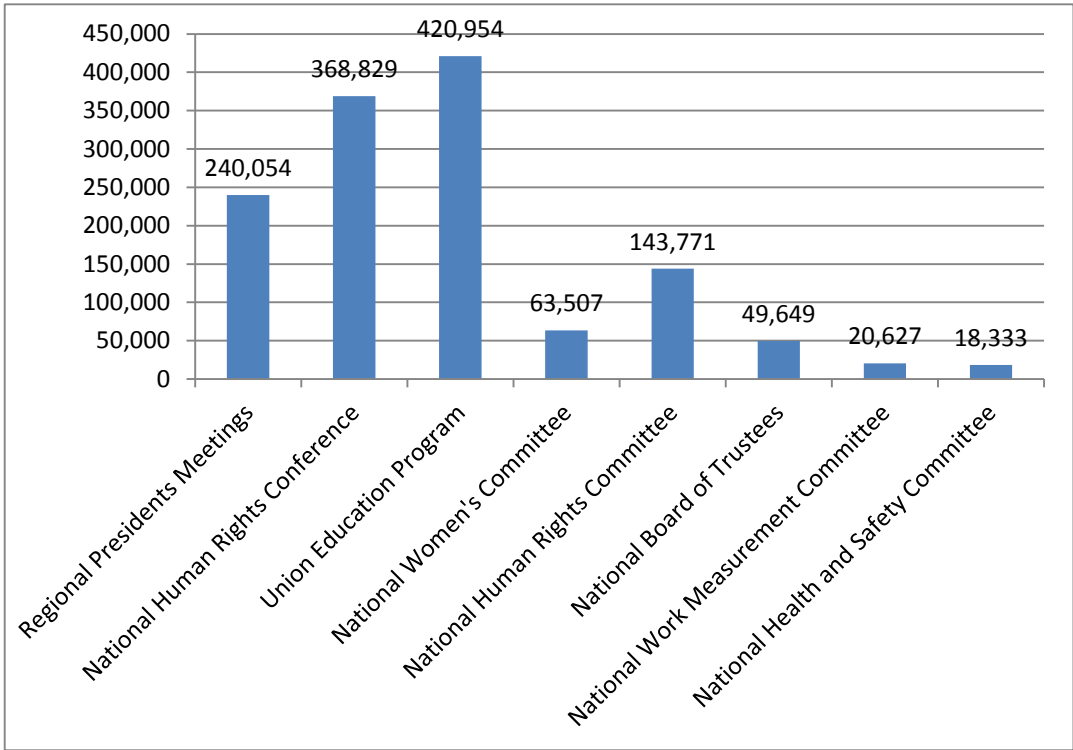
The costs of child/elder care billed to National Office for National Activities. For this verification was \$26,815.00

12. NATIONAL ACTIVITIES

12.1 The National Board of Trustees reviewed the expenses for the National Union’s activities for the period of July 1, 2013 to June 30, 2014.

During this verification, the National Board of Trustees reviewed expenses for:

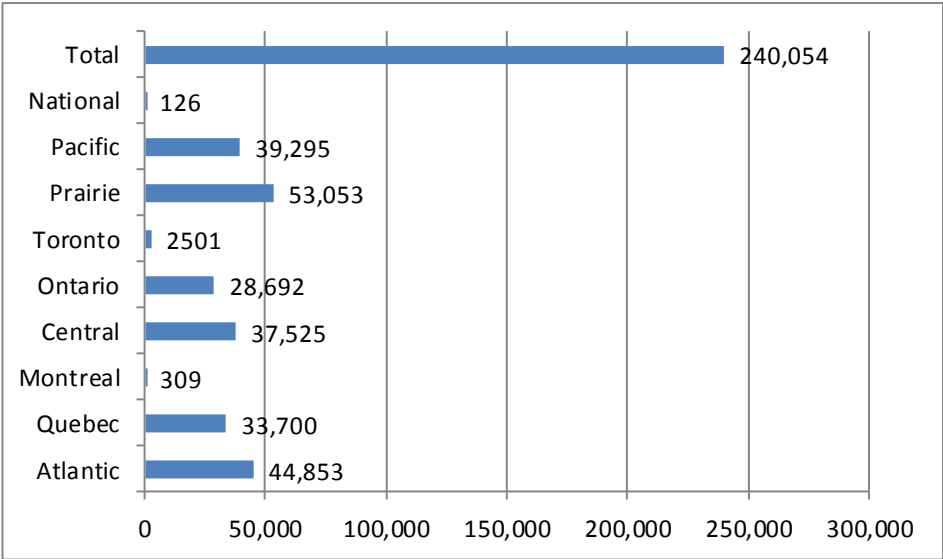
- Regional Presidents’ Meetings
- National Human Rights Conference
- The third session of the Union Education Program (Port Elgin)
- Other Mandated Meetings



12.2 Regional Presidents’ Meeting

The National Board of Trustees reviewed expenditures associated with the Regional President’s Meetings throughout the eight Regions of the Union. The total cost for these meetings was \$240,054.00.

The costs, except for wages of non-fulltime officers; which are locally billed, associated with the Regional President’s meetings by region:



12.3 National Human Rights Conference

The National Board of Trustees reviewed the costs associated with the National Human Rights Conference held in Ottawa June 20 to 22, 2014. The conference had a total of 131 participants representing all eight regions as well as the National level of the Union. The total expenditures for the National Human Rights Conference were \$368 829.78.

