



**PAS DE VICTOIRE
SANS LUTTE!**

**NO STRUGGLE,
NO VICTORY!**

**MAY 13-17 MAI
TORONTO ONTARIO**

REPORT OF THE NATIONAL BOARD OF TRUSTEES

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CANADIAN UNION OF POSTAL WORKERS
SYNDICAT DES TRAVAILLEURS ET TRAVAILLEUSES DES POSTES

NATIONAL BOARD OF TRUSTEES

INTRODUCTION

Composition of the National Board of Trustees

During the last CUPW National Convention held in Toronto in May 2015, the following Sister and Brothers were elected as National Trustees for their Region:

Atlantic Region.....	Brother Kevin Peterson
Quebec Region	Brother Jean Marcon
Metro-Montreal Region.....	Brother Roland Savard
Central Region.....	Sister Mary Aitken
Metro-Toronto Region	Brother Gurpreet Nijjar
Ontario Region	Brother John Lawrence
Prairie Region.....	Brother Robert Laliberte
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.....	Brother Scott Gaudet, 1 st Brother Brian Nickerson, 2 nd
Quebec Region	Sister Izabel Vaillancourt, 1 st Brother Michel Côté, 2 nd
Metro-Montreal Region.....	Brother Jean Kellner, 1 st Brother Alexandre Corneli, 2 nd
Central Region.....	Brother Nader Yacoub, 1 st Brother Bill Plaseski, 2 nd
Metro-Toronto Region	Brother Muhammad Choudhry, 1 st Sister Vaishali Trivedi, 2 nd
Ontario Region	Sister Donna Hardy, 1 st Brother Christopher Tremble, 2 nd
Prairie Region.....	Sister Deanna Goldie, 1 st Brother Jean-Marc Croteau, 2 nd
Pacific Region	Sister Norma Kimball, 1 st Sister Susan Chappelle, 2 nd

Brother Anthony Holzer of the Pacific Region and Brother Kevin Peterson of the Atlantic Region were elected Chairperson and Secretary of the Board respectively, for the mandate 2015-2019.

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 financial rules and guidelines 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 Quadrennial Convention, Article 4.96 of the National Constitution was amended to reflect that the National Board of Trustees would meet annually. While this resulted in cost savings for the Union, it also posed a challenge for the National Board of Trustees to complete a one year verification in seven working days.

At the 2015 Quadrennial Convention, the National Board of Trustees was once again affected by changes to Articles 4.93 and 4.94 of the National Constitution that reflect the elections of the National Board of Trustees and the alternates. The challenges and/or benefits will be seen in the future. As for the results of the 2018 Pre-Convention Regional Conference:

- Benefit: The National Board of Trustees have recommended more time for them on their 1st verification of the upcoming mandate;
- Challenge: Limited experience and knowledge with one returning Trustee and seven newly elected Trustees.

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 three 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.

We are happy to report that the National Executive Board has listened and read our reports in regard to rental vehicles versus purchasing union vehicles. Our fourth verification is attached and shows the decrease in cost of rentals. There are log books for all union vehicles, but we were not able to verify the log books as we have not seen all of them.

Expenses for Regional Offices

Having National Office paying most of the regional offices expenses directly is more efficient, but has caused the National Board of Trustees more difficulty in verifying expenses.

Once the new computer system is running for the complete fiscal year, the reports will be standardized.

Expenses for Regional Activities

We reviewed all of the expenses for union activities. We found an improvement in that all reports were complete and filed as per section 5.13 of the National Constitution.

Termination of Employment and Moving

During this mandate, we have reviewed the amounts paid to National and Regional Officers and Union Representatives who took or left office between July 1, 2014 and June 30, 2018.

These payments were as follows:

- | | |
|---|------------------|
| • For 32 members: Moving and relocation expenses (section 7.39) | \$ 262,078.67 |
| • Section 7.41 - 20 working days | 143,214.15 |
| • Unused annual leave credits | 372,677.29 |
| • Personal days | <u>24,349.39</u> |

TOTAL:	\$ <u>802,319.50</u>
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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 excluding office supplies.

The National Board of Trustees found during this mandate that within our four verification periods, a complete updated inventory list from all eight regional offices and National Office was never done.

During the first verification period, the National Board of Trustees found only two regions updated their inventory list. The second and third verification revealed that seven regions updated their inventory list.

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

The National Board of Trustees also found that the inventory list from Soho condominium units and the Wellington units were updated and are done with the change of long-term tenants.

The National Board of Trustees found that the National Secretary-Treasurer also mailed memos to everyone at National Office and to all Regional offices to complete their inventory or update the previous list and to submit updates back in a timely manner to National Office.

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 Union's assets.

Attendance

During the 2015-2019 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, 2018, approximately 1,951 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 **\$530,399** to the Union.

The National Board of Trustees, in every verification of 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

Section 7.04 of the National Constitution is explicitly clear when it states that "The National Executive Board shall not approve budget estimates providing for a deficit." This is not merely a suggestion, but a part of the National Constitution.

Union Funds

CUPW has three funds into which all of our dues receipts are deposited. They are: the General Fund, the Reserve Fund, and the Defence Fund. See the following chart for the fund balances as of June 30 for each year of our 2015-2019 mandate:

	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>
General Fund	\$ (2,004,909)	\$ (2,420,509)	\$ (2,858,642)	\$ (358,325)
Defence Fund	\$ 18,826,816	\$ 20,946,792	\$ 22,612,749	\$ 26,792,762
Reserve Fund	\$ 13,057,741	\$ 13,736,033	\$ 15,273,247	\$ 15,627,920

The Defense fund had a balance of \$26,792,762 on June 30, 2018, consisting of \$18,649,225 in liquid assets and various investments plus an amount of \$8,143,537 in advances to related holdings.

While the Defence Fund continues to grow, it should be noted that with 50,695 dues paying members as of June 30, 2018, it would cost \$10,139,000 per week should we be in a full-scale strike or lockout at Canada Post, and should all dues paying members join the picket lines.

Local Financial Statement

During our 2015-2019 mandate, the National Board of Trustees reviewed the yearly local financial statements submitted by each local.

As per section 9.29 of the National Constitution, each local is required to submit a financial report for the fiscal year to the National Secretary-Treasurer within 60 days of the end of that year. That would mean that all locals should have filed their annual financial statements with the National Secretary-Treasurer by August 29 of each year for the previous years' financial matters. It is deeply concerning that at the time that the Trustees met for their verifications, in February of each year, that there were still many locals who had not yet filed a financial statement (see chart). This represents a period of more than five months after the constitutional deadline for the locals filing their report had past.

Section 9.31 of the National Constitution states that "The National Secretary-Treasurer shall withhold per capita tax from any Local which has failed to submit its financial report within the prescribed time limit". The trustees noted that this is rarely, if ever, done. (Please note that the word "shall" is used, as opposed to the word "may").

At the time of the writing of this report in February 2019, there were still 38 locals, or 18.7% of all locals, that had not yet filed their financial statements for the 2017-2018 fiscal year. The National Board of Trustees finds this unacceptable. The National Secretary-Treasurer and the respective National Director are aware and should be contacting the locals and reminding them of the Constitutional requirement to submit financial statements in section 9.29 and the consequences of not doing so under section 9.31.

As per the recommendation of the National Board of Trustees and on the request of the National Secretary-Treasurer, it must be noted that a majority of locals are now including a copy of their June 30 bank statement(s). These are necessary to confirm the amounts on the local financial statements and to verify that the financial statements accurately report the amount of funds belonging to the local membership.

Chart no. 1 – Annual Financial Statements

Region	Number of Locals				AFS not Filed				AFS did not Balance				Non Payment to Labour Council			
	Verification				Verification				Verification				Verification			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Atlantic	35	33	35	35	3	4	1	0	6	3	11	13	13	10	4	9
Quebec	32	32	32	32	0	3	0	1	6	3	4	6	16	13	6	9
Montreal	2	1	1	2	1	0	0	1	0	0	0	0	0	0	0	0
Central	36	34	34	35	5	9	9	11	5	3	9	6	9	7	2	9
Toronto	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0
Ontario	29	29	29	29	7	5	4	7	12	7	11	9	7	3	0	4
Prairie	34	33	33	33	9	5	5	13	15	8	14	8	14	1	6	5
Pacific	36	37	38	36	4	5	1	5	18	11	14	11	21	3	9	19
TOTAL	205	200	203	203	30	32	20	38	62	35	63	53	80	37	27	55

The National Board of Trustees also recognizes that there is an ongoing problem with the amount of locals that are not able to balance their financial statements. Some of the locals that cannot balance their accounts have had unbalanced statements for many years. As local executives change and records are lost, there is no way to bring those local financial statements into balance without a one-time adjustment being made by the National Secretary-Treasurer.

Despite the National Board of Trustees making the recommendation to make these adjustments in our 2016-2017 verification, and despite the National Executive Board responding that they would in fact do so, these adjustments have not been made and as a result, more than a quarter of our locals still do not have a balanced financial statement. The National Board of Trustees finds this unacceptable.

If and when these adjustments are made, the National Secretary-Treasurer must ensure going forward that locals balance their financial statements and should they lack the skills or resources to do so, that they should be provided technical assistance.

The National Board of Trustees compiles their report with the information given to it at the time of its verification. To be transparent, the following disclaimers must be included with the previous chart.

The numbers of locals not paying per capita dues to District Labour Councils has improved since our first verification. The numbers reported, however, may be overstated due to the fact that some locals may not have a district labour council to send dues to. While the Canadian Labour Congress does provide CUPW with a list of labour councils, the trustees are not always able to ascertain which locals are within a reasonable distance to a labour council given that the names of the labour councils do not always reflect the name of the local. The numbers reported may also be understated, given that many locals had not yet filed their annual financial statements. Nonetheless, more must be done at both the National and Regional levels to determine which locals should be making per capita payments to a district labour council and that information should be reflected on the folders for each local at National Office. (The latter has been started, but is not complete or accurate in all instances.)

Many locals have investment accounts and/or various other accounts in addition to their main chequing account. While reviewing the local annual financial statements in 2016 during our first verification, it was clear that reporting of these assets and funds was virtually non-existent, mainly because there was no request for this information on the forms sent out from National Office to locals. After recommendations from the National Board of Trustees and several redesigns of the outdated annual financial statement form sent to locals by the National Secretary-Treasurer, the National Board of Trustees is pleased to report that many locals now include all accounts and/or investments on their annual financial statement forms. This adds transparency and accountability to the membership.

