

National Board of Trustees Third Verification February 17 to March 3, 2022 2019 – 2023 Term

SPECIAL STATEMENT REGARDING THE COVID 19 PANDEMIC

During the 3rd verification of our 2019-2023 mandate, the National Board of Trustees were once again required to do a virtual verification. While attempts were made by the National Union to provide the Board with all of the necessary documentation needed to complete a thorough verification, there were shortcomings.

Given the fact that there has been a rather large turnover in the administrative staff, particularly in the Finance Department, consistency in how information was provided/reported did differ from previous years.

As our verification was done virtually, we were forced to utilize the National IT network and to work with documents on a virtual desktop. This network was problematic from day one and caused intermittent connection issues throughout out verification and at times the internet connection failed entirely. This severely limited the amount of work we were able to accomplish.

It will suffice to say that a virtual verification will never be as thorough and concise as an in-person review of the documents that the National Board of Trustees has access to at the National Office. It is only by being present at the National Office that we can be totally assured of having access to all supporting documents needed. While National Office did provide us with most of the documentation that was requested, the National Board of Trustees did not request all of the documentation that we would have had access to in Ottawa, simply because it wasn't feasible to have the vast amount of supporting documents scanned and posted to the remote desktop. Having said that, the National Board of Trustees has prepared its report to the best of its ability, and because of the inability to review all of the supporting documentation that is usually present in the expense files at National Office, it has done so with the expectation and assumption that all expense reports were verified by the National Office administrative staff, and that all supporting documentation was placed in the appropriate file at the National Office.

Lastly, it has been widely stated that, due to the ongoing pandemic and by conducting many of our meetings virtually, that the Union's costs have dropped considerably. While that is true on some fronts, it has also created some new and substantial costs. When the Union was required to begin to hold meetings online, the technology and knowledge required was somewhat new and many of those who were required to hold meetings at all levels of the Union were ill-equipped and untrained for the new reality.

A technology firm was hired to assist CUPW at many levels and those costs were substantial. The National Board of Trustees cannot help but feel that the technology companies took advantage of the Covid pandemic by charging astronomical sums to assist us in meeting our requirement by way of holding meetings.

For instance, the costs associated with the National Board of Trustees increased some 64% over the previous year due to the online hosting needed, while costs attached to the National Human Rights Committee increased 48%. The use of this online hosting mechanism cost CUPW a total of \$775,870.00 across all meetings and committees during the 2020-2021 fiscal year.

1. INTRODUCTION

The National Board of Trustees met virtually from February 17 to March 03, 2022 to conduct the third verification of their 2019-2023 mandate.

The third verification encompassed the fiscal year July 2020 to June 2021. The National Board of Trustees has prepared this report from information and documentation provided by the staff at National Office.

It must be noted that the function of the National Board of Trustees is not to audit the National Union, but to look at the finances of the Union as a whole and to ensure that spending is done in accordance with the National Constitution and/or motions of the National Executive Board. It is also tasked with commenting on the finances of the Union at all three levels to make recommendations that it feels are necessary to ensure that there is proper use of the members' funds, and transparency in its financial dealings.

2. COMPOSITION OF THE NATIONAL BOARD OF TRUSTEES

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

Ontario Region Brother John Lawrence	Chairperson
Metro-Toronto Region Sister Angela Jones	Secretary
Atlantic Region Brother Scott Gaudet	Member
Quebec Region Brother Marc Désilets	Member
Metro-Montreal Region Brother Stéphane Surprenant	Member
Central Region Brother Naveed Khan	Member
Prairie Region	Unrepresented
Pacific Region Sister Norma Kimball	Member

Changes to the composition of the National Board of Trustees occurred for this verification due to the retirement of one elected trustee and the resignation of the trustee from the Central Region.

Sister Cathy Furtak of the Prairie Region began her well-deserved retirement in 2021, and the National Board of Trustees would like to thank Sister Furtak for her contributions to our first two verifications. It is regretful that neither of the Prairie Region alternate trustees were available for this verification. Brother John Minthorn resigned as a trustee for the Central Region due to personal reasons. The National Board of Trustees would like to thank him for his contributions to our first verification and we thank Brother Naveed Khan for stepping up to replace him.

3. ANNUAL VERIFICATIONS

The National Board of Trustees conducted its third verification from February 17 to March 3, 2022. The Board met virtually.

The third verification was extended by three days to compensate for the challenges of the National Board of Trustees having to compile their reports from separate locations and from differing time zones.

The National Board of Trustees is requesting that its fourth verification period, which will also require a Report to Convention, be extended for an additional week.

The National Board of Trustees is scheduled to conduct their fourth verification in person from February 15 to March 3, 2023, allowing an additional two working days as traditionally provided to past National Board of Trustees to complete their fourth verification report and their report to National Convention.

4. RESOLUTIONS AND RECORDS OF PROCEEDINGS

The National Board of Trustees verified all records of proceedings (minutes) of the National Executive Board and the National Executive Committee for the 2020-2021 fiscal period for the purpose of verifying financial resolutions as per sections 4.99 and 4.100 of the National Constitution.

While National Executive Committee minutes were adopted in a very timely manner, National Executive Board minutes continue to take many months to be adopted. This is contrary to the National Constitution. Section 4.14 of the National Constitution clearly states:

“The National Executive Board is required to meet at least once every two months and to send the minutes to all Locals, no later than 15 days following each of these meetings.”

The National Board of Trustees has noted that many times, Locals are receiving many months of national minutes at one time, and that even then those minutes are sometimes more than six months old.

While the National Board of Trustees was able to review the minutes of the National Executive Board for the entire verification time frame, the National Executive Committee minutes for May and June 2021 were not provided to us.

Therefore, the National Board of Trustees recommends:

- That the National Executive Board adhere to Section 4.14 of the National Constitution and that minutes of all National Executive Board meetings be adopted and distributed in a timely manner; and*

The National Executive Board has put a process in place to adopt minutes at each scheduled National Executive Board meeting, which also allows the Board to handle urgent issues that are placed on the agenda.

- That the National Executive Board make available minutes for all National Executive Board and National Executive Committee meetings for each current verification period.*

The National Executive Board and the National Executive Committee minutes are always available for the review of the National Board of Trustees. If minutes have not been adopted, the draft is available for review.

5. CUPW – 2019 NATIONAL CONVENTION

While we are now three years past the 2019 convention, adjustments continue to be made due to the special assessment levied for the 2015 National Convention, which continues to accrue as members that were off on long-term leave return to work, as well as costs for other items still being reconciled.

Most of the expenses for the 2019 National Convention have been previously reported in our earlier verifications.