12.4 During this verification, the National Board of Trustees reviewed the expenses for the Union Education Program held in Port Elgin in 2014. This session of the Union Education Program had 48 participants.

- Level 1 – March 29 to April 4, 2014
- Level 2 – June 1 to 6, 2014

The total expenditures for these two sessions were \$ 420 954.18.

12.5 Other Mandated National Meetings

The National Board of Trustees reviewed the associated expenditures for the mandated National meetings as listed below. The total costs are shown.

As per the audited Financial Statements of the Union, June 30, 2014, high to low values:

Activity	Expenses
National Human Rights Committee	\$ 143 771
National Women’s Committee	\$ 63 507
National Board of Trustees	\$ 49 649
National Work Measurement Committee	\$ 20 627
National Health and Safety Committee	\$ 18 333

Therefore, the National Board of Trustees recommends:

- That the National Executive Committee continue to endeavour to find means of reducing costs of all National activities and meetings, including the use of the video conferencing system where practicable, without negatively affecting the work of these groups.

The National Executive Board in planning each meeting strives to find cost savings and will utilize the videoconferencing system to achieve savings where appropriate.

13. SAVE CANADA POST CAMPAIGN

The National Board of Trustees has examined the expenses associated with the Union’s “Save Canada Post Campaign”. The expenditures, as of this verification period, totalled \$929,758.97. With \$570,000.00 coming from the General Fund, as budgeted and the remaining \$359,758.97 coming from the reserve fund. These amounts include expenditures such as, but not limited to, lost wages, salaries (campaign coordinators), printing and supplies and advertising.

There are presently six co-ordinators working on the “Save Canada Post” campaign. Three are working out of National Office: Sister Kristen MacEachern, Brother Jean-Philippe Grenier and Brother Steve Ferland. There are also three Regional Co-ordinators: Sister Shelley Sillers for the Atlantic, Central, Ontario and Toronto Regions, Brother Alain Robitaille for the Quebec and Metro-Montreal Regions, and Sister Barb McNeely for the Prairie and Pacific Regions. All have been working tirelessly on the Save Canada Post campaign.

14. TRANSPORTATION

14.1 The National Board of Trustees has focused on car rental cost in past verifications. The table shows detailed costs associated with all travel by Regions and National Office.

REGION	Essence / Gas	Véhicule privé/ Private Vehicle	Loc. Vehicule/Car rental	Transport/ Transportation	TOTAL	
10 Bur. National / National	6,393.00	14,416.00	18,880.92	138,612.67	178,302.59	
20 Atlantique / Atlantic	5,312.00	342.00	1,336.42	24,772.46	31,762.88	
30 Québec / Québec	14,118.00	3,324.00	3,113.26	4,534.72	25,089.98	
40 Montréal métropolitain / Metro-Montréal	6,233.00	4,449.00	-	1,079.18	11,761.18	
50 Centre / Central	2,598.00	1,954.00	4,051.55	7,259.75	15,863.30	
60 Ontario / Ontario	21,871.00	3,016.00	79,839.68	5,784.49	110,511.17	
70 Toronto métropolitain / Metro-Toronto	12,983.00	6,676.00	41,617.32	8,022.32	69,298.64	
80 Prairies / Prairie	1,948.00	58.00	11,367.18	87,717.01	101,090.19	
90 Pacifique/Pacific	576.00	7,093.00	2,881.05	40,303.81	50,853.86	
Total	\$ 72,032.00	\$ 41,328.00	\$ 163,087.38	\$ 318,086.41	\$ 594,533.79	
	*Atlantic, Quebec and Montreal Regional Offices own vehicles and the gas expenses are included.					
Transportation/Transport:						
Air travel, train,parking & taxi	* Les bureaux régionaux de l'Atlantique, du Québec et de Montréal ont leurs propres véhicules					
Billet d avion, train, stationnement & taxi	et les frais de gaz sont inclus.					

* The table shows the costs associated with elected Union Representatives and Officers.

Therefore the National Board of Trustees recommends:

- That the National Executive Board continue to look for ways to save costs for the Union under sections 7.42, 7.43 and 7.44.

The National Executive Board acknowledges this recommendation and will continue to explore ways to save costs under sections 7.42, 7.43 and 7.44 of the National Constitution.