While reviewing the annual financial statements during this verification period, it was noted that some locals did have additional funds in accounts not disclosed on their completed forms. (These accounts could be seen on the bank statements but were not reported on their forms. They should be listed as ‘other’ accounts on their annual financial statements). The National Board of Trustees is not equipped to ensure that all locals report all funds and accounts, but reporting is far better than it was previously as evidenced by the amount of new information submitted by our locals.

At the end of our mandate, there were nine locals under trusteeship.

<u>Locals</u>	<u>Region</u>
Liverpool	Atlantic
Gander-Lewisporte	Atlantic
Messagers et messagères de Montréal	Metro-Montreal
Capital City Courier	Central
Elliot Lake/Blind River	Central
Dryden	Central
Inuvik	Prairie
Nanaimo	Pacific
Grand Forks	Pacific

The reasons for the locals being placed in trusteeship varied and ranged from inappropriate use of Union funds, to not having an executive, to locals that have been merged but have not yet held elections to form an executive.

COLLECTIVE AGREEMENT FUNDS

During the 2015-2019 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

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 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 Communications (Atlantic)
- Easy Express – Fredericton (Atlantic)
- RMS Pope (Atlantic)
- Pro Ex Transportation
- Bee Clean Hamilton (Ontario)
- T-Force (Prairie)

The balance of each of these funds, as of June 30, 2018, 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 office condominium and thirteen residential condominiums:

- 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 condominiums located at 1227 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;
- Eight residential condominiums located at 300 Lisgar Street in Ottawa, Ontario.

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, 2018, the balance on the commercial mortgage loan (from the Toronto Dominion Bank) is \$720,023 for the Wellington condominiums. The balance on the commercial loan for the Lisgar Street condominiums is \$1,831,816. The net value of the assets listed above, of CUPW Building Society is \$10,226,681.

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 following table shows the results based on the audited financial statements:

Fiscal year 2017-2018

Balance on July 1 st , 2017	\$ 3,598,645.08
Plus amounts from External Organizing Fund	\$ 670,415.88
Minus expenses	(\$ 350,972.38)
Balance on June 30, 2018	\$ 3,918,088.58

Fiscal year 2016-2017

Balance on July 1 st , 2016	\$ 3,085,792.44
Plus amounts from External Organizing Fund	\$ 641,302.37
Minus expenses	(\$ 128,449.73)
Balance on June 30, 2017	\$ 3,598,645.08

Fiscal year 2015-2016

Balance on July 1 st , 2015	\$ 2,513,207.19
Plus amounts from External Organizing Fund	\$ 644,910.94
Minus expenses	<u>(\$ 72,325.69)</u>
Balance on June 30, 2016	\$ 3,085,792.44

Fiscal year 2014-2015

Balance on July 1 st , 2014	\$ 3,598,648.08
Plus amounts from External Organizing Fund	\$ 670,415.88
Minus expenses	<u>(\$ 350,972.38)</u>
Balance on June 30, 2015	\$ 2,513,207.19

For the period July 1, 2014 to June 30, 2018, a total amount of \$ 902,720.18 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.

UNION LEAVE BILLINGS

Union Leave Billings

The National Board of Trustees reviewed the union leave billings, as per clause 26.06 of the Urban Operations Collective Agreement and 21.04 of the RSMC Collective Agreement, for the period July 1, 2014 to June 30, 2018.

During the 2015-2019 mandate of the National Board of Trustees, a total of \$1,838,564.48 has been deducted from Local rebates for union leave not paid to Canada Post from the Locals themselves. This is a concern of the National Board of Trustees because when Locals are not following the steps indicated in Collective Agreements, there is no way of knowing if errors exist. **This results in Canada Post being paid money that actually belongs to the Local.**

The National Board of Trustees urges Locals to review their union leave invoices from Canada Post and to follow the steps applicable to the Urban and RSMC Collective Agreements.

JOE DAVIDSON EDUCATION FUND

The “Joe Davidson Education Fund” 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 2015-2019 mandate. The bursary to cover per diem, travel, lost wages, childcare and registration fees:

First Verification	CLC Labour College of Canada	\$ -
	Quebec Federation of Labour	\$ -
Second Verification	CLC Labour College of Canada	\$ -
	Quebec Federation of Labour	\$ -
Third Verification	CLC Labour College of Canada	\$ -
	Quebec Federation of Labour	\$ -
Fourth Verification	CLC Labour College of Canada	\$12,530.14
	Quebec Federation of Labour	\$ -

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.

“SAVE CANADA POST” CAMPAIGN

The “Save Canada Post” campaign was started during the previous National Board of Trustees (2011-2015) mandate in answer to the government’s attack on the future of Canada Post and our jobs, and has continued to be funded throughout the current mandate of 2015-2019.

In the 2017-2018 fiscal year, the National Executive Board budgeted \$1,000,000 to be spent on the campaign. Utilizing five full-time coordinators during 2017-2018, the “Save Canada Post” cost \$697,261.01.

The total spent from July 1, 2014 to June 30, 2018 was \$4,742,703.86.

Since its inception, the campaign has cost \$5,672,462.83.

CHILD/ELDER CARE

The National Board of Trustees for several mandates have been raising concerns of not only the costs to the Union, but also of the possible misuse/lack of understanding of submitting child/elder care claims. These concerns have not gone unnoticed and the National Executive Board has created and sent out guidelines relating to child/elder care to all Locals and Regional Offices.

The National Board of Trustees is pleased to announce that in our fourth verification, we saw costs drop dramatically. We also note that members have repaid their claims upon being made aware of the guidelines.

CUPW CREDIT CARDS

The National Board of Trustees questioned the use of credit cards issued to individuals under the CUPW account. The current “guidelines” allow individuals to sometimes use the credit cards for personal use as long as they are claimed through their monthly expense claim reports. We already have issues with some representatives not filing the monthly expense claim forms but the credit card bill is being paid monthly, in full, by National Office, thus creating the concern that no verification of the personal items being purchased. Staff at National Office have noted personal reported purchases and issues are being dealt with as they arise.

Therefore the National Board of Trustees has no choice but to recommend that a policy be in place which does not allow the use of the CUPW credit card for personal purchases.

NEGOTIATIONS

During this term (2015-2019) of the National Board of Trustees, we received a statement of expenses for costs associated to negotiations. The costs are for both Urban and RSMC.

2018-2019:	\$ 1,994,831*
2017-2018:	\$ 2,235,617
2016-2017:	\$ 1,741,059
2015-2016:	\$ 1,624,730
2014-2015:	\$ 9,852
Total	<u>\$ 7,606,089</u>

*as of March 3, 2019 when information was requested

CHECK-OFF AND MEMBERSHIP

During the term, we continued to monitor changes in the number of members.

The following table compares information obtained during the last verification carried out in the 2011-2015 term to that obtained during the last verification done in the 2015-2019 term:

Urban Operations Unit

MEMBERSHIP IN THE URBAN OPERATIONS UNIT	
Average from January 1 st to June 30, 2014	42,109
Average from July 1 st to December 31 st , 2018	42,963
Variation	854

Therefore, during the 2015-2019 term, staffing in the Urban Operations bargaining unit increased by 854 members.

Conclusion: During the past four years, membership in the Urban Operations bargaining unit increased by 2.03% as a result of various struggles waged by CUPW.

Rural and Suburban Mail Carriers (RSMC)

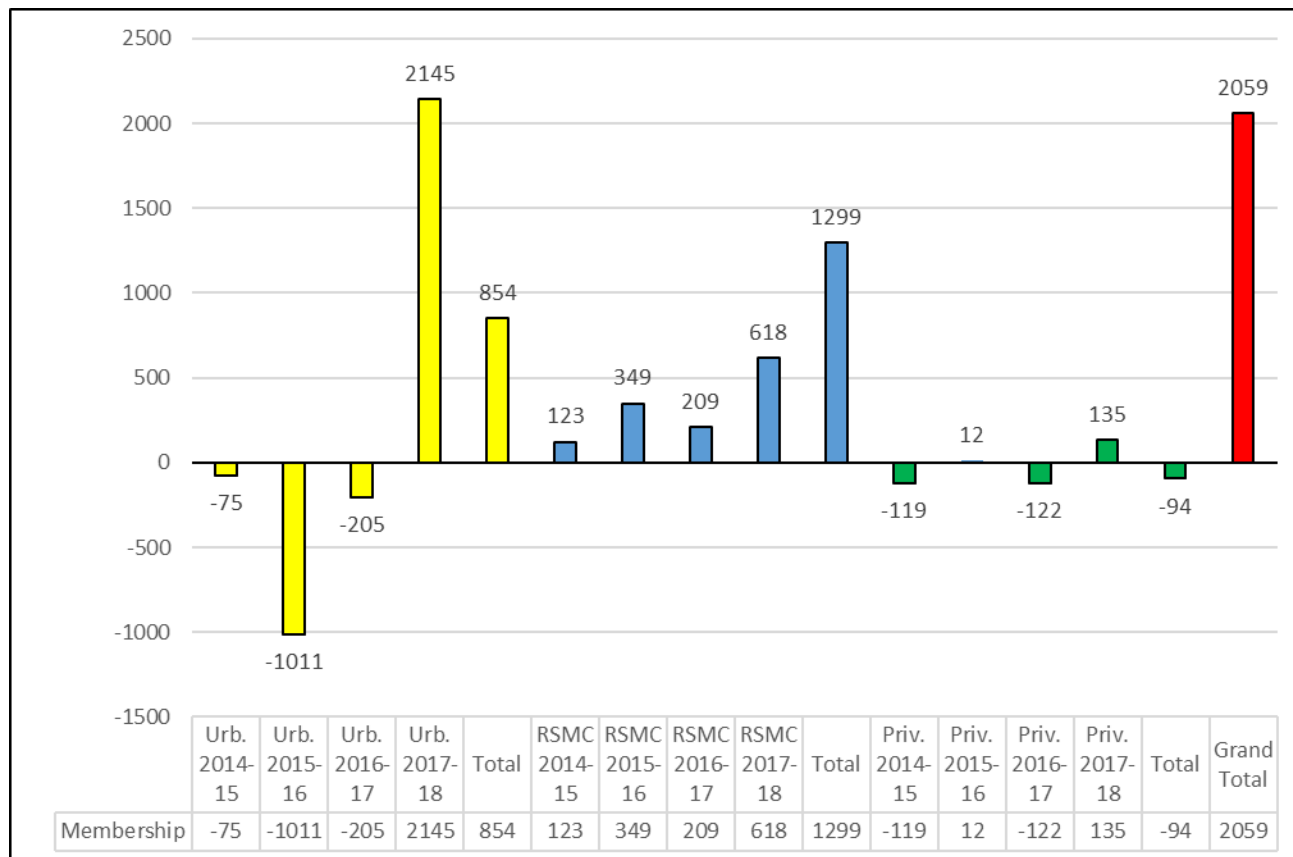
MEMBERSHIP RURAL AND SUBURBAN MAIL CARRIERS (RSMC)	
Average from January 1 st to June 30, 2014	8,039
Average from July 1 st to December 31 st , 2018	9,338
Variation	1,299

The number of RSMC members has increased by 16.16% i.e. 1,299 additional members.