Costs and/or reimbursements recorded for this verification are listed below:

Computer Supplies	\$ 1,074.00
Special Assessment Received	\$(1,037.14)
Difference	\$ 36.86

As computer supplies are an expense and the special assessment is a revenue, the net change to the cost of the 2019 National Convention with the amounts for 2020-2021 listed above is \$36.86.

Chart – National Convention Costs

Convention Year	National Convention Costs	Increase Over Previous Conventions
2008	\$3,241,353	\$83,306
2011	\$3,474,518	\$233,165
2015	\$3,741,317	\$266,799
2019	\$3,988,180	\$246,863

Note: All amounts have been rounded to the nearest dollar.

6. NATIONAL FINANCIAL REPORTS

The National Board of Trustees reviewed the audited annual financial statements for 2020-2021, as well as the budget for the 2021-2022 fiscal year, which was tabled during the previous fiscal year and therefore within the mandate of our 3rd verification.

The National Board of Trustees notes that our recommendation to the National Executive Board to adopt a balanced budget has been adopted. While occasions may arise where the Union has to run a deficit, the National Constitution gives no ground on actually budgeting for a deficit.

When looking over the costs for National Activities (Section 12 of this report), the National Board of Trustees noted significant increases to the costs of those activities. Much of the increase was due to technological services provided by one company, that being TKNL. Support for all virtual meetings came from TKNL.

While the costs are significant, the services negotiated were necessary to allow the National Union to conduct its business under new circumstances.

The National Board of Trustees was disappointed that the fees incurred by using TKNL for our national activities were simply put into the category entitled “miscellaneous”. This resulted in the biggest expenditure for many national activities being too vague to comprehend or understand.

Therefore, the National Board of Trustees recommends:

- That all “material” expenditures, meaning those of a high dollar value, be clearly shown on the annual financial reports in its own row; and*

This recommendation may not be possible as the CUPW audited financial statements are produced by the Union’s “auditor”. This issue will be discussed with the auditor for consideration. Internally, all efforts will be made to have “material” expenditures for National events identified for each verification of the National Board of Trustees.

- That The National Executive Board determine what would constitute a “material” amount; and

After a review with the Finance Department, it was agreed that a “material” amount would be any expense classified as miscellaneous that represents more than 20 percent of the total cost of the event, as per standard accounting practices.

- That the financial statement category “miscellaneous” be used as seldom as possible for greater transparency; and

The General Ledger line “miscellaneous” is used only when there is not a general ledger code to identify an expense. The use of “miscellaneous” as a general ledger line meets acceptable accounting guidelines and practices.

- That the expenditures listed in the “miscellaneous” category not be allowed to represent more than 5% of the total expenditures for any particular activity.

This recommendation is not practicable as the CUPW general ledger contains expenditure codes required for accounting purposes and meet the accounting standards as determined by the CUPW auditors.

7. UNION FUNDS

The National Board of Trustees reviewed the annual financial statements prepared by the accounting firm of Marcil Lavallée. These annual statements provided data relating to the General Fund, Defense Fund, and the Reserve Fund.

Regarding the funds provided for in section 7.13 of our National Constitution, the following chart shows the amount in each fund to June 30, 2021, in comparison with June 30, 2020.

Chart - Union Funds – Closing Balances

	June 30, 2020	June 30, 2021
General Fund	\$17,922,993	\$18,119,168
Defence Fund	\$33,514,606	\$43,269,121
Reserve Fund	\$20,665,200	\$28,473,676

Note: All amounts have been rounded to the nearest dollar.

Closing balances as of June 30, 2021:

General Fund	\$18,119,168
Defence Fund	\$43,269,121
Reserve Fund	\$28,473,676
Total of Funds	\$89,861,965

The National Board of Trustees found, for this verification period, that the National Executive Board adopted a resolution to transfer an amount of \$4,358,230 from the General Fund to the Reserve Fund. This amount is shown as an interfund transfer in the statement of changes in fund balances.

Notwithstanding the National Board of Trustees’ statement, the National Executive Board was obligated to transfer the surplus of \$4,358,230 in the General Fund at the end of the 2020-2021 fiscal year into the Reserve Fund, as per section 7.18 of the National Constitution.

8. CUPW BUILDING SOCIETY

The CUPW Building Society, incorporated under the *Business Corporations Act of Ontario*, owns several buildings in addition to National Office.

For this verification period, the Society owns 4 buildings, 2 condominium offices and 13 residential condominium apartments. Originally, the Union deemed it useful to invest in a few units to house members for various special projects and bargaining committees. The Building Society now owns 13 units, and while section 7.66 of the National Constitution speaks to real estate, the National Board of Trustees questions whether it is the purpose of the Union to invest in this quantity of real estate. While this investment may seem profitable on paper, as a rising tide lifts all boats, it must be recognized that the purpose of the Union is not to invest in real estate in the first place.

Please note that the statement above is incorrect. On June 30, 2021, the Building Society owned three buildings: 377 Bank Street (Ottawa), 34 Colonnade Road (Ottawa) and 344 Sovereign Road (London), and three condominium units: one unit in Montreal, Quebec City and Vancouver.

During the period covered by this verification, two residential condominiums were sold and the Building Society acquired two new residential units. The Building Society also sold their property at 280 Metcalfe Street (Ottawa) and acquired a building on Colonnade Street (Ottawa).

The statement above is incorrect. The 280 Metcalfe Street building in Ottawa was sold by CUPW in the late 1980’s. The Union then rented office space at 280 Metcalfe Street for the Central Regional Office. In May 2021, CUPW did purchase a building located at 34 Colonnade Road in Ottawa to be used as the new office for the Central Region.

The National Board of Trustees was unable to thoroughly investigate the true value of our real estate properties. While the Building Society assets are worth \$15,507,922, with the increase of real estate market values, our assets worth around \$32 million on the 2019 municipal property rolls, make it highly probable that these assets are worth much more in the current market.

The financial statements of the Society will always be balanced by default.

Note 10 of the financial statements of the Building Society states:

10. Lease agreement

“Under the agreement between CUPW and the Building Society, the Union pays an annual rent to use the premises. Rent is equal to the amount by which the expenses exceed other income.”

This agreement means that the Union had to pay \$1,989,751 in 2021, and allocate \$1,324,919 to balance the Society’s budget.

The statement made by the National Board of Trustees is not accurate, as the amount charged to the General Fund to balance the expenses of the Building Society includes several expenditures such as staff salaries, building maintenance and repair costs, supplies, and rental costs. The Building Society normally does not generate any income other than rental income from the General Fund to balance the expenses of the Building Society at the end of each fiscal year.