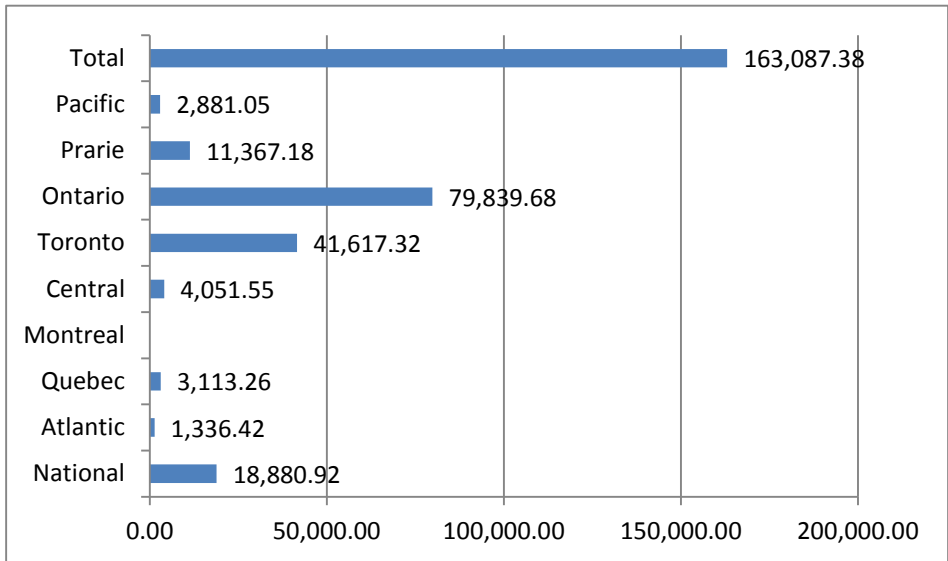
15. REVIEW OF STATEMENT OF EXPENSES

The National Board of Trustees examined the individual statement of expenses forms for the period of July 1, 2013 to June 30, 2014 for each of the National and Regional Officers, Union Representatives and Alternate Union representatives.

- 15.1 During this verification period, and unfortunately for many terms of the National Board of Trustees, individual monthly expense reports from some individuals were combined over several months rather than being submitted monthly. This is not to comment on those on vacation or any other leave of absence.
- 15.2 In the previous two reports by the National Board of Trustees it was recommended to introduce a vehicle log book for all vehicles operated by Officers and Representatives of the Union. Although the log book has been introduced and made available for use by those individuals they are rarely using the log book. As previously noted the use of a log book would go a long way towards removing the perception of Union vehicles, rented or owned, being used for personal use and would allow for an accounting for any personal use, as required under the guidelines of the Canada Revenue Agency.
- 15.3 As has been the case since the 5th verification of the 2005-2008 mandate of the National Board of Trustees, the use of rental vehicles continues to be a major concern. There are still several vehicles as of this verification being rented on an ongoing basis. As previously noted, there is concern surrounding the perception of these long-term rentals being used for non-Union (personal) purposes which would be a taxable benefit under the Canada Revenue Agency Guidelines.

It should be noted that vehicles have been purchased for the regions using long-term rental vehicles but the purchase date fell outside the timeframe of this verification.

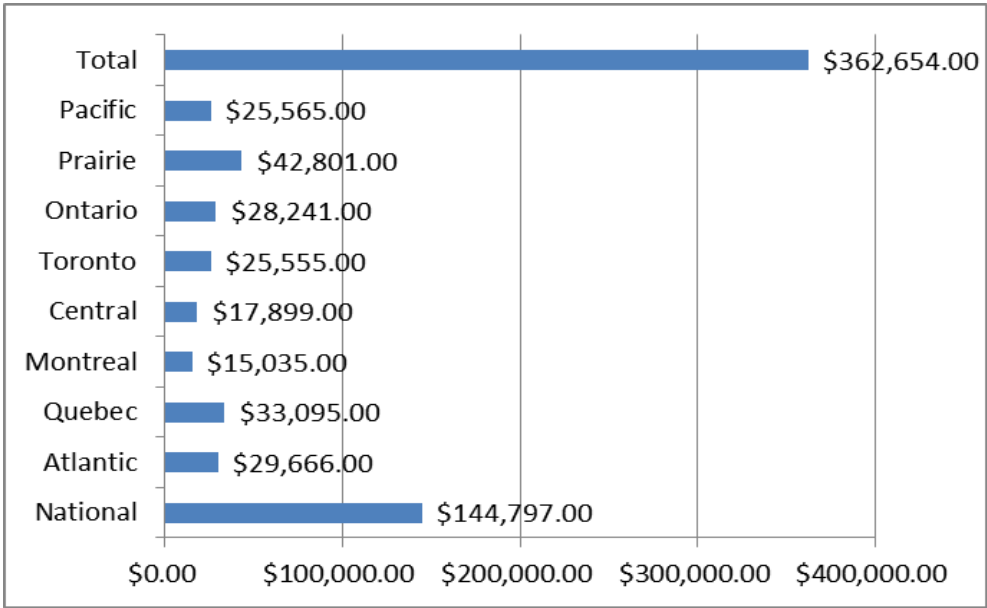
Rental Vehicles by region including National office:



- 15.4 Travel and vehicle authorizations are frequently not dated or signed and if submitted at all, it is all too often after the date on which the travel has occurred. As noted in the previous verification, it is clearly outlined in sections 7.53, 7.54, 7.55 and 7.56 which authorizations are required.
- 15.5 There are still several individuals being reimbursed at an amount much higher than the average cost of the National cell phone plan which has been communicated to the National Board of Trustees as \$55.00 per month.

- 15.6
- It has been noted in the past two verifications that there is no means of verifying or cross referencing claims for per diems. The response to the National Board of Trustees from the previous two verifications noted that there would be discussion and in depth examination of the recommendation from the previous verification period, it has been communicated to the National Board of Trustees that this did not take place. It is disheartening to the Trustees that the National Executive Board would repeatedly respond to a recommendation from the aforementioned and not bother to follow through on that response!

Per Diem* by Region including National office:



*Per Diem includes accommodation.