External Organizing – Private Sector Bargaining Units

In the 2015-2019 term, the total number of private sector bargaining units decreased from 22 to 18.

MEMBERSHIP IN PRIVATE SECTOR UNITS	
Average from January 1 st to June 30, 2014	766
Average from July 1 st to December 31 st , 2018	672
Variation	(94)



The two tables below compare overall union membership information obtained in the last verification done during the 2011-2015 mandate to that obtained during the last verification done in the 2015-2019 term. (All union members are included in the data.)

FULL TIME, PART TIME AND TEMPORARY EMPLOYEES				
	FULL TIME	PART TIME	TEMPORARY	TOTAL
Average from January 1 st to June 30, 2014	37,201	5,854	7,859	50,914
Average from July 1 st to December 31, 2018	37,578	6,037	9,358	52,973
Variation	377	183	1,499	2,059

- The National Board of Trustees has noted that, between January 2014 and December 2018, Canada Post significantly increased its use of temporary employees, while failing to increase full-time and part-time positions.

MEMBERS IN GOOD STANDING (MIGS), MEMBERS AND RAND MEMBERS				
	MIGS	MEMBERS	RAND	TOTAL
*Average from January 1 st to June 30, 2014	44,234	2,056	5,084	51,374
**Average from July 1 st to December 31, 2018	46,096	2,030	5,425	53,551
Variation	1,862	(26)	341	2,177

* *MIGS (members in good standing) include 460 lifetime members.*

** *578 lifetime members are included among members in good standing.*

Note: The retired member status is not included in the chart above (section 1.22 of the National Constitution).

Lastly, the distribution of union dues for the 2015-2019 term 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.
- 9.27 Additional Local Assessments
- 9.42 Provincial Federation of Labour Affiliation

CONCLUSION

During the 2015-2019 mandate, the National Board of Trustees are pleased to report improvements in a number of items that were reported in our annual verifications. There were also challenges, on two occasions. The National Board of Trustees would report to National Office to begin working only to find that we were without a Director of Finance and Administration. This is a hardship for the National Board of Trustees and the National Secretary-Treasurer as the Director of Finance and Administration has a large role with the work of the National Secretary-Treasurer.

The National Board of Trustees is still concerned with travel costs. The Union has purchased four vehicles since the last Convention and the National Board of Trustees have seen car rental costs come down. That being said, there are many other costs associated with travel (per diem, accommodation etc.) and those have been increasing over the mandate. The National Board of Trustees has made many recommendations on these issues. The costs of legal fees and arbitration are still a concern to the National Board of Trustees, the use of Worker Advocates and Union Representatives will help alleviate these costs.

The Local Annual Financial Statements are still an ongoing issue for the National Board of Trustees of this mandate and previous mandates. Many locals send in the old forms, unbalanced statements, make no payment to district labour councils, and many are not sending them in at all. The National Board of Trustees believes that a serious look at the education of new Secretary-Treasurers would play a key role in alleviating these errors. The National Board of Trustees continues to be shocked that the Union leave billings (clause 26.06 and clause 21.04 of the Urban and RSMC Collective Agreements respectively) are not being paid by the Locals and that the National Office is having to recover this unpaid billing from the Locals' monthly rebate. Why we are concerned; in this mandate, almost two million dollars has not been verified by Locals and has been kept by Canada Post from our rebates.

Unused annual leave, by our Officers and Representatives, is still an increasing liability to the Union and Union representatives. Throughout the mandate, we reviewed the costs of child/elder care for Regional and National activities. There is still concern about the members' understanding of the guidelines for claiming child/elder care expenses.

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 2015-2019 mandate.

The National Board of Trustees needs to point out that the National Office has put in place a new computer system (iMIS) and a new program for the finance department (SAGE). SAGE will replace the Oracle system and iMIS will be used for all other departments, including grievances. These are vast improvements over the previous technology we have had in place. The purchase of residential condominiums was another move to alleviate costs of our negotiation committees who seemed to have never left Ottawa during the mandate.

The National Board of Trustees would like to take this opportunity to thank the staff (COPE 225 and CUPE 1979) for their support, cooperation, assistance and patience that they gave during each of our verifications. CUPW has wonderful staff and are not always recognized for their contributions and the brilliant work they do! Without their support and dedication, our work would be almost impossible to perform. Thank you.

APPENDIX 'A'

FOURTH VERIFICATION

FEBRUARY 20 TO MARCH 7, 201

2015-2019 TERM

1. INTRODUCTION

The National Board of Trustees met from February 20 to March 7, 2019 at the National Office of the Union in Ottawa for the fourth verification of the 2015-2019 mandate.

The National Board of Trustees also completed their report to the 2019 Quadrennial National Convention.

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, 2017 to June 30, 2018. It needs to be noted that the National Board of Trustees decided that we would verify the Check-off and Membership, from July 1, 2017 to December 31, 2018.

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:

Pacific Region	Brother Anthony Holzer	Chairperson
Atlantic Region	Brother Kevin Peterson	Secretary
Quebec Region	Brother Jean Marcon	Member
Metro-Montreal Region	Brother Roland Savard	Member
Central Region	Sister Mary Aitken	Member
Metro-Toronto Region	Brother Gurpreet Nijjar	Member
Ontario Region	Brother John Lawrence	Member
Prairie Region	Brother Robert Laliberte	Member

At our first meeting held on February 22, 2016, the National Board of Trustees elected Brother Anthony Holzer, Pacific Region, and Brother Kevin Peterson, Atlantic Region, Chairperson and Secretary of the Board respectively.

All elected Trustees, from their respective regions, were in attendance for the fourth verification of this mandate.

3. RESOLUTIONS AND RECORDINGS

The National Board of Trustees verified all records of proceedings of the National Executive Board meetings for the period of July 1, 2017 to June 30, 2018, for the purpose of verifying financial resolutions, as per section 4.99 of the National Constitution.

During this verification, the National Board of Trustees noted the improvements, from their third verification, on resolutions that required dollar amounts and funds from where monies would come from had continued in this verification.

The National Board of Trustees noted instances where the adoption of National Executive Board meeting minutes would come many months later.

The National Board of Trustees notes a resolution in the National Executive Committee minutes and the National Executive Board regarding fundraising for a Christmas party to the sum of \$8,000. Money was distributed out of the General Fund contrary to section 7.14 of the National Constitution.

Therefore the National Board of Trustees recommends:

- That the National Executive Board continue their efforts in making resolutions that include dollar amounts and properly described funds where the monies will be drawn from.
- That the National Executive Board approve their meeting minutes in accordance with section 4.13 of the National Constitution.

4. ANNUAL VERIFICATION

A meeting of the National Board of Trustees, as per section 4.96 of the National Constitution, convened its fourth verification since the 2015 Quadrennial Convention, from February 20 to March 7, 2019.

The National Board of Trustees conducted a full year's verification; from July 1, 2017 to June 30, 2018 contrary to the National Board of Trustees stipulation in their third verification (July 1, 2017 to December 31, 2018). The National Board of Trustees insisted on the eighteen (18) month period, as they knew that four (4) members would not be returning as Trustees, and that the uncertainty of the remaining members being re-elected would have the new National Board of Trustees for 2019-2023 mandate, struggling to accomplish a full year verification with limited, or no experience. The National Board of Trustees also wanted to show delegates to the 2019 Quadrennial Convention, the state of the Union as at December 31, 2018, thus giving them a clearer picture as they debate resolutions to change our National Constitution.

There are no dates scheduled for the first verification of the 2019-2023 mandate. There is only one (1) returning member, who was elected as National Trustee for the 2019-2023 mandate.

Therefore the National Board of Trustees recommends:

- That the newly elected National Board of Trustees be given an additional two (2) days for their first verification of the 2019-2023 mandate, in order to train the new National Board of Trustees, as per the roles 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;
- That the National Secretary-Treasurer communicate, as soon as possible, to the members of the newly elected National Board of Trustees the dates scheduled for their first verification to take place in March or April of 2020;
- That the verification period that the National Board of Trustees stipulates they want to proceed with, be adhered to.

5. 2015 CUPW NATIONAL CONVENTION

Based on a computer printout, our verification work as well as the information available to date, the total cost of our National Convention which took place in Toronto from May 4 to 8, 2015 is \$3,741,316.86.

The costs for the 2015 convention are broken down as follows:

Meeting room rental.....	123,996.37
Accommodation.....	1,049,977.33
Travel.....	379,703.47
Simultaneous interpretation.....	172,248.94
Interpretation equipment.....	698,723.95
Per diem.....	262,419.51
Equipment rental.....	6,398.21
Child care.....	42,940.00
Host Committee.....	20,935.51
Lost wages.....	516,539.52
Other.....	9,332.51
Computer equipment.....	6,748.42 ¹
Drinks and food.....	488.98
Professional fees.....	109,944.71
Telephone.....	372.54
Postage.....	15,190.42
Printing and supplies.....	198,922.60
Verbatim report of debates.....	27,366.95
Staff wages.....	104,226.92
Registration fees (from observers).....	(5,160.00)
Total.....	\$ <u>3,741,316.86</u> *

* Special Assessment (as of June 30, 2018) \$ 2,019,110.87
Cost out of General Fund \$ 1,722,205.99

¹ Computer equipment costs have increased as a result of storage.

The special assessment was a sound financial decision by the National Executive Board.

Chart no. 1 – Convention Costs

Convention Year	National Convention Costs	Increase Over Previous Years
2005	\$ 3,158,047	
2008	\$ 3,241,353	\$ 83,306
2011	\$ 3,474,518	\$ 233,165
2015	\$ 3,741,317	\$ 266,799

The National Board of Trustees was able to verify that National Convention expenses were made in accordance with the National Constitution.

Please note that there are still funds being received from special assessments as members return from leave (dues not waived).

The special assessment increased dues paid by members by \$10 per year, but decreased the cost paid out of the General Fund by almost half.

Please also note that there are still expenses being incurred such as storage and overtime paid out.