Whether the Building Society has a good or bad year, CUPW covers the cost to balance the budget.

The current market is favourable, but considering the Society’s operational expenditures were \$1,731,281 in 2020 and \$2,135,576 in 2021, what if the projected savings of owning residential units are not there?

Some will say that this is taking money from your right pocket and putting it in your left pocket. That is partly true, but the reality is that the right pocket belongs to members and their dues and the left pocket belongs to the Building Society and investments that, in the end, cost quite a bit to maintain and manage.

The Union must not let years of apparent surplus and an extraordinary situation make us forget that, for our Union, good years have been a rather rare occurrence in the past 25 years. We have had to resort to special assessments, as stated in section 7.09 of the National Constitution, in the past to balance the Union’s budget.

For clarification, please note that the provision of section 7.09 of the National Constitution has only been used twice: to fund National Conventions in 2008 and 2011, and not to balance the expenditures of the General Fund.

Therefore, the National Board of Trustees recommends:

- That a committee be composed of the National Secretary-Treasurer, and four members of the National Executive Board to re-evaluate the relevance of our real estate portfolio each year to ensure its optimal use and to take the necessary decisions prior to the acquisition or liquidation of our assets; and

The National Secretary-Treasurer, with the assistance of the CUPW’s Chief Financial Officer, will continue to do an analysis of the Union’s financial obligations, real estate holdings, and operational requirements prior to recommending to the National Executive Board to purchase or sell of any properties owned by the Union.

- That the National Executive Board revisit the relevance of owning 13 residential units and report back to the National Board of Trustees at our next verification.

The members of the National Executive Board have in the past and will continue to discuss the advantages and disadvantages of the ownership of the 13 residential units currently owned by the Building Society prior to purchasing and/or selling any current or new units.

It must be noted that the Trustee from the Ontario Region is unwilling to sign off on the section entitled “CUPW Building Society” for various reasons and therefore records their dissent.

9. COLLECTIVE AGREEMENT FUNDS

The National Board of Trustees reviewed the various Collective Agreement Funds negotiated for members. The funds negotiated for Urban Operations members are:

- Appendix “L” Child Care Fund;
- Appendix “R” International Postal Fund;
- Appendix “U” Education Fund.

The funds negotiated for Rural Suburban Mail Carriers are:

- Appendix “D” Education Fund;
- Appendix “J” Childcare Fund.

**Chart – Collective Agreement Funds-Urban Operations and Suburban Mail Carriers
July 1, 2020 to June 30, 2021**

	Child Care Fund	International Postal Fund	Education Fund
Revenues	\$1,930,657.40	\$ 54,201.78	\$3,652,517.88
Expenses	\$1,875,923.19	\$54,201.78	\$55,494.27
(Deficit)/ Surplus	\$54,734.21	\$0	\$3,361,472.09
Balance as of June 30, 2021	\$3,812,933.35	\$146,788.22	\$6,521,708.66

Collective Agreement Funds- Private Sector Bargaining Units – Education Funds

CUPW has negotiated Education Funds for Private Sector Bargaining Units. The table below shows balances of those funds as of June 30, 2021.

RMS Pope	\$3,000.00
Nova Scotia Medical Communications	\$26,524.13
Easy Express – Atlantic	\$1,000.00
Pro Ex Transportation	\$4,800.00
Bee Clean – Hamilton	\$5,700.00
T-Force – Red River	\$21,896.03
Total	\$62,920.16

The National Board of Trustees has found during this verification that some of the Private Sector Bargaining Unit Education Funds have not increased and some of those Units are no longer active.

Therefore, the National Board of Trustees recommends:

- That the Private Sector Bargaining Unit Education Fund amounts for those inactive Units be distributed amongst those workers to which the collective agreement belonged to or distributed into currently active Private Sector Bargaining Unit Education Funds equally.

The intention of the recommendation of the National Board of Trustees is understood but it would be illegal and a violation of the Private Sector Bargaining Unit’s (PSBU) collective agreements. The Education Funds belonging to one PSBU cannot be pooled and shared by all PSBU’s. This would have to be agreed to by all PSBU’s and negotiated into their collective agreements. Although some PSBU’s may be inactive at times, monies are held for future use.

10. NEGOTIATIONS

The National Board of Trustees reviewed the expenses for negotiations. During the 2020-2021 fiscal year, CUPW continued to accrue costs associated with the Urban and RSMC collective agreement negotiations, as well as costs for private sector bargaining unit (PSBU) negotiations.

Expenses for the 2020-2021 fiscal year were substantially lower than the previous two years as negotiations for the RSMC and Urban bargaining units came to an end.

Chart – Negotiations Expenses

	Urban and RSMC Bargaining Units	Private Sector Bargaining Units
2018 – 2019	\$3,001,926	\$125,427
2019 – 2020	\$1,218,914	\$67,777
2020 – 2021	\$ 387,786	\$71,725

Note: All amounts have been rounded to the nearest dollar.

11. STRIKE PAY

The National Board of Trustees has no information to convey to the members regarding strike pay for this verification period. There was no strike activity during the 2020-2021 fiscal year and all outstanding strike funds held by locals had been returned to National Office by the end of our last verification period.

12. NATIONAL ACTIVITIES

The National Board of Trustees reviewed the expenses for the National Activities for the period of July 1, 2020 to June 30, 2021.

Chart – National Activity Expenses

Appeals Board	\$4,631
Appendix “AA” Committee	\$23,607
Groups 3 & 4 Review Committee	\$3,283
RSMC Work Content and Workload Committee	\$85,371
National Board of Trustees	\$111,963
National Health and Safety Committee	\$35,410
National Human Rights Committee	\$201,624
National Work Measurement Committee	\$16,515
National Women’s Committee	\$29,630
National and Regional Disciplinary Committees	\$17,186
Total	\$ 529,220

Note: All amounts have been rounded to the nearest dollar.

The National Board of Trustees noticed that there is a significant decrease in the Appeals Board and the National and Regional Disciplinary Committees. However, there is a significant amount for all other committees and this is largely in part from using the company TKNL.