Therefore, the National Board of Trustees recommends:

- 15.1
- That the National Secretary-Treasurer remind all officers and Union Representatives and any other individuals affected of their obligation to submit *monthly* their *monthly* expenses reports.

A memo on this issue will be sent out to all who submit monthly expense reports. This issue will also be included in the orientation given to all elected at the May 2015 National Convention.

- 15.2
- That the National Executive Board, as soon as possible, introduce a resolution which requires the mandatory use of vehicle **log books** for all individuals operating vehicles owned or rented by the Union.

Vehicle log books are to be used for all union-owned vehicles and rentals on monthly lease. Rentals for less than one month are tracked by the individual rental contracts that are charged to specific activities.

- 15.3
- That the National Executive Board remind all who must submit and or sign for authorization purposes travel authorization forms, of the importance of dating these forms so they may be accurately verified.

The National Executive Board agrees that authorization forms will be dated at the time of issue.

15.4 That the National Secretary-Treasurer ensure that all members who remain on private cell phone plans are not reimbursed at an amount exceeding the average monthly cost associated with the national cell phone plan, which has been communicated to the National Board of Trustees as \$55.00 per month. It was noted in the previous verification responses from the National Executive Board that this procedure is already in place.

A review of the few instances where individuals on personal cell phone plan were compensated more than \$55 in a month reveals the additional cost were related to data plan which are extra costs under the National contract.

15.5 That the National Executive Board follow through on its response to a recommendation of the National Board of Trustees and that the National Secretary-Treasurer, in conjunction with the National Executive Committee, put in to hard copy the existing guidelines surrounding per diem claims and communicate these to all levels of the Union, as well as require all Officers and Union Representatives to include as part of their *monthly* expense report, a daily activity report similar to the one currently being used by some members, supporting per diem claims.

Written guidelines for claiming per diem will be included in the orientation for all Officers and Union Representatives elected at National Convention in May 2015. The preparation of a daily activity report is not a constitutional requirement though Union Representatives should be providing activity reports under section 4.41(c) of the National Constitution. This issue will be discussed by the National Directors group at the next meeting under section 4.03.

16. TERMINATION OF EMPLOYMENT AND MOVING

The National Board of Trustees reviewed the amounts paid to National and Regional Officers and Union Representatives who took or left office between July 1, 2013 and June 30, 2014.

Based on the information made available to us, the following amounts were paid out:

- Moving and relocation expenses (section 7.39) paid to 1 member: \$ 34,919.46

17. CUPW ADMINISTRATIVE STAFF

17 .1 All the staff working at the National and Regional Offices are covered by collective agreements negotiated between CUPW and their respective union.

	The Canadian Office and Professional Employees Union (COPE 225)	The Canadian Union of Public Employees (CUPE 1979)
Number of employees	47 plus 1 replacement at the national office	22 plus 1 temporary
Collective agreement’s starting date	January 1, 2012	August 16, 2009
Collective agreement’s expiry date	June 30, 2015	August 15, 2013

17.2 As of June 30, 2014, there were three administrative employees who were covered by individual contracts with CUPW. They are as follows with contract expiry dates.

- | | | |
|----|---|---------------|
| 1. | Director of Finance and Administration: | April 2016 |
| 2. | Director of Information Technology: | December 2014 |
| 3. | Director of E-Business: | August 2012 |

17.3 It has been noted for the fiscal year ending June 30, 2014 the potential payout for 345 days of unused annual leave for COPE 225 members at the National and Regional Offices is \$87,645.00.

The sick leave potential pay out for COPE 225 members at a rate of 20% is \$299,052.97 as per their collective agreement.

For the CUPE 1979 bargaining unit members at National Office the potential payout for 672 unused days of annual leave for the fiscal year ending June 30, 2014 is \$180,959.48.

18. ATTENDANCE

The National Board of Trustees reviewed annual, pre-retirement and personal days taken by National and Regional Officers and Union Representatives.

The National Board of Trustees confirmed that attendance records are based on the honour system, where individual officers and Union Representatives are responsible for reporting their attendance on their monthly expense report.

For the 2013-2014 fiscal year, approximately 2,617 days of annual leave for National and Regional Officers, representing approximately \$711,458.00, were unused as of June 30, 2014, which represents an increase of approximately 125 days over the 2012-2013 fiscal year.

We also noted that out of the 67 National and Regional Officers and Union Representatives covered by this verification, 9 had 20 weeks or more of annual leave credits carried forward while 6 had 10 or more weeks carried forward.

The National Board of Trustees also noted that the National Executive Board's response to Attendance in the second verification, where it states: "The recommendation in the remaining three bullets will be considered in depth by the National Executive Board at its June 2013 meeting mandated under section 4.03 of the National Constitution", did not occur.

At the June 2014 meeting of the National Executive Board, section 7.38 of the National Constitution was discussed with no final resolution to deal with the accumulating annual leave.

The potential liability to pay out unused personal days for National and Regional Officers as of June 2014 is \$51,687.42. It was noted that the use of leave forms in some regions was sporadic and some information was missing.

Therefore the National Board of Trustees recommends:

- **That all Officers and Union Representatives use their outstanding annual leave credits.** That section 7.38 of the National Constitution be applied to unused leave balances at the end of the fiscal year.

The National Executive Board has adopted a process to ensure compliance with the provisions of section 7.38 of the National Constitution that respects the annual leave carry-over provisions of the Urban Operations Collection Agreement.