Therefore the National Board of Trustees recommends:

- That the special assessment be re-instated to help alleviate the financial burden to the General Fund (as per section 7.09 of the National Constitution).
- That a budget be created for Convention, based on current and/or projected rates and expenses;
- That this budget be portioned to be included in the yearly budget of the Union.

6. NEGOTIATIONS

During this verification, the National Board of Trustees reviewed the expenses for negotiations for the period under review, July 1, 2017 to June 30, 2018. The amount spent was \$2,235,617. This covers both Urban and RSMC collective agreements.

7. LOCAL FINANCIAL REPORTS

- 7.1 The National Board of Trustees has once again reviewed all of the annual financial statements that were received from the locals for the 2017-2018 fiscal year.

Chart no. 2 – Local Financial Reports

	<i>Number of Locals in Region</i>	<i>Financial Statements not Filed for 2017 2018</i>	<i>Number of Locals with Statements that do not Balance</i>	<i>Non Payment to Labour Council</i>
Atlantic	35	0	13	9
Quebec	32	1	6	9
Montreal	2	1	0	0
Central	35	11	6	9
Toronto	1	0	0	0
Ontario	29	7	9	4
Prairie	33	13	8	5
Pacific	36	5	11	19
Total	203	38	53	55⁽¹⁾

⁽¹⁾ Non-payment to labour council does not include those locals that have not filed a 2017-2018 annual financial statement, thus there is no way to determine if such payment was made.

The number of locals that did not submit financial statements as per section 9.29 of the National Constitution or that submitted financial statements that do not balance was 91, or almost half of the locals across the country. This number represents an increase of almost 10% from last year (83).

- 7.2 The National Board of Trustees is pleased to report that almost all locals are now utilizing the forms that are sent out by the National Secretary-Treasurer to complete their annual financial statements. It must be noted that a few continue to produce their own forms or use out-of-date forms of which they have retained copies. Locals that have audited statements are not required to fill out the form sent to them by the National Secretary-Treasurer.
- 7.3 During our 2015-2019 mandate, the National Board of Trustees has brought up the issue of Local financial statements not balancing each year and has pointed out that this has been an ongoing issue for many years in the case of some locals. The National Board of Trustees realizes that many of our secretary-treasurers do not possess the skills necessary to meet reporting requirements but nonetheless, it is imperative to have a balanced financial statement to get an accurate picture of each local's finances.

In response to recommendations in the third verification of this mandate, the National Executive Board stated that some locals would be given an adjustment to prevent errors from past statements being brought forward indefinitely. This is the only recourse available to fix errors that have been carried forward for many years and to give those locals a balanced statement. While the most favourable solution would be to correct the errors which are causing financial statements to not balance, given the nature of our local executives, and the changes in their makeup that occur quite frequently, in most cases finding those errors would not be possible.

While the National Executive Board agreed that adjustments should be made, and stated that they would be made at the time of this verification, those adjustments were still not complete. As a result, the amount of locals with an unbalanced financial statement is still unacceptably high.

- 7.4 There were 55 locals who had not made payment to a district labour council according to the annual financial statements submitted to National Office. It must be noted that the National Board of Trustees has no way of knowing if all of those locals have a functioning district labour council to make per-capita payments to. Locals who have not filed financial statements may also be non-compliant with district labour council payments, so the actual number may be greater than 55.
- 7.5 Many more locals are reporting assets and investments than was the case when the National Board of Trustees began this mandate in 2015. New reporting forms introduced by the National Secretary-Treasurer record this information, whereas previously this was not the case.

- 7.6 As per previous National Board of Trustee recommendations, the National Secretary-Treasurer is now requesting a copy of each local's bank or credit union statements to show their balances on June 30 of each fiscal year being reported. A financial statement cannot truly be verified as accurate without a corroborating bank statement. The National Board of Trustees is pleased to report that most locals are now compliant in providing this document. As a side-note, it must also be reported that some locals are sending the entire year's bank statements when only the statement dated for June 30 is required.
- 7.7 At the end of our mandate on June 30, 2018, there were nine locals under trusteeship.

Therefore the National Board of Trustees recommends:

- 7.1 That the National Secretary-Treasurer remind locals of their constitutional responsibility to file annual financial statements within 60 days of the end of the fiscal year;
- That the National Secretary-Treasurer and National Director responsible for each local that has either not filed or that has filed an unbalanced annual financial statement provide assistance to those locals, either through peer support or education.
- 7.2 That the National Secretary-Treasurer provide, once again, all local secretary-treasurers with the new annual financial statement forms, and that all local secretary-treasurers be instructed to dispose of all obsolete forms.
- 7.3 That the National Secretary-Treasurer make financial adjustments to all locals whose financial statements cannot be balanced by way of current bank statements;
- That the National Secretary-Treasurer communicate to those locals what their new year-end balance is to be going forward;
- That the National Secretary-Treasurer ensure that going forward all locals be required to balance their financial statements.
- 7.4 That the National Secretary-Treasurer ensure that every local has a district labour council assigned to it, and where this is not possible due to lack of an area labour council, to ensure that the forms provided to the National Board of Trustees during their verifications clearly indicate this.
- 7.6 That the National Secretary-Treasurer continue to request a copy of each local's bank or credit union statement dated as of June 30 for the fiscal year being reported.

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, 38 activities were held throughout the eight regions.

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.

- 8.1 Some regions are over estimating their expenses for education. This leads to larger advances than what should be. This money is then not available to pay other expenses from National Office.

Therefore the National Board of Trustees recommends:

- 8.1 That the officer responsible for budgeting for regional activities use more accurate figures, before requesting an advance.

9. EXPENSES FOR REGIONAL OFFICES

The National Board of Trustees reviewed the regional files for the period of July 1, 2017 to June 30, 2018.

Most expenses for regional offices are paid at National Office.

- 9.1 There were two regional offices that did not send in log books for union vehicles.
- 9.2 Two transponders for the two Ontario Regional Union vehicles were purchased, as well as one for the Toronto Region Union vehicle.

Therefore the National Board of Trustees recommends:

- 9.1 That each log book be submitted quarterly so that information and usage can be verified as per the resolution from the National Executive Board.

10. CHILD/ELDER CARE COSTS

The National Board of Trustees has been reviewing child/elder costs over our term and are pleased to report that costs associated with this file have been decreasing. While those requiring child/elder care are encouraged to use the resources provided by CUPW, the National Board of Trustees has had concerns that the checks and balances in place to confirm compliance with CUPW policy were insufficient to ensure that the resources were only being used by those truly needing them.

In previous verifications, child/elder care costs have been brought into the section covering Regional Expenses. This year however, because of coding changes, child/elder care will stand alone and will include costs incurred by both regional and national activities.

Total monies spent on child/elder care in 2017-2018 were \$43,075. The Education Fund paid out \$28,430 towards these costs and \$14,645 was paid out of the General Fund.

Chart no.3 – Child/Elder Care 2017-2018

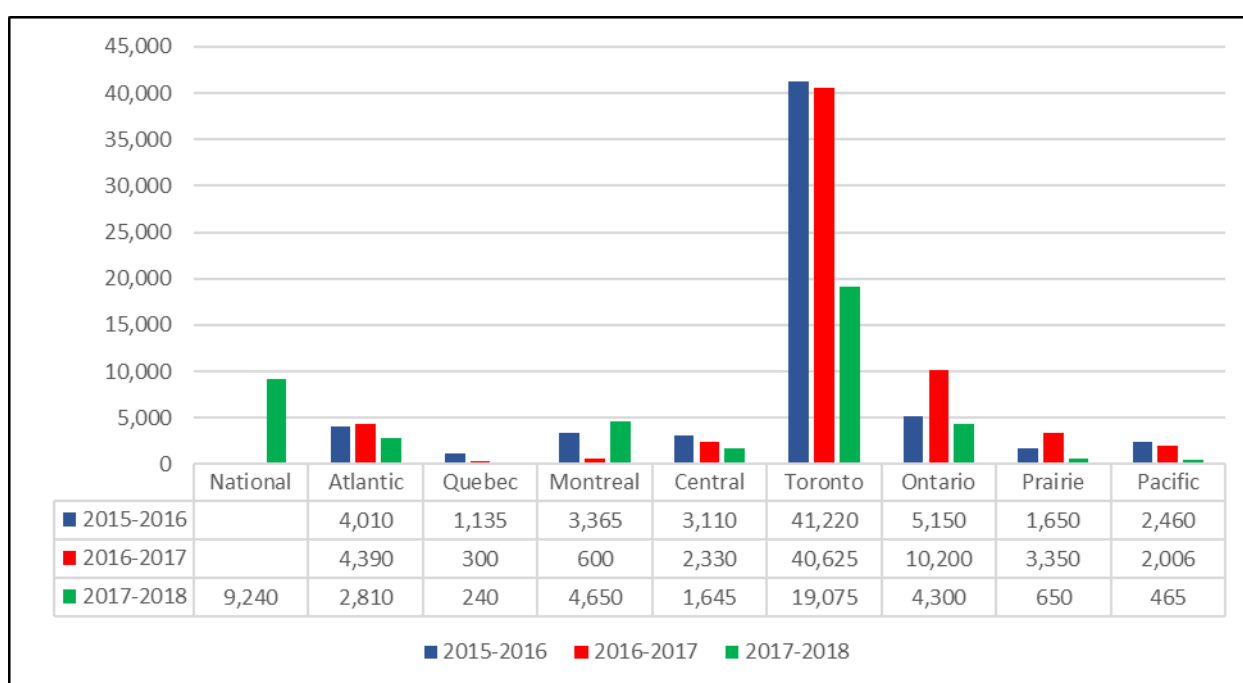
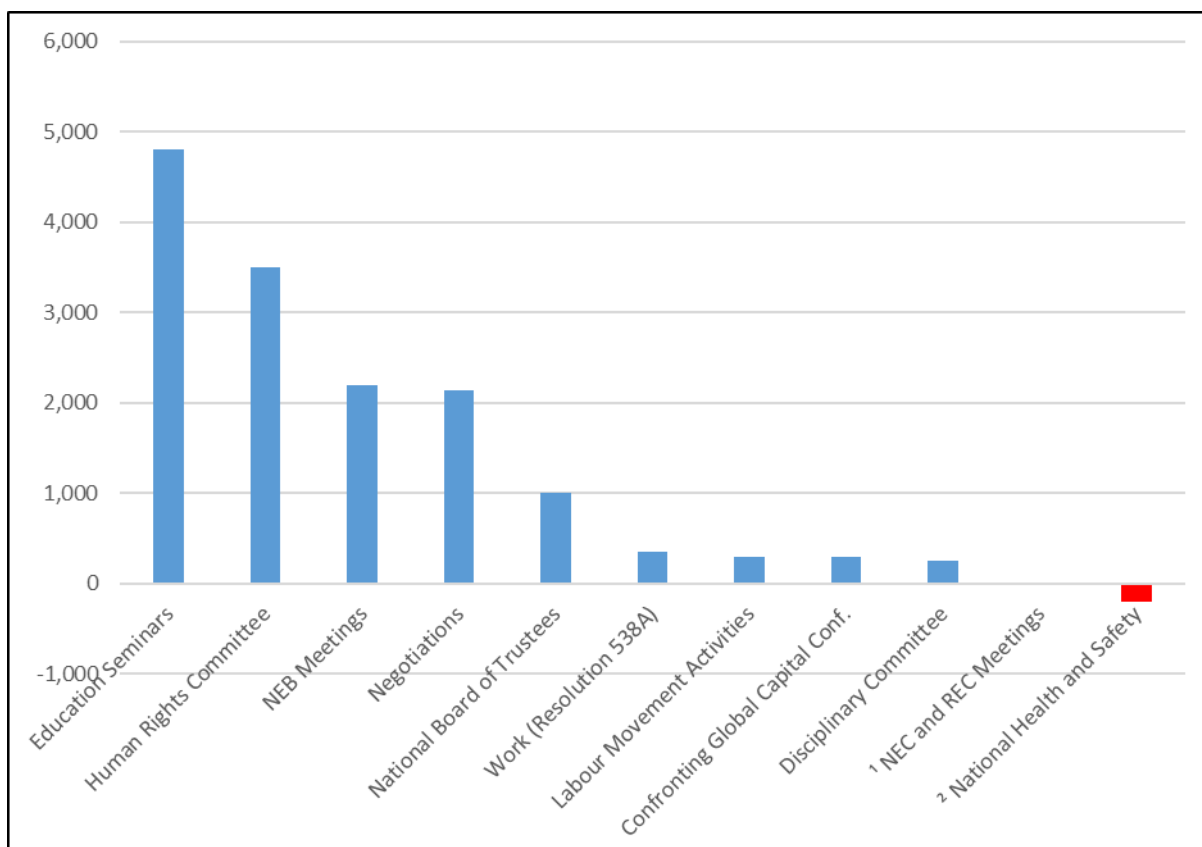