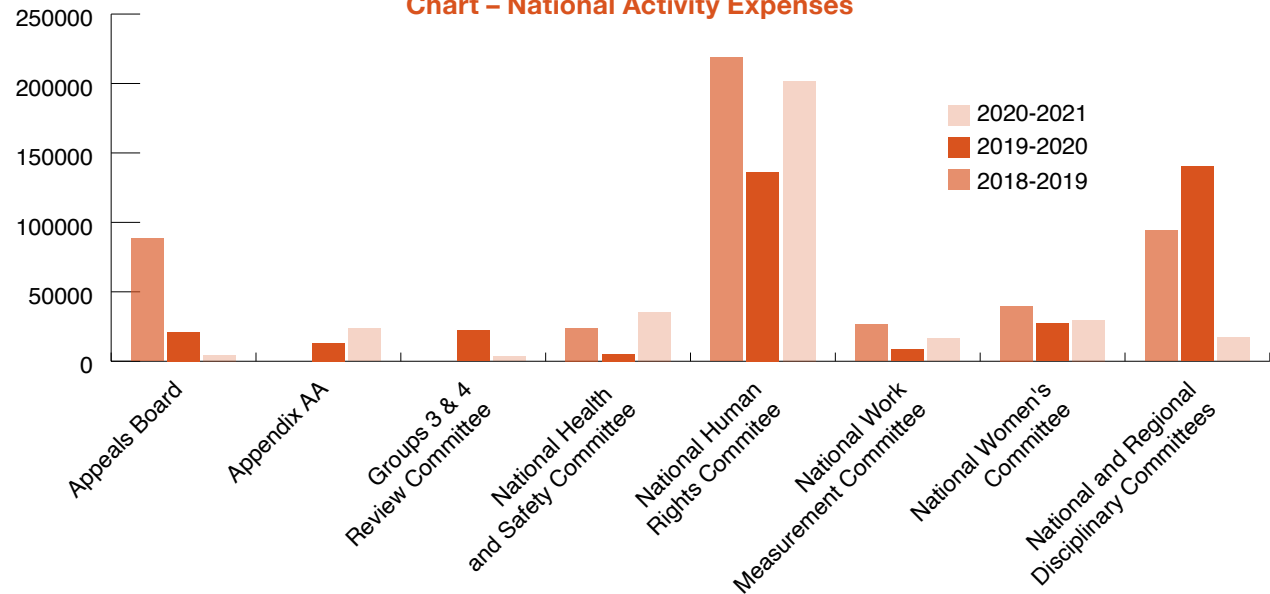
It is evident to the National Board of Trustees that while virtual meetings were necessary during Covid, they weren’t always as cost efficient as in-house meetings.

The National Board of Trustees was made aware of the following National Activities:

Other (non-mandated) National Activities

Conflict Resolution Training Course	\$ 38, 164.28
Production of Digital Videos – Cine-Metu RSMC	\$67, 800.00
Educational Seminars	\$52,939.75
Training on Zoom July 7, 21 and 28, 2020	\$1,157.60
Training August 4, 11, 18 and 25, 2020	\$926.08
Training September 10, 2020 - Article 8	\$456.80
One-day Videoconference	\$1,208.40
Training for The Trainer	\$6,014.28
Animation	\$7,865.68
Others	\$1,055.65
Total	\$177,588.52

Chart – National Activity Expenses



	Appeals Board	Appendix “AA”	Groups 3 & 4 Review Committee	RSMC Work Content and Workload Committee	National Board of Trustees	National Health and Safety Committee	National Human Rights Committee	National Work Measurement Committee	National Women’s Committee	National and Regional Disciplinary Committees
2018 - 2019	\$88,464	\$0	\$0	\$0	\$48,993	\$23,830	\$218,844	\$26,541	\$39,886	\$94,282
2019 - 2020	\$20,899	\$13,189	\$22,029	\$25,473	\$68,166	\$5,083	\$136,126	\$8,317	\$27,325	\$140,357
2020 - 2021	\$4,631	\$23,607	\$3,283	\$85,371	\$111,963	\$35,410	\$201,624	\$16,515	\$29,630	\$17,186

Note: All amounts have been rounded to the nearest dollar.

13. REVIEW OF STATEMENTS OF EXPENSE

The National Board of Trustees once again examined the statement of expense forms for each of the National and Regional Officers, Union Representatives, Alternate Union Representatives, as well as those working on Appendices and Specialists under contract to CUPW for July 1, 2020 to June 30, 2021.

It is to be noted that once again many expenses have dropped as there is a decrease in travel globally. Many educational offerings and other events were done remotely and by virtual platforms such as Zoom, Google and Microsoft Teams. Therefore, the costs reflected in the charts for the categories below are a fraction of what they have been in past years.

Expense Forms

The National Board of Trustees noted that the problem of expense forms not being submitted in a timely manner was still a concern. In some instances, there was a delay of three to seven months and sometimes a year.

It has also been noted that in some Regions, the National Director is signing their own expense forms. This prevents an accurate verification and could be construed as biased as there is no other Officer verifying the report. It should also be noted that receipts for mileage, office supplies, furniture etc. could not be verified as these were not provided to the National Board of Trustees for this verification. It was also verified that some travel authorization forms were not signed when submitted and approved at a much later date.

There were also expense reports submitted that had expenses to be paid however they did not have any code or explanation as to what they were for on the forms. It should also be known that after verifying National expenses there was a file that was missing as there was no expense form submitted by this person. The National Secretary-Treasurer explained that some people received letters of reminder when not submitting their expense forms and that this individual was reminded however did not submit an expense form for this verification. When an expense form is missing it makes the verification that much more difficult as there is no list to cross reference the list of officers, admin and others in the files provided by National Office. This especially bears truth when doing a virtual verification as the National Board of Trustees cannot go through cabinets and documents at National Office that hold all the information needed to clarify instances like this.

Therefore, The National Board of Trustees recommends:

- That the National Secretary-Treasurer and National Directors of each Region continue to express to those with untimely reporting, the importance and expectation that monthly expense reports are to be filed in a timely manner; and

The National Secretary-Treasurer currently notifies the individual by means of an official letter and copies the National Director when the individual is delinquent in submitting three months of expense reports, and reminds the individual of their obligation to submit their expense report each and every month.

- That the National Secretary-Treasurer express to those administrative staff working on expense reports the importance and expectation that monthly expense forms to be filed in a timely manner in order for the National Board of Trustees to verify that the expense forms are submitted in a timely fashion by the Officers in each Region; and

The staff in the Finance Department files expense reports when the verification of all expenses have been completed.

- The National Secretary-Treasurer express the importance of having a second Officer sign the expense reports prior to being submitted to National Office; and

Every effort is made to have a second Officer sign the expense reports prior to expenses being reimbursed. Sometimes this is not achievable to ensure the Union does not accumulate interest charges when credit cards are used for paying the expenses.

- If there is ever to be another virtual verification for The National Board of Trustees, that receipts be available to the National Board of Trustees as this will save time when doing a virtual verification; and

It is anticipated that the National Board of Trustees’ fourth verification report will be held in person in Ottawa, as long as the travel is deemed safe by Public Health authorities. There should be the need to hold another virtual verification, due to the shear number of receipts and invoices submitted each fiscal year at National Office for reimbursement, individual receipts and invoices will only be scanned and provided to the National Board of Trustees as requested.