- That the National Secretary-Treasurer develop and implement an attendance policy and procedure to be used at the Regional and National levels to ensure accurate reporting of annual leave and personal days.

At the next meeting under section 4.03, the National Directors will discuss best practices with the aim of meeting the recommendations of the National Board of Trustees.

19. INVENTORY LISTS FOR NATIONAL AND REGIONAL OFFICES

In order for the National Secretary-Treasurer to do a proper accounting of the assets of the Union, as per section 4.55 of the National Constitution, it would require an inventory list from National Office as well as all eight Regional Offices. These lists should include all items purchased by union funds such as filing cabinets, office furniture, etc., essentially all items excluding office supplies.

The National Board of Trustees found that there were only *two* updated inventory lists at the National Office for this verification period and that six of the eight regions and National Office do not have an inventory list that is kept by the National Office.

Therefore the National Board of Trustees recommends:

- That a completed updated inventory list of the six regional offices and National office be submitted to the National Office by April 30, 2015.

National Directors and National Office staff will be asked to review and update their respective inventory lists prior to April 30, 2015.

- That the National and Regional Offices update their inventory lists annually.

This will be scheduled as an annual initiative.

20. INSURANCE

As provided for under section 4.99 (a) of the National Constitution, the National Board of Trustees verified that a national insurance policy was in place to cover reasonable risk of loss, as of June 30, 2014. The insurance policy contains dishonesty coverage up to \$50,000 per occurrence.

The insurance policy has been available in both official languages (French and English).

21. UNION FUNDS

- 21.1 The National Board of Trustees reviewed the annual audited financial statements prepared by the accounting firm of Marcil Lavallée. These annual audited statements (2012-2013) provide data relating to the General Fund, Defence Fund and Reserve Fund.

As provided for in section 7.13 of the National Constitution, the following is a table providing the amount in each fund to June 30, 2014 in comparison with June 30, 2013.

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
General Fund	\$(1,861,309)	\$(1,228,861) (R)
Defence Fund	\$18,462,161	\$17,354,511
Reserve Fund	\$12,218,649	\$8,105,210

(R) The balance for funds marked with an (R) has been restated in accordance with new accounting practices implemented on July 1st, 2013.

- 21.2 As provided for in section 7.20 of the National Constitution, the monies normally deposited in the Defence Fund were deposited into the General Fund.
- 21.3 The National Board of Trustees found, for the verification period, that the 5% transfers to the Reserve Fund were made monthly as per section 7.17 of the National Constitution.

Two and one-half percent (2.5%) of the Reserve Fund is allocated to external organizing activities, as per section 7.17 of the National Constitution.

22. CUPW BUILDING SOCIETY

CUPW Building Society was incorporated under the *Business Corporations Act of Ontario*. The Society was then continued under the *Business Corporations Act of Ontario* on June 16, 2009. The Society is the owner of three buildings, two condominium offices and five residential condominium apartments:

- CUPW National Office at 377-385 Bank Street in Ottawa, Ontario;
- CUPW Ontario Region at 344 Sovereign Road in London, Ontario;
- CUPW Pacific Region at 999 Carnarvon Street in New Westminster, British Columbia;
- Five residential condominiums located at 1223 Wellington St. in Ottawa, Ontario;
- CUPW Quebec Region at 5000 des Gradins Boulevard, Suite 340, in Quebec City, Quebec;
- CUPW Metro-Montreal Region at 565 Crémazie East, room 4400 in Montreal, Quebec.

Funding for purchase of the properties and share capital was obtained through investments of the Defence Fund which are non-interest bearing and have no defined terms of repayments. Based on the audited financial statements as of June 30, 2014, the balance on the commercial mortgage loan (from the Toronto Dominion Bank) is \$879,444 for the residential condominium apartments. The net value of the assets listed above of CUPW Building Society is \$8,771,809.

23. FINANCIAL REPORTS

- 23.1 The National Board of Trustees found that financial statements covering the period under review were not sent to the Locals in accordance with section 4.50 of the National Constitution.

- 23.2 The National Board of Trustees reviewed the budget sent to Locals under section 7.02 of the National Constitution and adopted by the National Executive Board at its August 18, 2014 meeting.
- 23.3 The National Board of Trustees reviewed statements for the 2013-2014 fiscal year, as audited by the audit firm of Marcil Lavallée and adopted by the National Executive Board at the meeting held on January 15, 2015. The balances of the various union funds have been reported in item 17.1 of this report.

24. PAYMENT OF LEAVE FOR UNION BUSINESS (CLAUSE 26.06) OF THE URBAN COLLECTIVE AGREEMENT

- 24.1 Based on information received this fourth verification, as of June 30, 2014, all outstanding Union leave pre-April 2000, has been recovered from locals.

Thanks should be given to previous National Boards of Trustees over the past 14 years for their efforts in having outstanding 26.06 leave recovered from locals and returned to the General Fund.

- 24.2 For the fourth verification period of July 1, 2013 to June 30, 2014, the National Board of Trustees also reviewed the amounts pertaining to Local Union business leave withheld by Canada Post Corporation from the National Union dues remittance as per clause 26.06 (h).