Chart no. 4 – Child/Elder Care Costs by Activity



¹ \$600 was paid out for NEC/REC meetings, but all monies were repaid to National Office, resulting in a net zero amount.

² The negative amount represents a repayment.

Therefore the National Board of Trustees recommends:

- That the National Secretary-Treasurer, in conjunction with the National Director of each region, and the Regional Education and Organization Officer (REOO) of each region, continue to be vigilant in assessing all claims for child/elder care, and ensure that the guidelines and policies in place at CUPW are understood and followed by all who file claims.

11. NATIONAL ACTIVITIES

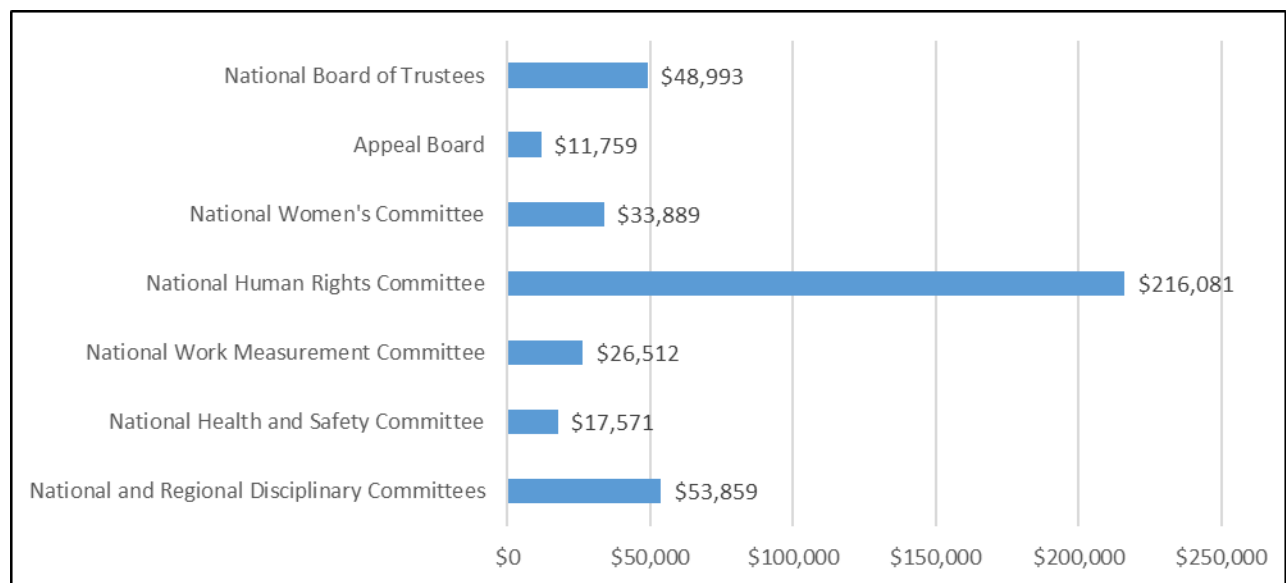
- 11.1 The National Board of Trustees reviewed the expenses for the National Union's activities for the period of July 1, 2017 to June 30, 2018.

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

• National Board of Trustees	\$ 48,993
• Appeal Board	\$ 11,759
• National Women's Committee	\$ 33,889
• National Human Rights Committee	\$ 216,081
• National Work Measurement Committee	\$ 26,512
• National Health and Safety Committee	\$ 17,571
• National and Regional Disciplinary Committees	\$ 53,859

These costs do not include childcare or Officer and/or Union Representatives expense if they attended any or all of these meetings.

Chart no. 5 – National Activity Expenses



11.2 The National Board of Trustees found that there were expenses associated with the Union Education Program for the period of this verification. There was no session held between July 1, 2017 and June 30, 2018. The cost for this verification (2017-2018) was \$16,137.48 to review course content and change from a four week to three week program.

11.3 Other (non-mandated) National Activities.

The National Board of Trustees was made aware of the following national activities:

• Formal Arbitration (Winnipeg) Training	\$ 14,461.89
• Facilitator Training Level 1 and 2	\$ 84,458.72
• Social Steward Training	\$ 84,825.56
• Appendix “DD” – Training the Trainer	\$ 6,880.31
• UALE – United Association for Labour Education	\$ 1,843.55
• IPA Booklet – Isolated Post Allowance	\$ 2,596.40
• Labour Notes	\$ 30,504.35
• Mobilization/Grievances (Toronto) Training	\$ 30,673.94
• Others	\$ 1,463.14
• Total	<u>\$ 257,707.87</u>

These costs do not include childcare or officer and/or Union Representatives expense if they attended any or all of these meetings.

Therefore the National Board of Trustees recommends:

- That the costs for Officers and/or Union Representatives be reflected in the costs for each activity, whether it be per diem, travel, hotel, etc...

12. REVIEW OF STATEMENT OF EXPENSES

The National Board of Trustees examined the individual statement of expense forms for each of the National and Regional Officers, Union Representatives, Alternate Union Representatives and those of the specialists under contract to CUPW for the period of July 1, 2017 to June 30, 2018.

- 12.1 During this verification, there are still issues with multiple months expense statements being submitted at the same time.
- 12.2 The National Board of Trustees believes that by not submitting the monthly expenses monthly, and by not paying the credit card monthly that this is similar to an interest free payday loan.
- 12.3 In order to ensure that vehicles owned by National and Regional Offices are used for union business and not for personal use, log books are required to be used in all union vehicles. Each officer is required to send the log books or a copy of the log books, for each vehicle, to National Office on a quarterly basis with their expense report.

Chart no. 6 - Rental Vehicles by region including National Office

* Region	Car rental			
	2017 2018	2016 2017	2015 2016	2014 2015
National	22,065	11,817	16,607	7,880
Atlantic	4,239	3,029	4,645	1,024
Québec	2,027	2,367	4,023	1,825
Metro-Montréal	600	0	187	0
Central	6,681	6,753	8,780	9,530
Metro-Toronto	213	2,457	2,032	5,345
Ontario	0	1,823	45,884	51,893
Prairie	15,669	11,017	15,884	7,959
Pacific	10,854	10,546	12,753	4,738
Total	\$ 62,348	\$ 49,809	\$110,795	\$90,194

* These numbers have been rounded.

Chart no. 7 – Reimbursed Mileage for Personal Vehicle Use

* Region	Reimbursed Mileage for Personal Vehicle Use			
	2017 2018	2016 2017	2015 2016	2014 2015
National	10,335	11,573	11,675	9,970
Atlantic	609	486	405	801
Québec	7,815	7,832	2,937	1,840
Metro-Montréal	3,754	3,960	3,990	4,034
Central	769	805	2,517	2,642
Metro-Toronto	7,372	7,737	6,920	7,456
Ontario	9,343	4,260	1,525	2,084
Prairie	1,230	611	783	201
Pacific	4,170	3,784	3,602	6,603
Total	\$45,397	\$41,048	\$34,354	\$35,631

* These numbers have been rounded.

- 12.4 There has been an improvement in the use of travel and vehicle authorizations. It must be noted however that individuals are still not always following what is clearly outlined in sections 7.53, 7.54, 7.55 and 7.56 of the National Constitution in regards to the necessary authorizations. It was also noted that some authorizations have been dated and signed after the travel had occurred.
- 12.5 Per diem expenses were examined by the National Board of Trustees for the period of 2017-2018 and compared to previous years.

Chart no. 8 - Per Diem* by Region including National Office

Region	Per Diem			
	2017 2018	2016 2017	2015 2016	2014 2015
National	144,923	178,134	133,734	119,981
Atlantic	27,562	34,299	39,833	24,046
Québec	11,440	27,704	27,327	25,780
Metro-Montréal	13,978	19,467	11,839	14,173
Central	23,509	23,502	35,832	25,892
Metro-Toronto	28,054	36,961	33,461	20,397
Ontario	25,557	32,332	30,737	21,138
Prairie	55,210	55,754	62,526	36,517
Pacific	56,049	65,128	63,603	40,391
Total	\$386,282	\$473,281	\$438,892	\$328,315

* Per Diem includes meals and accommodation

- 12.6 The inability to cross-reference or verify the use of per diems has been raised by the National Board of Trustees as an ongoing concern for several verifications. While the claiming of per diems uses the 'honour' system, there should be some way for the trustees to be able to verify that this system is functioning.
- 12.7 These costs do not include childcare or officer and/or Union Representatives expense if they attended any or all of these meetings.
- 12.8 The National Board of Trustees examined the travel costs for the National and Regional Offices for the year 2017-2018. Costs include all charges relating to air travel, train travel, as well as parking charges and taxi fees.
- 12.9 Six regions now use Union owned vehicles. Of those five regions, only one region is using a hybrid vehicle.