- That the National Secretary- Treasurer inform all National Directors and others submitting expense forms the importance of submitting signed and approved authorization forms; and

On a regular basis, everyone at CUPW is reminded by means of a memo to submit their signed monthly expenses reports in a timely manner, including signed travel authorization forms.

- That a list of all Officers and staff at National Office to be provided to the National Board of Trustees prior to doing their verification to cross reference with the files provided to them any files that may be missing due to expense forms not submitted.

A list containing the names of all those employed by CUPW, elected or appointed, are required to submit monthly expense reports will be provided to the National Board of Trustees at their fourth verification.

Per Diems

Per diem costs dropped in this verification period because of reduced in-person interactions and travel once again due to the Covid-19 pandemic.

It was also verified by the National Board of Trustees that some expense forms showed per diem used and expensed, however there is no code or explanation for the use of per diems. Sometimes this was a case for the whole year. There is also the use of code 000 as a reason for Per Diem, although this is a “general” code, when used it would be understood better if there was an explanation to using this code.

Therefore, The National Board of Trustees recommends:

- That all expense forms include a code for use of per diems; and

There currently is a code for all regular activities of the Union that is used for expensing per diems as outlined in the National Constitution. When there is no activity code, a per diem expense will be coded to “other” as per the standard accounting practice. The current monthly expense report has an area identified for the use of code “000” that requires a written detailed explanation of the expense.

- The National Secretary send a memo to all National Directors and others submitting expense forms to have an explanation attached to expense forms explaining what the use of code 000 is for.

A memo was issued on December 15, 2021.

Chart – Per Diem

Total for 2018 – 2019 :	\$464,414.00
Total for 2019 – 2020 :	\$223,295.77
Total for 2020 – 2021 :	\$47,254.27

Travel

There is a significant drop in travel for all regions during this verification. This can be attributed to loss of travel due to Covid-19. The National Board of Trustees has verified that there are still issues with providing authorization forms for travel.

It has also been verified that travel on some expense forms is submitted, however there is no code or explanation or when this expense for travel was for. An explanation was later received explaining this to the National Board of Trustees.

Therefore, The National Board of Trustees recommends:

- That all expense forms that are submitted for travel are to include receipts, codes and dates to properly verify.

This is the current expectation. However, there are situations where receipts may be lost. In this type of circumstance, an individual provides a written explanation of an expense, which is then signed off by their respective Officer. This is attached to the monthly expense report where the expense is being submitted for reimbursement. The expense is always “coded” otherwise it cannot be reimbursed. Dates are normally contained on all receipts. If a “travel authorization” form is not provided for verifying expenses, it is requested by the staff in the Finance Department.

Chart – Travel

Total for 2018 – 2019 :	\$382,910.52
Total for 2019 – 2020 :	\$211,265.15
Total for 2020 – 2021 :	\$ 7,138.99

Mileage

The costs attributed to mileage have significantly decreased in many Regions. These costs are to be expected and fluctuate by Region due to many factors, such as how expansive or concentrated each Region is.

For instance, in a Region where it is geographically smaller than other regions, there was extensive mileage used but no invoices or receipts or dates to corroborate this with the documents that were provided to the National Board of Trustees.

Therefore, the National Board of Trustees recommends:

- That the National Secretary-Treasurer send a memo to all Officers reminding them of the obligation to have an authorization form attached to an expense form for all modes of travel when warranted; and

A memo is sent out on a regular basis reminding those that submit monthly expense reports that travel authorization forms must be submitted. If an individual does not submit a travel authorization form when claiming travel expenses, a copy of this form is sent to them requesting it be filled out, signed, authorized by the individual's respective Officer, and returned to National Office.

- That a written travel authorization form be placed in each applicable expense folder when travel is authorized either verbally or via a motion, to facilitate the National Board of Trustees' ability to verify that authorization; and

This is not practicable as staff in the Finance Department is unaware of verbal authorizations and adopted travel motions contained in the official minutes of the National Executive Committee or the National Executive Board. Staff in the Finance Department requests the travel authorization form whenever an expense related to travel is submitted for reimbursement.

- That all expense forms being submitted for use of mileage that there be receipts and dates also submitted with forms explaining this use.

The current mileage form provides a section to explain the use of mileage. When claiming mileage, the provisions of section 7.44 of the National Constitution are used, meaning cents per kilometer, therefore no receipts are required. If an individual rents a vehicle, gas receipts are always submitted for reimbursement with the individual's monthly expense report.

Chart – Mileage

Total for 2018 – 2019 :	\$42,874.80
Total for 2019 – 2020 :	\$33,395.01
Total for 2020 – 2021 :	\$13,236.29

Car Rentals

As like all other expenses, there is a significant decrease in amounts for car rentals. In fact, there is no amount at all for four Regions. The use of rental vehicles is still used in some Regions where there is vast distance between the Regional and Local Offices, but it is still more economical than flying, where applicable.

Chart – Car Rental

Total for 2018 – 2019 :	\$50,766.00
Total for 2019 – 2020 :	\$25,377.30
Total for 2020 – 2021 :	\$ 4,062.63

14. ATTENDANCE

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

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.

The National Board of Trustees recommended to the National Executive Board in our 2nd verification that the leave breakdown documents that were provided to us during that verification continue. This leave breakdown showed an accurate snapshot of the annual leave and personal days used/unused. Although the National Secretary-Treasurer provided us with the personal days used/unused, the National Board of Trustees was not provided annual leave used break down. This impacted our efforts and time to verify that leave submitted on expense reports coincides with that which National has on file.

The National Board of Trustees found numerous expense forms that were submitted from both National and Regional Officers where little to no use of leave of any kind was taken. The Union recognizes the importance of mental wellness and leave, which when not taken can be a serious detriment not only to ourselves, but also to the functioning of the Union. It is concerning that National and Regional Officers and Union Representatives, even with constant reminders year after year from the National Board of Trustees, did not use their leave.

The National Board of Trustees found discrepancies between use of personal days submitted by individuals and from the documents provided to us from National. There were instances where personal days used and/or unused equaled more than 12. This is more than is allowed under the Urban or RSMC collective agreements.

The National Secretary-Treasurer paid out all unused personal days at the end of the 2020-2021 fiscal year so that all National and Regional Officers and Union Representatives have no more than 12 personal days to their credit. Hopefully we will not see these discrepancies in future verifications.