Amounts withheld:

July 2013	\$ 24,786.25
August 2013	\$ 23,146.19
September 2013.....	\$ 25,919.80
October 2013	\$ 44,706.88
November 2013	\$ 47,793.65
December 2013	\$ 60,995.12
January 2014	\$ 31,550.63
February 2014	\$ 42,546.01
March 2014	\$ 35,063.42
April 2014	\$ 41,255.29
May 2014	\$ 90,299.95
June 2014	\$ 30,901.39

This 12-month total of \$498,964.58 is a significant increase of \$204,627.94 from the previous 12 month verification.

- 24.3 The practice of several Locals is to have the National Office deduct the monthly Union leave owed on a regular basis from their Local rebates. The National Board of Trustees is concerned that Locals may not be following the steps set out in clause 26.06 in particular 26.06 (f) prior to having the billing by Canada Post Corporation deducted from their dues rebate by the National Office.

Clause 26.06 (f) states:

“Should the Union, or the Local of the Union, as the case may be, believe that the invoice contains an error, the Union, or the Local of the union, shall provide written details of the alleged error to the Corporation within the time frame mentioned in paragraph 26.06 (d). Any amounts claimed which are not disputed on the invoice shall be paid in accordance with paragraph 26.06 (d).”

If Local billings sent out by Canada Post Corporation are not checked for errors by the Locals concerned then the National Office has no way of knowing if these errors actually exist. This may result in Canada Post Corporation being paid money they are not entitled to, but in fact belongs to the Local. In the 2012-2013 fiscal year, a total of 320 months of union leave was deducted from Local rebates. The 2013-2014 fiscal year shows an increase of 44 months to total 364 months.

Therefore, the National Board of Trustees recommends:

- 24.1 That the National Union continue to recover current outstanding union leave payments and that it provide guidance (training/education) to the Locals who do not make payments appropriately, as per clause 26.06 of the Urban Collective Agreement.

The National Office has established procedures to ensure outstanding payments for union leave are recovered and such practices will continue. Locals exhibiting problems with the process are contacted for guidance.

- 24.2 That the National Secretary-Treasurer continue to copy the applicable National Director on the monthly letter sent to Locals under subject matter “Outstanding Invoices Deducted by CPC”.

All correspondence to Locals concerning recovery of union leave payments is copied to the respective National Directors and this practice will continue.

25. JOE DAVIDSON FUND

The National Board of Trustees reviewed documentation indicating that the education bursaries had been granted under section 11.04 of the National Constitution.

In August 2013 one member received an education bursary totalling \$8,010.92 for per diem, travel, registration fees and lost wages to attend the CLC Labour College of Canada. Another member received an education bursary totalling \$2,450.21 for per diem, travel and lost wages to attend an education course in May 2014 provided by the Union Education Services of the Québec Federation of Labour.

26. APPENDIX “AA”

The National Board of Trustees has verified the cost of the Appendix “AA” Committee for the period of July 1, 2013 to June 30, 2014.

The Committee consists of two CUPW members working with the Corporation to identify, conduct and evaluate collection and delivery related projects. Members of the committee prorate the time on Appendix “AA” committee with a portion paid by Canada Post and a portion is paid by National office.

CUPW has paid \$59,260.29 as our share of the costs of this committee.

27. TRANSITION COMMITTEE

The Transition Committee ceased its activities in December 2012. As of June 2013, Canada Post still owed \$15,080.68 for the period of July 1st, 2012 to December 31, 2012. This outstanding amount was paid in full to the Union by October 2013.

28. COLLECTIVE AGREEMENT FUNDS

The National Board of Trustees reviewed the various collective agreement funds negotiated for the benefit of the members.

	Based on the audited financial statements from July 1, 2013 to June 30, 2014		
	Child Care Fund	International Fund	Education Fund
Revenues	\$ 2,334,219	\$ 191,285	\$ 2,720,020
Expenses	\$ 1,844,806	\$ 191,285	\$ 2,592,090
(Deficit)/Surplus	\$ 489,463	\$ --	\$ 127,930
Balance as of June 30, 2014	\$ 3,840,724	\$ 0.00	\$ 1,610,964

The financial statements were prepared in accordance with the Accounting Standards for Not-for-Profit Organizations (ASNPO) and were revised retroactively to the fiscal year 2013-2014.

EDUCATION FUND – PRIVATE SECTOR BARGAINING UNITS

The National Board of Trustees also reviewed the education funds for the private sector bargaining units. Based on a computer printout as of June 30, 2014, the balances are as follows:

• RMS Pope	\$ 2,500.00
• NSMC – Bedford	\$ 24,121.46
• Easy Express – Atlantic	\$ 1,000.00
• Bee Clean – Windsor	\$ 450.00
• Bee Clean – Hamilton	\$ 1,300.00
• Bee Clean – Kitchener-Waterloo	\$ 150.00
• Dynamex – Red River	\$ <u>23,632.40</u>
• Total	\$ <u>53,153.86</u>

29. EXTERNAL ORGANIZING

29.1 According to information provided to the National Board of Trustees during this verification, the current status of funds being used for external organizing is:

Balance as of June 30, 2013	\$ 1,478,090.74
Plus 2.5% from the Reserve Fund (from July 1, 2013 to June 30, 2014)	\$ 738,655.72
Less expenses for the period of July 1, 2013 to June 30, 2014	(\$ <u>362,136.35</u>)
Balance as of June 30, 2014	\$ 1,854,610.11

It should be noted that related legal fees are not charged to the External Organizing Fund.