Since purchasing Union owned vehicles, car rental costs for the Ontario Region have plummeted, dropping from more than \$55,000 per year in 2014-2015 to zero in 2017-2018.

Chart no. 9 – Travel Costs

Region	Travel Costs			
	2017 2018	2016 2017	2015 2016	2014 2015
National	214,062	173,028	175,175	188,792
Atlantic	25,566	30,796	24,172	17,176
Québec	3,196	4,777	9,275	7,333
Metro-Montréal	671	1,475	817	362
Central	16,979	10,542	17,938	15,026
Metro-Toronto	5,696	10,140	9,976	12,878
Ontario	4,047	8,360	51,646	55,196
Prairie	87,325	82,981	95,562	79,358
Pacific	78,043	65,057	77,769	41,926
Total	\$435,585	\$387,156	\$462,330	\$418,047

Therefore, the National Board of Trustees recommends:

- 12.1 That all missing expense reports be filed immediately; and that all Officers and Union Representatives be reminded of the requirement to file their expense reports each and every month.
- 12.2 That a policy be put in place and adhered to that there is no personal use of the union credit card.
- 12.3 That a copy of each log book be submitted quarterly so that information and usage can be verified as per the response of the National Executive Board to the National Board of Trustees in the report from their third verification.
- 12.4 That all claims for mileage have authorization attached prior to use.
- 12.7 That per diem and accommodation be recorded separately under each category and that costs for meetings be expensed to include all costs (hotel, transportation, per diem, etc...)

13. ARBITRATION

The National Board of Trustees notes an increase in arbitration, cancellation and legal costs for the fiscal year 2017-2018.

Chart no. 10 - Summary of Cost - Arbitration as of June 30, 2018

	Professional Fees		Witness		Medical Review RSMC		Other	
	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018
National	\$8,666.82	\$0	\$6,892.77	\$9,348.37	\$0	\$0	\$33,262.27	\$53,016.88
Atlantic	\$0	\$0	\$1,088.71	\$2,020.39	\$0	\$0	\$951.73	\$1,237.35
Québec	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Montréal	\$3,246.36	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Central	\$0	\$0	\$0	\$522.30	\$0	\$0	\$0	\$0
Ontario	\$0	\$0	\$150.00	\$0	\$654.38	\$423.16	\$657.63	\$0
Toronto	\$151.75	\$0	\$255.90	\$0	\$1,974.52	\$0	\$5,044.75	\$221.71
Prairie	\$4,500.00	\$1,285.93	\$1,751.47	\$1,457.32	\$0	\$0	\$2,411.20	\$8,516.12
Pacific	\$0	\$0	\$2,721.77	\$3,057.47	\$0	\$0	\$423.70	\$676.75
Total	\$16,564.93	\$1,285.93	\$12,860.62	\$16,405.85	\$2,628.90	\$423.16	\$42,751.28	\$63,668.81
Difference	-\$15,279.00		\$3,545.23		-\$2,205.74		\$20,917.53	
2017-2018	\$1,285.93		\$16,405.85		\$423.16		\$63,668.81	
2016-2017	\$16,564.93		\$12,860.62		\$2,628.90		\$42,751.28	
2015-2016	\$4,465.80		\$25,949.59		\$507.40		\$68,754.76	
2014-2015	\$0		\$44,076.40		\$0		\$64,228.24	

Chart no. 11

	Arbitrators / Cancellation Fees		Legal Fees		Workers Advocate	
	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018
National	\$81,700.18	\$83,265.64	\$121,000.95	\$328,154.20	\$0	\$0
Atlantic	\$327,673.48	\$257,118.65	\$48,678.89	\$23,148.70	\$2,378.67	\$4,219.39
Québec	\$91,439.34	\$89,727.28	\$35,654.64	\$38,115.30	\$0	\$0
Montréal	\$109,013.93	\$130,889.00	\$90,893.16	\$43,843.12	\$0	\$0
Central	\$74,577.70	\$71,160.63	\$18,680.82	\$93,109.03	\$0	\$2,679.76
Ontario	\$200,064.21	\$171,211.44	\$226,692.57	\$220,457.92	\$0	\$0
Toronto	\$115,103.28	\$100,343.05	\$129,939.33	\$89,297.37	\$0	\$0
Prairie	\$212,462.42	\$247,118.60	\$0	\$0	\$32,999.98	\$25,691.21
Pacific	\$191,662.80	\$189,244.69	\$52,604.45	\$89,147.43	\$28,211.69	\$23,811.81
Total	\$1,403,697.34	\$1,340,078.98	\$724,144.81	\$925,273.07	\$63,590.34	\$56,402.17
Difference	-\$63,618.36		\$201,128.26		-\$7,188.17	
2017-2018	\$1,340,078.98		\$925,273.07		\$56,402.17	
2016-2017	\$1,403,697.34		\$724,144.81		\$63,590.534	
2015-2016	\$1,579,105.82		\$1,060,362.22		\$52,278.79	
2014-2015	\$1,485,775.21		\$1,057,335.01		\$16,290.84	

Chart no. 12

	Total	
	2016 2017	2017 2018
National	\$251,522.99	\$473,785.09
Atlantic	\$380,771.48	\$287,744.48
Québec	\$127,093.98	\$127,842.58
Montréal	\$203,153.45	\$174,732.12
Central	\$93,258.52	\$167,471.72
Ontario	\$428,218.79	\$392,092.52
Toronto	\$252,469.53	\$189,862.13
Prairie	\$254,125.07	\$284,069.18
Pacific	\$275,624.41	\$305,938.15
Total	\$2,266,238.22	\$2,403,537.97
Difference	\$137,299.75	
2017-2018	\$2,403,537.97	
2016-2017	\$2,266,238.22	

2015-2016	\$ 2,791,424.38
2014-2015	\$ 2,667,705.70

Therefore the National Board of Trustees recommends:

- That the Union continue to train worker advocates and to assign them to arbitrations, in accordance with sections 10.13 to 10.16 of the National Constitution.
- That the Regional and National Union Representatives continue to play a significant role in the arbitration process.

14. 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 2018-2019 fiscal year, there are approximately 1,876 days available of annual leave for National and Regional Officers and Union Representatives.

Chart no. 13 - Attendance

	2017 2018	2016 2017	2015 2016	2014 2015
Vacation days unused	1,951.53	1,873.41*	1,974	1,913.66
Vacation days paid out	174.50	148.10	42.50	
Personal days paid out	92.67	104.87	126.43	134.91

**Amended from third verification.*

Therefore the National Board of Trustees recommends:

- That all Officers and Union Representatives use their annual leave credits. That section 7.38 of the National Constitution be applied to unused leave balances at the end of the fiscal year, as per the previous response of the National Executive Board.

15. 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, 2018. The insurance policy contains dishonesty coverage up to \$50,000 per occurrence.

The insurance policy is available in both official languages.

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, 2017 and June 30, 2018.

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

• Moving and relocation expenses paid to 5 members	\$ 64,570.97
• Unused annual leave	\$ 2,650.88
• Section 7.41	\$ 13,631.19
• Personal days	\$ <u>(72.39)</u>
• Total	\$ 80,780.65

17. 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, eight Regional Offices as well as the condominiums. 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 a memo was mailed by the National Secretary-Treasurer to all Regional Offices and everyone at National Office, dated July 18, 2018, to complete their inventory or update the previous list and return it by August 10, 2018.

The National Board of Trustees found during this verification that three regions, along with all the Officers from National Office, do not have an updated inventory list.

The National Board of Trustees found that the inventory lists from the SOHO condominium units and the Wellington units were updated, and is done with change of long-term tenants.

Therefore the National Board of Trustees recommends:

- That a complete updated inventory list of all the Regional Offices and everyone at National Office be submitted to the National Secretary-Treasurer before the Convention by April 30, 2019.
- That all National Officers, Regional Officers and Union Representatives after the National Convention submit their complete inventory list by June 30, 2019, as is done with change of long-term tenants in the condominium units.

18. COMPUTER HARDWARE AND SOFTWARE

The National Board of Trustees has reviewed the expenses related to the updating of the computer system for the Union. The cost for this verification 2017-2018 was \$343,219.85. The new system was not fully functioning prior to this verification. The new systems iMIS and SAGE are replacing ORACLE.

19. UNION FUNDS

The National Board of Trustees reviewed the annual financial statements prepared by the accounting firm of Marcil Lavallée. These annual statements (2017-2018) 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, 2018 in comparison with June 30, 2017.

Chart no. 14 – Union Funds

	June 30, 2018	June 30, 2017
General Fund	\$ (358,809)	\$ (2,858,642)
Defence Fund	\$ 26,792,762	\$ 22,612,749
Reserve Fund	\$ 15,627,920	\$ 15,273,247

The National Board of Trustees found, for the verification period, that the 5% transfers to the Reserve Fund were not made monthly as per section 7.17 of the National Constitution.

An amount equal to half of the Reserve Fund deposits (or 2.5% of the revenue deposited in the General Fund) shall be set aside on a monthly basis to create a fund to finance external organizing.

20. 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 thirteen 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 1227 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;
- Eight residential condominiums located at 300 Lisgar St. in Ottawa, Ontario.

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, 2018, the balance on the commercial mortgage loan (from the Toronto Dominion Bank) is \$720,023 for the Wellington condominium apartments. The balance on the commercial loan for the Lisgar St. condominium apartments is \$1,831,816. The net value of the assets listed above, of CUPW Building Society, is \$10,226,681.

21. FINANCIAL REPORTS

- 21.1 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.
- 21.2 The National Board of Trustees reviewed the budget that was adopted by the National Executive Board at its June 2018 meeting; it has been sent to Locals under section 7.02 of the National Constitution.
- 21.3 It must be noted that the National Executive Board did not adhere to section 7.04 of the National Constitution with reference to approving a non-deficit budget.
- 21.4 The National Board of Trustees reviewed annual financial statements for the 2017-2018 fiscal year, as audited by the audit firm of Marcil Lavallée.