Chart – Per Diem

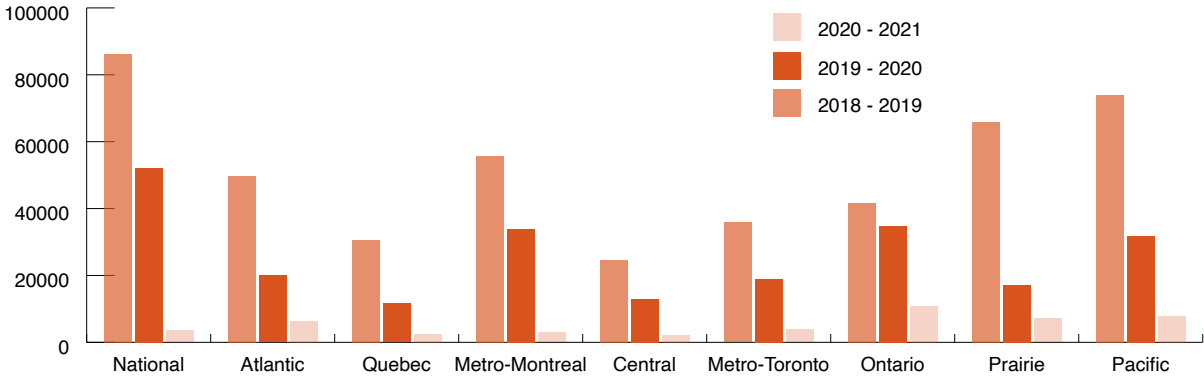


Chart – Travel

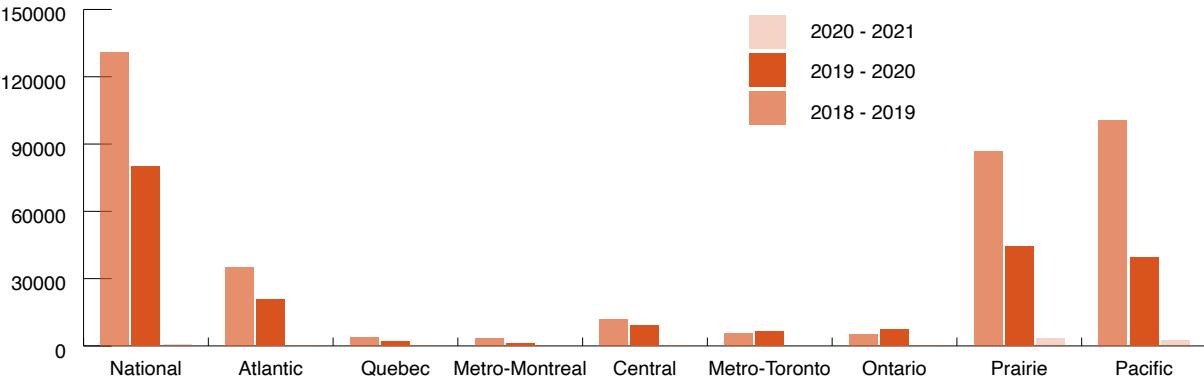


Chart – Per Diem

	National	Atlantic	Quebec	Metro Montreal	Central	Metro Toronto	Ontario	Prairie	Pacific
2018 - 2019	\$86,188.31	\$49,747.50	\$30,687.48	\$55,657.80	\$24,659.92	\$35,880.63	\$41,750.74	\$6,5916.68	\$73,924.94
2019 - 2020	\$52,200.35	\$19,938.55	\$11,564.27	\$33,959.98	\$13,005.98	\$18,923.27	\$34,740.79	\$17,103.65	\$31,858.93
2020 - 2021	\$3,572.88	\$6,299.45	\$2,470.50	\$2,941.96	\$2,223.55	\$3,826.65	\$10,869.17	\$7,167.54	\$7,882.57

Chart – Travel

	National	Atlantic	Quebec	Metro Montreal	Central	Metro Toronto	Ontario	Prairie	Pacific
2018 - 2019	\$131,000.03	\$35,060.72	\$3,729.40	\$3,363.25	\$11,914.09	\$5,448.65	\$4,988.97	\$86,761.97	\$100,643.44
2019 - 2020	\$80,007.82	\$20,936.39	\$2,142.77	\$1,266.63	\$9,274.92	\$6,444.27	\$7,390.88	\$44,370.61	\$39,430.86
2020 - 2021	\$758.28	\$147.54	\$236.01	\$0.00	\$46.67	\$0.00	\$350.41	\$3,264.93	\$2,335.15

	National	Atlantic	Quebec	Metro Montreal	Central	Metro Toronto	Ontario	Prairie	Pacific
2018 - 2019	\$4,288.28	\$508.32	\$5,282.65	\$6,666.89	\$1,245.67	\$6,059.16	\$14,412.88	\$868.45	\$3,542.50
2019 - 2020	\$3,215.50	\$2,545.23	\$1,216.19	\$3,856.63	\$2,704.67	\$4,209.02	\$12,282.44	\$155.74	\$3,209.59
2020 - 2021	\$1,068.19	\$683.46	\$269.73	\$1,053.20	\$3,765.87	\$821.03	\$4,260.92	\$788.47	\$525.42

Chart – Car Rental

	National	Atlantic	Quebec	Metro Montreal	Central	Metro Toronto	Ontario	Prairie	Pacific
2018 - 2019	\$14,032.00	\$2,308.00	\$983.00	\$0.00	\$6,944.00	\$0.00	\$254.00	\$13,066.00	\$13,179.00
2019 - 2020	\$8,698.29	\$1,734.95	\$1,053.88	\$173.12	\$3,394.67	\$0.00	\$839.53	\$5,153.83	\$4,329.03
2020 - 2021	\$462.40	\$0.00	\$187.16	\$0.00	\$46.67	\$0.00	\$0.00	\$1,606.74	\$1,759.66