29.2 For the period under review, we noted a decrease in the number of private sector bargaining units from 24 to 22.

It should be noted that the union dues have been recovered from the RMS Pope units.

In terms of the Education Fund, the Union has received funds from seven units: Dynamex Red River, Bee Clean - Hamilton, NSMC - Bedford, Bee Clean - Kitchener - Waterloo, Bee Clean – Windsor, Easy Express – Atlantic and RMS Pope - Atlantic.

30. CHECK-OFF AND MEMBERSHIP

In accordance with sub-section 4.99 (e) of our National Constitution, the National Board of Trustees has audited membership and check-offs for the period of July 1, 2013 to June 30, 2014.

The information and statistics come from computerized statements made available to us for analysis. The reports indicate all employees working either “full-time,” “part-time,” or on a “temporary” basis, as well as their status, as defined in the National Constitution and the various collective agreements. They are:

- Full-time, part-time and temporary “members in good standing”;
- Full-time, part-time and temporary “members”;
- Full-time, part-time and temporary “Rand” members.

Notes:

- The terms “member in good standing” (MIGS) and “member” are defined in sections 1.04 and 1.07 of the National Constitution.
- The term “Rand” refers to the formula in section 70 of the *Canada Labour Code* for collecting union dues from employees who have not become members or who have lost membership status as per section 1.11 of the National Constitution.
- The National Board of Trustees wishes to continue reporting on check-off and membership on a six-month basis so as to present a more detailed breakdown, even though verifications are now conducted on an annual basis.
- For the period of July 1st, 2013 to June 30th, 2014, membership decreased by about 2% in some units represented by CUPW, which represent a drop of 1,040 members.
- For the urban unit only, the decrease represents 1,328 members.

CHART 1

(All figures have been rounded off)

AVERAGE NUMBER OF MEMBERS IN GOOD STANDING, MEMBERS AND RAND MEMBERS BY BARGAINING SECTORS JULY 1 TO DECEMBER 31, 2013				
	URBAN OPERATIONS	RSMC	PRIVATE SECTOR	TOTAL
Average: July 1 to December 31, 2013	42,804	7,836	746	51,386
Average: January 1 to June 30, 2013	43,437	7,771	746	51,954
Variation	(633)	65	0	(568)

AVERAGE NUMBER OF MEMBERS IN GOOD STANDING, MEMBERS AND RAND MEMBERS BY BARGAINING SECTORS JANUARY 1 TO JUNE 30, 2014				
	URBAN OPERATIONS	RSMC	PRIVATE SECTOR	TOTAL
Average: January 1 to June 30, 2014	42,109	8,039	766	50,914
Average: July 1 to December 31, 2013	42,804	7,836	746	51,386
Variation	(695)	203	20	(472)

CHART 2

(All figures have been rounded off)

AVERAGE NUMBER OF MEMBERS IN GOOD STANDING, MEMBERS AND RAND MEMBERS WORKING FULL-TIME, PART-TIME OR ON A TEMPORARY BASIS JULY 1 TO DECEMBER 31, 2013				
	FULL- TIME	PART- TIME	TEMPORARY	TOTAL
Average: July 1 to December 31, 2013	37,648	5,949	7,789	51,386
Average: January 1 to June 30, 2013	38,338	6,117	7,499	51,954
Variation	(690)	(168)	290	(568)

AVERAGE NUMBER OF MEMBERS IN GOOD STANDING, MEMBERS AND RAND MEMBERS WORKING FULL-TIME, PART-TIME OR ON A TEMPORARY BASIS JANUARY 1 TO JUNE 30, 2014				
	FULL-TIME	PART-TIME	TEMPORARY	TOTAL
Average: January 1 to June 30, 2014	37,201	5,854	7,859	50,914
Average: July 1 to December 31, 2013	37,648	5,949	7,789	51,386
Variation	(447)	(95)	70	(472)

CHART 3

(All figures have been rounded off)

AVERAGE NUMBER OF MEMBERS BY STATUS JULY 1 TO DECEMBER 31, 2013				
	MEMBERS IN GOOD STANDING	MEMBERS	RAND	TOTAL
Average: July 1 to December 31, 2013	45,244	2,016	4,571	51,831
Average: January 1 to June 30, 2013	46,152	2,050	4,176	52,378
Variation	(908)	(34)	395	(547)

Note: 445 lifetime members are included in the number of members in good standing for the period of July 1 to December 31, 2013.

424 lifetime members are included in the number of members in good standing for the period of January 1 to June 30, 2013.

In accordance with section 1.21 of the National Constitution, 112 members have received Retired Member status in CUPW but are not included in the above charts. All figures that appear in the charts have been rounded off.

AVERAGE NUMBER OF MEMBERS BY STATUS JANUARY 1 TO JUNE 30, 2014				
	MEMBERS IN GOOD STANDING	MEMBERS	RAND	TOTAL
Average: January 1 to June 30, 2014	44,234	2,056	5,084	51,374
Average: July 1 to December 31, 2013	45,244	2,016	4,571	51,831
Variation	(1,010)	40	513	(457)

Note: 460 lifetime members are included in the number of members in good standing for the period of January 1 to June 30, 2014.

445 lifetime members are included in the number of members in good standing for the period of July 1 to December 31, 2013.