Therefore the National Board of Trustees recommends:

- 21.1 That the National Secretary-Treasurer send copies of the financial statements to all Locals twice a year, as per section 4.50 of the National Constitution.
- 21.3 That the National Executive Board follow section 7.04 of the National Constitution.

22. CUPW ADMINISTRATIVE STAFF

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

Chart no. 15 – CUPW Administrative Staff

	The Canadian Office and Professional Employees Union (COPE 225)	The Canadian Union of Public Employees (CUPE 1979)
Number of employees	45	28
Collective agreement's starting date	July 1, 2015	December 17, 2017
Collective agreement's expiry date	June 30, 2017	December 31, 2020

It has been noted for the fiscal year ending June 30, 2018 the potential payout for 427 days of unused annual leave for COPE 225 members at the National and Regional Offices is \$123,951.

The sick leave potential pay out for COPE 225 members at a rate of 20% is \$217,871.49 as per their collective agreement.

For the CUPE 1979 bargaining unit members at National Office the potential payout for 530 unused days of annual leave for the fiscal year ending June 30, 2018 is \$152,985.

As of June 30, 2018, 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: August 31, 2020
2. Director of Information Technology: February 11, 2022
3. Director of E-Business: June 30, 2019

23. JOE DAVIDSON FUND

The National Board of Trustees reviewed documentation indicating that five (5) education bursaries had been granted under section 11.04 of the National Constitution ending June 30, 2018, at a total cost of \$12,530.14.

Within our mandate, it was noted that an equal education bursary was not given to the Union Education Service of the Quebec Federation of Labour.

24. Payment of leave for union business (Article 26.06 of the Urban Collective Agreement and Article 21.04 of the RSMC Collective Agreement)

The National Board of Trustees has reviewed Union Leave billing for the 2017-2018 fiscal year and is pleased to report that the amount of dues rebates withheld for non-payment of union leave invoices sent to locals by Canada Post Corporation has been reduced by more than 50%.

The total amount of invoices unpaid, however, remains at a staggering \$ 312,270.35. Errors by Canada Post on their union billing invoices are commonplace, and even an error rate as low as 10% would cost our members more than \$ 30,000 in funds that belong in our locals, and not in Canada Post's accounts.

All Canada Post invoices received at the local level should be verified by the local secretary-treasurer and any errors reported immediately to both Canada Post and the National Secretary-Treasurer.

Chart no. 16 - Amounts Withheld From Local Rebates July 2017 to June 2018

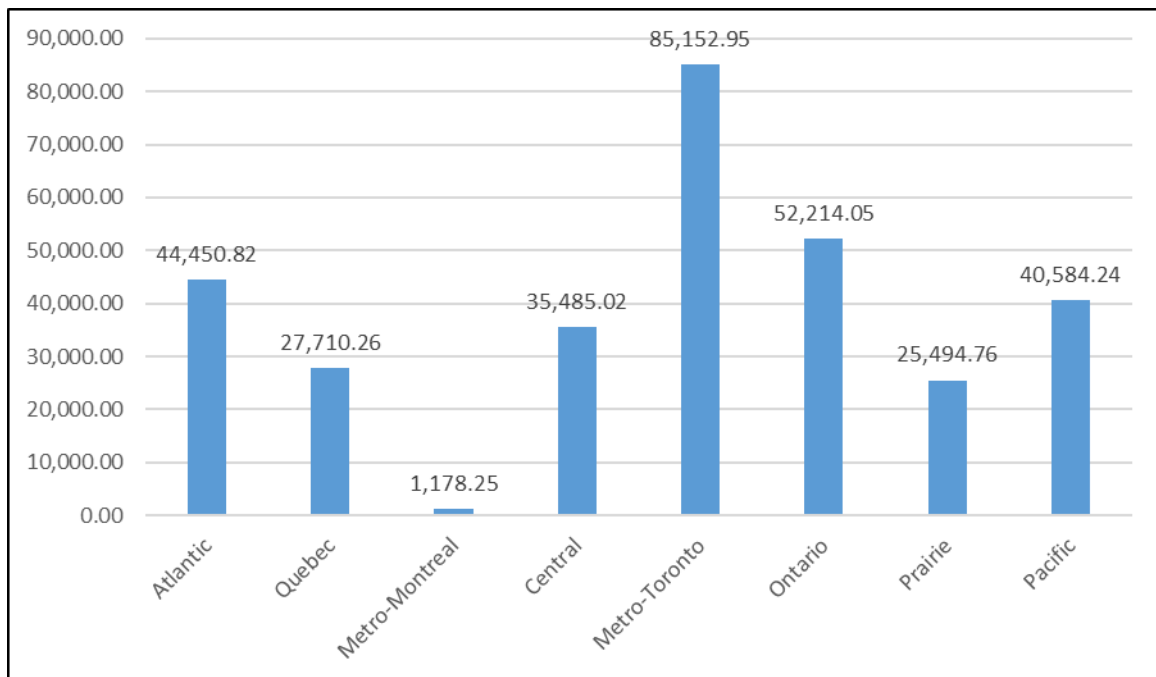


Chart no. 17 – Amounts Withheld from Local Rebates

Amounts Withheld from Local Rebates	
2017 2018	\$ 312,270.35
2016 2017	\$ 655,204.34
2015 2016	\$ 284,497.33
2014 2015	\$ 586,592.43
Total	\$ 1,838,564.45

Therefore the National Board of Trustees recommends:

- That the National Secretary-Treasurer, in conjunction with the National Director of each region, remind local secretary-treasurers of the importance of checking their Canada Post invoices carefully and within the 45 (Urban) or 60 (RSMC) days contractually allotted time frame.

25. APPENDIX “AA”

The National Board of Trustees has verified the cost of the Appendix “AA” Committee for the period of July 1, 2017 to June 30, 2018.

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 paid by CUPW.

For the period under review, CUPW has paid \$62,717.48 as our share of the costs of this committee, which is approximately 65% of the total cost.

Current Appendix “AA” project:

- Statistical analysis of factors related to letter carrier injuries.

26. SHORT-TERM DISABILITY PROGRAM

For the 2017-2018 fiscal year, the National Board of Trustees has noted an increase in medical fees, including approximately a 37% increase associated with the final appeal process under the Short-Term Disability Program. The table below provides the cost breakdown by region.

Chart no. 18 – Independent Medical Practitioner Fees

Independent Medical Practitioner Fees									
	Atlantic	Quebec	Montreal	Central	Toronto	Ontario	Prairie	Pacific	Total
2017 2018	\$39,926.28	\$35,914.00	\$111,558.02	\$80,992.62	\$82,876.30	\$86,019.28	\$85,544.69	\$51,966.68	\$574,797.87
2016 2017	\$11,452.44	\$21,391.31	\$62,029.55	\$47,012.47	\$95,055.75	\$98,363.60	\$47,891.42	\$34,517.96	\$417,714.50
2015 2016	\$2,048.00	\$12,450.00	\$34,090.00	\$37,646.00	\$65,941.00	\$103,697.00	\$77,016.00	\$48,332.00	\$381,219.00
2014 2015	\$13,694.00	\$14,323.00	\$28,513.00	\$54,254.00	\$75,952.00	\$85,665.00	\$78,559.00	\$64,910.00	\$415,870.00

27. SSQ AND ITS ASSOCIATED STDP COSTS

National officers and staff, Regional officers and staff, and full-time Local officers are covered under the SSQ Plan. This plan is in place to provide those who are full-time Union officers and staff with a short term disability plan as they are not able to utilize the Canada Post STDP program.

The costs associated with the STDP plan for 2017-2018 is broken down in chart no. 19 by bargaining unit:

Chart no. 19 – Costs Associated with the STDP

	CUPW	COPE	CUPE	Total
2017 2018	\$75,128.56	\$30,544.23	\$26,638.05	\$132,310.84
2016 2017	\$79,004.27	\$31,335.15	\$25,102.81	\$135,442.23
2015 2016	\$92,902.49	\$36,438.33	\$28,575.53	\$157,916.35
2014 2015	\$65,867.99	\$33,428.42	\$20,419.92	\$119,716.33

28. “SAVE CANADA POST” CAMPAIGN

The National Board of Trustees has reported on the “Save Canada Post” campaign for each year of our current 2015-2019 mandate. For the 2017-2018 fiscal year, National Office budgeted \$1,000,000 to further the campaign. Costs for the campaign have dropped this year. The monies spent on the campaign are broken down in chart no. 20 below. Chart no. 21 shows a comparison of year-to-year spending.

Chart no. 20 – Costs for 2017-2018

Costs for 2017 2018	
Wages and Salaries	\$ 395,021.66
Printing and Supplies	\$ 106,151.37
Per Diems	\$ 44,411.93
Meeting Rooms	\$ 35,544.60
Transportation	\$ 31,540.86
Advertising	\$ 29,025.38
Accommodation	\$ 20,517.98
Translators	\$ 11,401.13
Other	\$ 23,646.10
Total	\$ 697,261.01

Chart no. 21 – Campaign Costs

	Amount Spent	From General Fund	From Reserve Fund
2017 2018	\$ 697,261.01	\$ 0.00	\$ 697,261.01
2016 2017	\$ 884,866.40	\$ 884,866.40	\$ 0.00
2015 2016	\$ 1,435,861.26	\$ 1,125,861.26	\$ 310,000.00
2014 2015	\$ 1,724,715.19	\$ 1,724,715.19	\$ 0.00
TOTAL	\$ 4,742,703.86	\$ 3,735,442.85	\$ 1,007,261.01

- 28.1 As of June 30, 2018, there were five full-time co-ordinators still costed to the Canada Post Campaign. They are: National Co-ordinator Brother Jean-Philippe Grenier and Regional Co-ordinators Sister Magali Giroux, Montreal Region; Sister Barb McNeely, Prairie Region; Sister Diane Mitchell, Central Region; and Brother Derek Richmond, Ontario Region.

Since its inception in 2013, The “Save Canada Post” campaign has cost \$ 5,672,462.83.

29. DELIVERING COMMUNITY POWER

As of June 30, 2018, there were two co-ordinators costed to the “Delivering Community Power” campaign, incurring costs of \$31,659. These expenses are charged to the Reserve Fund.

30. COLLECTIVE AGREEMENT FUNDS

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

Chart no. 22 – Collective Agreement Funds

	Based on the annual financial statements from July 1, 2017 to June 30, 2018		
	Child Care Fund	International Postal Fund	Education Fund
Revenues	\$ 2,197,618	\$ 199,236	\$ 2,580,556
Expenses	\$ 2,029,547	\$ 199,236	\$ 2,343,608
(Deficit)/Surplus	\$ 168,071	\$ 0.00	\$ 236,948
Balance as of June 30, 2018	\$ 4,044,766	\$ 0.00	\$ 2,234,687

The financial statements were prepared in accordance with the Accounting Standards for Not-for-Profit Organizations (ASNPO).