Chart – Mileage

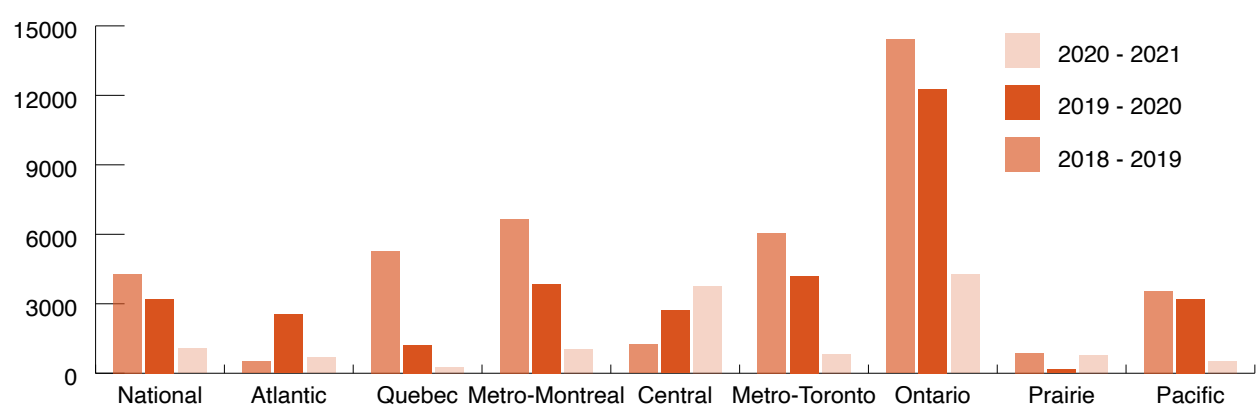


Chart – Car Rental

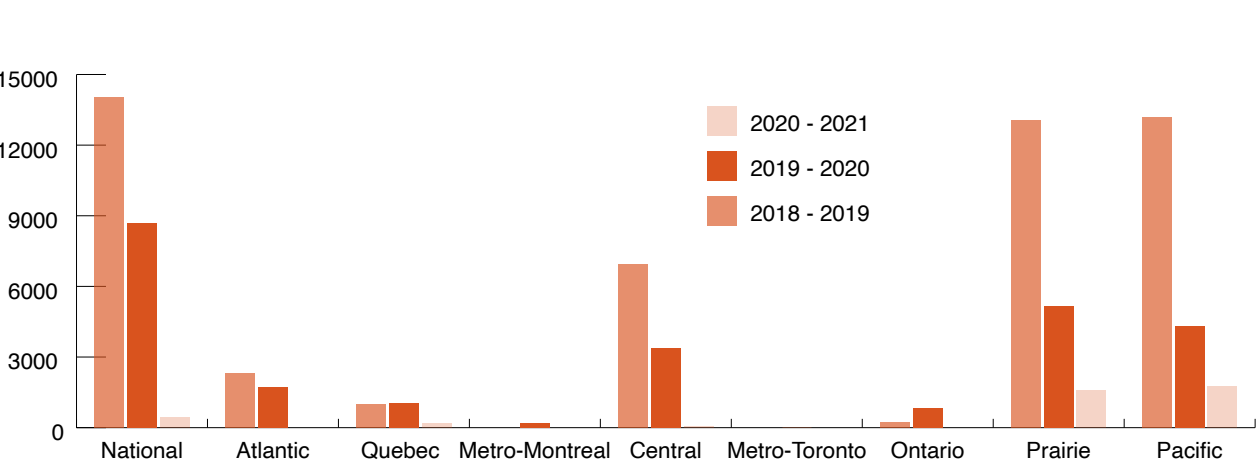


Chart – Total Annual Leave

	2018 - 2019	2019 - 2020	2020 - 2021
Annual Leave – Days Used / Paid Out	241.52	2,267.20	1,111.88
Annual Leave – Days Unused	2,378.24	1,697.78	2,090.95
Personal Leave – Days Used / Paid Out	97.67	414.63	289.18
Personal Leave – Days Unused	229.08	281.80	399.37

National Board of Trustees was able to verify that 399.2 days of pre 2014 annual leave entitlement remain banked. Accumulation of unused annual and personal leave is a liability totaling compensation of approximately \$811,000 (this is based on the top PO5 2022 rate of \$29.76 x 1.36). The longer this leave remains banked, the greater the liability.

For the 2021-2022 fiscal year, there are approximately 2,050 days available of annual leave for the National and Regional Officers and Union Representatives.

Therefore, the National Board of Trustees recommends:

- That the National Secretary-Treasurer send a memo to all National and Regional Officers and Union Representatives at the beginning of each new fiscal year stressing the importance of mental health and reminding them to take their leave; and
- A memo will be issued at the beginning of the 2022-2023 fiscal year.
- That the National Secretary-Treasurer provide the National Board of Trustees a schedule of annual leave periods, as per section 7.37 of the National Constitution, for their verification; and
- Annual leave schedules for COPE 225 and CUPE 1979 staff were approved and adopted by

the National Executive Committee, as per the provisions of the bargaining units’ respective collective agreement. Annual leave schedules for elected individuals working in various departments at National and Regional level are not practicable, as individual leave schedules change frequently when ensuring that services required by the membership are maintained. As per the current practice, each department at National and Regional Offices are responsible for determining their own annual leave schedules.

- That written and detailed reports that prevent an Officer or Union Representative from taking his/her annual leave, as per section 7.38 of the National Constitution, be available to the National Board of Trustees for their verification; and

The National Executive Board to my knowledge, has never requested an Officer or a Union Representative at a Regional or National level, to provide a written report as to why the individual has not taken all their annual leave, as outlined in section 7.38 of the National Constitution. The National Executive Board understands that Officers and Union Representatives do not have individuals backups to do the work of the Union while they take leave, and also understands that at times, the work of the Union comes first when ensuring the membership is fully represented at all times.

That annual leave used breakdown be provided to the National Board of Trustees as per our 2nd verification recommendation.

As per the response provided to the National Board of Trustees following their 2019-2020 verification, the documents provided that detailed all leave taken by an individual was provided in error. As previously explained, some types of leave taken by staff, elected Officers, and Union Representatives is considered personal and confidential, such as bereavement, special leave, short-term disability etc..., and can contain personal confidential information

that is outside the purview of the National Board of Trustees, as outlined in the National Constitution. Documentation for annual leave, as described in the National Constitution, will be provided to the members of the National Board of Trustees as per the current practice.

15. 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 of funds. During this verification, the Board of Trustees verified that 25 activities were held throughout the eight Regions. These advances included Fall and Spring Educations, Regional Conferences, UEP and Resolution Committee Conferences.

There was difficulty this year in finding documents to support submission of vouchers and reports as files were not titled. However, the National Board of Trustees can verify that Regions are submitting a detailed report of activities and delegates expenses and other disbursement as required under section 5.13 of the National Constitution. We were unable to verify whether reports were submitted no later than 45 days following each meeting nor were vouchers provided to us.

The National Board of Trustees was able to verify that advances to Regional Offices were reconciled at National. There was a significant decrease during this fiscal year in the amount of advances sitting at Regional Offices.

Chart – Total Unused Regional Advances

July 1, 2020	June 30, 2021
\$334,904.24	\$96,709.61

The Board of Trustees appreciates that Regions are using their advances.