In accordance with section 1.21 of the National Constitution, 122 members have received Retired Member status in CUPW but are not included in the above charts.

CHART 4
(All figures have been rounded off)

AVERAGE NUMBER OF MEMBERS BY REGION, GROUP AND BARGAINING SECTORS JULY 1 TO DECEMBER 31, 2013									
REGION	URBAN OPERATIONS						PRIVATE	RSMC	GRAND TOTAL
	GROUP 1	GROUP 2	GROUP 3	GROUP 4	UNKNOWN	TOTAL			
Atlantic	1,159	1,366	29	5	11	2,570	132	946	3,648
Quebec	839	2,279	5	0	2	3,125	18	1,551	4,694
Metro-Montreal	2,801	3,084	159	9	1	6,054	29	231	6,314
Central	1,449	2,073	36	5	1	3,564	91	1,199	4,854
Metro-Toronto	4,083	3,041	212	16	8	7,360	65	354	7,779
Ontario	1,861	4,690	65	10	1	6,627	89	1,403	8,119
Prairie	2,961	4,147	125	17	2	7,252	246	1,460	8,958
Pacific	2,239	3,930	74	6	3	6,252	76	692	7,020
Total	17,392	24,610	705	68	29	42,804	746	7,836	51,386

AVERAGE NUMBER OF MEMBERS BY REGION, GROUP AND BARGAINING SECTORS JANUARY 1 TO JUNE 30, 2014									
REGION	URBAN OPERATIONS						PRIVATE	RSMC	GRAND TOTAL
	GROUP 1	GROUP 2	GROUP 3	GROUP 4	UNKNOWN	TOTAL			
Atlantic	1,139	1,364	30	5	14	2,552	138	954	3,644
Quebec	801	2,240	5	0	3	3,049	18	1,600	4,667
Metro-Montreal	2,756	3,053	160	8	3	5,980	31	243	6,254
Central	1,389	2,014	35	5	1	3,444	95	1,222	4,761
Metro-Toronto	4,068	3,067	208	17	10	7,370	71	360	7,801
Ontario	1,797	4,558	62	10	2	6,429	89	1,446	7,964
Prairie	2,892	4,072	129	17	2	7,112	245	1,497	8,854
Pacific	2,208	3,876	77	6	6	6,173	79	717	6,969
Total	17,050	24,244	706	68	41	42,109	766	8,039	50,914

CHART 5
(All figures have been rounded off)

BREAKDOWN OF FUNDS RECEIVED JULY 1, 2013 TO JUNE 30, 2014	
Dues received ⁽¹⁾	\$ 43,450,560.96
Local rebates	\$ (10,375,374.39)
Local assessments	\$ (392,643.94)
Additional Local rebates (section 7.08)	\$ (755,067.00)
Federation of Labour Per Capita	\$ (472,939.79)
Optional Insurance	\$ (1,745,059.57)
Basic Life Insurance	\$ (1,054,631.08)
Dues unapplied and Suspended	\$ (147,541.65)
Reserve Fund	\$ (1,416,351.70)
General Fund	\$ (27,090,951.84)

Note: The above indicates total funds received and their distribution for the period of the verification.

(1) This amount includes, as of June 30th, 2014, the sum of \$1,029,138.78 (section 7.09 of the National Constitution). To cover certain requirements, the National Executive Board can, by a two-third affirmative vote, levy special assessments on all members. These special assessments may not, however, exceed \$10.00 in any one year. This amount will be subtracted from the members’ paycheques in August of 2012 to 2015.

31. CONCLUSION

The National Board of Trustees again noted a decline in revenues for this verification, and is concerned for the continued well-being of our Union.

The National Board of Trustees during this mandate has strived to give the membership a very clear picture of the costs associated with services provided to our membership, as well as National and Regional activities and responsibilities.

After Convention, the newly elected National Executive Board will be tasked to find solutions to maintain the current level of service to the membership with our current financial responsibilities and liabilities, with reduced revenue.

This concludes our report, which we now submit to the members of the National Executive Board.

Bev Collins
Chairperson
Central Region

Anthony Holzer
Secretary
Pacific Region

Kevin Peterson
Member
Atlantic Region

Jean Marcon
Member
Quebec Region

Roland Savard
Member
Metro-Montreal Region

Adele Chaplain
Member
Metro-Toronto Region

Donna Hardy
Member
Ontario Region

Arla Mephram
Member
Prairie Region

APPENDIX ‘B’

This dissident report in an integral part
of the report submitted by the
National Board of Trustees
to the 2015 National Convention

I, Arla Mepham, Trustee from the Prairie Region, record my dissidence in part for item “Local Annual Financial Statements”.

I dissent on the final table included in this section of the report with the heading “No Annual Financial Statement since 2013-2014” for the following reasons:

- At a meeting with simultaneous interpretation with the National Board of Trustees, I had issues on the interpreted discussions of the chart provided. The information given during the 4th verification on the number of Locals that did not provide Annual Financial Statements was verified.
- The report to National Convention has listed the names of all Locals that did not provide annual financial statements. The motion that was moved during the meeting was based on information as of June 30, 2014. As a result, the number of Locals named would be far less.
- I cannot support or agree with the number of Locals included nor with the timeline used in this part of the report.

I record my dissent based on the above-mentioned reasons.