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, 2018, the balances are as follows:

• Nova Scotia Medical Communications	\$ 3,000.00
• EMC – Bedford	\$ 25,407.76
• Easy Express – Atlantic	\$ 1,000.00
• Pro Ex Transportation	\$ 1,800.00
• Bee Clean - Hamilton	\$ 5,100.00
• T-Force	\$ <u>21,477.21</u>
• Total	\$ <u>57,784.97</u>

In terms of the Education Fund, the Union has received funds from three units: Dynamex Red River, EMC-Bedford and Bee Clean.

31. EXTERNAL ORGANIZING

31.1 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, 2017	\$ 3,598,645.08
Plus 2.5% from the Reserve Fund (from July 1, 2017 to June 30, 2018)	\$ 670,415.88
Less expenses for the period of July 1, 2017 to June 30, 2018	\$ <u>(350,972.38)</u>
Balance as of June 30, 2018	\$ 3,918,088.58

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

The National Board of Trustees has been told this will change going forward.

31.2 For the period under review the number of private sector bargaining units was 18.

32. 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, 2017 to December 31, 2018.

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 1.08 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, with an additional six-month period to December 31, 2018, to take convention into account.
- For the period of July 1st, 2017 to December 31th, 2018, there was an increase in CUPW membership of 2,898 members.
- For the urban unit, there was an increase of 2,145 members.
- For the RSMC unit, we note an increase of 618 members.
- For the private sector units, we note an increase of 135 members.

Chart no. 23

Average Number of Members in Good Standing, Members and Rand Members by Bargaining Sectors July 1 to December 31, 2017				
	Urban Operations	RSMC	Private Sector	Total
Average: July 1 to December 31, 2017	41,329	8,896	536	50,761
Average: January 1 to June 30, 2017	40,818	8,720	537	50,075
Variation	511	176	(1)	686

Chart no. 24

Average Number of Members in Good Standing, Members and Rand Members by Bargaining Sectors January 1 to June 30, 2018				
	Urban Operations	RSMC	Private Sector	Total
Average: January 1 to June 30, 2018	41,564	9,131	606	51,301
Average: July 1 to December 31, 2017	41,329	8,896	536	50,761
Variation	235	235	70	540

Chart no. 25

Average Number of Members in Good Standing, Members and Rand Members by Bargaining Sectors July 1 to December 31, 2018				
	Urban Operations	RSMC	Private Sector	Total
Average: July 1 to 31 July, 2018	42,963	9,338	672	52,973
Average: July 1 to June 30, 2018	41,564	9,131	606	51,301
Variation	1,399	207	66	1,672

Chart no. 26

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, 2017				
	Full Time	Part Time	Temporary	Total
Average: July 1 to December 31, 2017	36,227	5,956	8,578	50,761
Average: January 1 to June 30, 2017	35,827	6,138	8,110	50,075
Variation	400	(182)	468	686

Chart no. 27

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, 2018				
	Full Time	Part Time	Temporary	Total
Average: January 1 to June 30, 2018	36,738	5,958	8,605	51,301
Average: July 1 to December 31, 2017	36,227	5,956	8,578	50,761
Variation	511	2	27	540

Chart no. 28

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, 2018				
	Full Time	Part Time	Temporary	Total
Average: July 1 to December 31, 2018	37,578	6,037	9,358	52,973
Average: January 1 to June 30, 2018	36,738	5,958	8,605	51,301
Variation	840	79	753	1,672

Chart no. 29

Average Number of Members by Status July 1 to December 31, 2017				
	Members in Good Standing	Members	Rand	Total
Average: July 1 to December 31, 2017	44,318	1,916	5,082	51,316
Average: January 1 to June 30, 2017	44,106	2,085	4,425	50,616
Variation	212	(169)	657	700

Note: 555 lifetime members are included in the number of members in good standing for the period of July 1 to December 31, 2017.

541 lifetime members are included in the number of members in good standing for the period of January 1 to June 30, 2017.

In accordance with section 1.22 of the National Constitution, 313 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.

Chart no. 30

Average Number of Members by Status January 1 to June 30, 2018				
	Members in Good Standing	Members	Rand	Total
Average: January 1 to June 30, 2018	44,766	1,995	5,111	51,872
Average: July 1 to December 31, 2017	44,318	1,916	5,082	51,316
Variation	448	79	29	556

Note: 571 lifetime members are included in the number of members in good standing for the period of January 1 to June 30, 2018.

555 lifetime members are included in the number of members in good standing for the period of July 1 to December 31, 2017.

In accordance with section 1.22 of the National Constitution, 347 members have received Retired Member status in CUPW but are not included in the above charts.

Chart no. 31

Average Number of Members by Status July 1 to December 31, 2018				
	Members in Good Standing	Members	Rand	Total
Average: July 1 to December 31, 2018	46,096	2,030	5,425	53,551
Average: January 1 to June 30, 2018	44,766	1,995	5,111	51,872
Variation	1,330	35	314	1,679

Note: 578 lifetime members are included in the number of members in good standing for the period of July 1 to December 31, 2018.

571 lifetime members are included in the number of members in good standing for the period of January 1 to June 30, 2018.

In accordance with section 1.22 of the National Constitution, 372 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.

Chart no. 32

Average Number of Members by Region, Group and Bargaining Sectors July 1 to December 31, 2017									
Region	Urban Operations						Private	RSMC	Total
	Group 1	Group 2	Group 3	Group 4	Unknown	Total			
Atlantic	1,128	1,183	28	5	5	2,349	153	990	3,492
Quebec	787	2,079	6	0	1	2,873	2	1,651	4,526
Metro-Montreal	2,517	2,912	151	8	4	5,592	0	281	5,873
Central	1,244	1,863	29	4	3	3,143	20	1,388	4,551
Metro-Toronto	4,852	3,122	171	12	2	8,159	0	403	8,562
Ontario	1,940	4,302	48	9	2	6,301	49	1,706	8,056
Prairie	2,793	3,649	108	15	5	6,570	241	1,689	8,500
Pacific	2,425	3,826	80	8	3	6,342	71	788	7,201
Total	17,686	22,936	621	61	25	41,329	536	8,896	50,761

Chart no. 33

Average Number of Members by Region, Group and Bargaining Sectors January 1 to June 30, 2018									
Region	Urban Operations						Private	RSMC	Total
	Group 1	Group 2	Group 3	Group 4	Unknown	Total			
Atlantic	1,105	1,159	27	6	4	2,301	164	994	3,459
Quebec	781	2,061	7	0	1	2,850	2	1,667	4,519
Metro-Montreal	2,533	2,978	151	7	2	5,671	0	282	5,953
Central	1,254	1,859	30	4	3	3,150	21	1,450	4,621
Metro-Toronto	4,891	3,221	168	10	2	8,292	1	427	8,720
Ontario	1,941	4,343	48	7	1	6,340	53	1,779	8,172
Prairie	2,785	3,668	109	16	5	6,583	280	1,719	8,582
Pacific	2,487	3,803	76	8	3	6,377	85	813	7,275
Total	17,777	23,092	616	58	21	41,564	606	9,131	51,301

Chart no. 34

Average Number of Members by Region, Group and Bargaining Sectors July 1 to December 31, 2018									
Region	Urban Operations						Private	RSMC	Total
	Group 1	Group 2	Group 3	Group 4	Unknown	Total			
Atlantic	1,105	1,159	29	6	11	2,310	171	1,006	3,487
Quebec	795	2,081	7	0	4	2,887	2	1,700	4,589
Metro-Montreal	2,636	2,998	151	7	4	5,796	0	289	6,085
Central	1,315	1,859	30	4	7	3,215	25	1,453	4,693
Metro-Toronto	5,196	3,259	172	8	8	8,643	3	419	9,065
Ontario	2,071	4,349	47	6	6	6,479	51	1,806	8,336
Prairie	2,928	3,750	109	16	20	6,823	320	1,831	8,974
Pacific	2,873	3,844	78	8	7	6,810	100	834	7,744
Total	18,919	23,299	623	55	67	42,963	672	9,338	52,973

Chart no. 35

Breakdown of Funds Received July 1, 2017 to June 30, 2018	
Dues received	\$45,199,356.52
Local rebates	\$(10,888,918.97)
Local assessments	\$(541,916.41)
Additional Local rebates (section 7.08)	\$(730,369.00)
Federation of Labour Per Capita	\$(496,334.50)
Optional Insurance	\$(1,470,662.94)
Basic Life Insurance	\$(1,030,264.98)
Dues unapplied and Suspended	\$(75,418.67)
Reserve Fund	\$(1,340,174.77)
Defence Fund	\$(4,180,780.08)
General Fund	\$(24,444,516.20)

Note: Chart no. 35 indicates total funds received and their distribution for the period of the verification.

Chart no. 36

Breakdown of Funds received July 1, 2018 to December 31, 2018	
Dues received	\$18,979,534.91
Local rebates	\$(4,558,368.64)
Local assessments	\$(151,564.49)
Additional Local rebates (section 7.08)	\$(365,591.00)
Federation of Labour Per Capita	\$(247,873.95)
Optional Insurance	\$(573,946.87)
Basic Life Insurance	\$(520,676.68)
Dues unapplied and Suspended	\$(105,946.38)
Reserve Fund	\$(561,029.62)
Defence Fund	\$(1,729,633.18)
General Fund	\$(10,164,904.10)

Note: Chart no. 36 indicates total funds received and their distribution for the unaudited period of the verification.

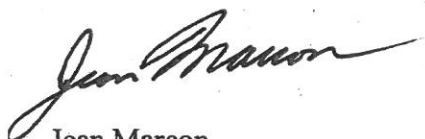
This concludes our report, which we now submit to the members of the National Executive Board.



Anthony Holzer
Chairperson
Pacific Region



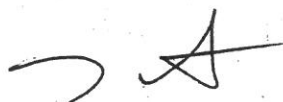
Kevin Peterson
Secretary
Atlantic Region



Jean Marcon
Member
Quebec Region



Roland Savard
Member
Metro-Montreal Region



Mary Aitken
Member
Central Region



Gurpreet Nijjar
Member
Metro-Toronto Region



John Lawrence
Member
Ontario Region



Robert Laliberte
Member
Prairie Region