16. 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, under section 4.56 of the National Constitution, inventory lists are required from National Office, 8 Regional Offices as well as the condominiums. These lists should include all items purchased with the Union funds such as filing cabinets, computers, office furniture, appliances, etc ... essentially all items excluding office supplies. All inventory lists are for insurance purposes in case of loss.

The National Secretary-Treasurer mailed a memo to all National and Regional Offices, dated June 30, 2021 requesting National and Regional Officers and Union Representatives to provide updated inventory lists.

The National Board of Trustees was provided inventory lists from 7 of the 8 Regions. One Region did not date their inventory list. 31 National Officers/staff submitted an inventory list down from 41 individuals the previous year.

Chart – National and Regional Inventory Expenses

2018 – 2019	\$16 000
2019 – 2020	\$27,249
2020 – 2021	\$126,976**

Note: All amounts have been rounded to the nearest dollar.

** The National Board of Trustees included the Furniture and Equipment inventory purchases for the Condominiums owned by National in our 3rd verification totalling \$70,299.00. A list of this inventory was available to the National Board of Trustees for these expenses.

There was a significant increase in inventory expenses for National and Regional Offices in 2020-2021. This increase in inventory purchases may be credited to lack of activities held while the pandemic continued throughout the year. Working remotely, it was difficult for the National Board of Trustees to verify what inventory items were purchased in the 2020-2021 fiscal year as most inventory items did include the date purchased.

Therefore, the National Board of Trustees recommends:

- That the National Secretary-Treasurer continue to send memos to the National and Regional Offices, reminding them of the importance of updating and submitting their inventory list at the end of the fiscal year and to ensure that these inventory lists are dated.

Inventory lists were requested for the 2022-2023 fiscal year on June 15, 2022.

17. COMPUTER HARDWARE AND SOFTWARE

During our third verification, the National Board of Trustees learned that CUPW would no longer be continuing with the iMIS software system due to financial and technical reasons and would be utilizing in-house staff to rebuild the IT infrastructure of the Union.

As National Office modernizes their IT infrastructure, needs will change. That has been witnessed over the last three years. At the end of the 2015-2019 term of the National Board of Trustees, the Union was attempting to divest itself of the Oracle software as it was no longer practical and did not meet the Union’s needs. The iMIS project was begun, but after only a few years, it was decided to shelve the iMIS software and write off the portion of the software that had been expensed, which was one third of the total cost of the software. iMIS did not fulfill the operational needs of the Union, specifically in the management of dues, rebates, and grievances, and would have required the software to be customized for the Union therefore requiring the Union to pay for ongoing maintenance and development costs that would have been financially prohibitive.

The National Office is now renewing their IT infrastructure in-house and is building the Janus system. This system is more adaptable to the Union’s needs, and will be cheaper in the long-term.

The last module to be built will be the grievance module. The “go-live” is tentatively September 2022.

There is one last piece of Oracle software still being utilized, and that is only to access files that were written using it. At the end of the 7-year record keeping requirement for those files, Oracle will be discontinued at National Office.

Chart – Computerized Costs

	2018 - 2019	2019 - 2020	2020 - 2021
Hardware	-	-	\$ 56,176
Software	\$383,282	\$700,351	\$157,302
Repairs and Maintenance	\$19,274	\$69,337	\$24,523
Supplies	\$26,695	\$59,023	\$5,619
Professional Fees	\$7,389	\$32,820	\$20,425
Training IT	\$0	\$3,280	\$6,355
Totals	\$436,640	\$864,811	\$270,400

Note: All amounts have been rounded to the nearest dollar.

The costs for hardware are a new addition to our report, as the information that was given to the National Board of Trustees for the fiscal year of 2020-2021 had a breakdown allowing us to report on those costs.

Therefore, the National Board of Trustees recommends:

- That going forward, computerization costs be broken down as they were in this verification so that the National Board of Trustees can produce a report with categories that continue forward for the purpose of comparison; and

For the National Board of Trustees’ 2021-2022 verification period, the computerized expenses will be provided as per the breakdown given for the 2020-2021 verification period.

- That the costs associated with Janus, Sage, iMIS and Oracle be included in the “computerization” amounts provided to the National Board of Trustees so that the membership has a clear picture of the total costs of the computerization needed for the Union.

Any expenses relating to JANUS, Sage, iMIS

and Oracle for the 2021-2022 fiscal year, will be compiled in the “computerization” costs and provided to the National Board of Trustees’ at its fourth verification.

18. TERMINATION OF EMPLOYMENT AND MOVING

The National Board of Trustees reviewed the expenses for termination of employment and the moving expenses related to it during the 2020 – 2021 fiscal year. Six members relocated after their mandates were completed at the National Office. While most mandates end at the time of our National Convention, many members are retained to assist in the transition period and/or other projects.

The total cost of relocation for the six members was \$81,912.99.

While the National Board of Trustees has previously reported on the cost of annual leave and personal day credits that were paid out at termination, as well as costs associated with section 7.41 of the National Constitution, and even though the information was requested during our verification, we did not receive it in a timely manner and thus could not include it in our report.

It must be noted that there were numerous CUPW members who ended their affiliation with CUPW before the end of their mandate by crossing over to Canada Post management roles. We were not provided the costs associated with these resignations.

In an attempt to reduce the long-term costs of the administrative staff, COPE 225 members working at the National Office were offered buyouts in 2020 – 2021. Six members chose to utilize this option. Although this would appear to fit into the termination category, the National Board of Trustees has decided to report on these buyouts in Section 26 of our report entitled “CUPW Administrative Staff”.

Therefore, the National Board of Trustees recommends:

- That the documentation needed for the National Board of Trustees to complete their verification be prepared before the start of our verification; and

Any termination of employment and/or moving costs will be documented for the members of the National Board of Trustees prior to their arrival to conduct the fourth verification.

- That the documentation requested by the National Board of Trustees be communicated in a timely manner.

Staff in the Finance Department endeavor to provide the National Board of Trustees information in a timely manner.

19. CAMPAIGNS

The National Board of Trustees verified the costs of Campaigns for the 2020-2021 fiscal year. These amounts include expenditures such as, but not limited to, lost wages, advertising, meeting room rental, Web hosting and per diems.

The “Delivering Community Power” Campaign was organized in 2016. During the 2020-2021 fiscal year the campaign was re-energized.

Chart – Delivering Community Power

	Amount spent	From General Fund	From Reserve Fund
2020 – 2021	\$631,439.45	\$631,439.45	\$0.00

Since its inception, the “Delivering Community Power” campaign has cost \$741,863.47.

The “Building Power to Win” campaign was launched in the 2020 – 2021 fiscal year. The National Executive Board unanimously approved that “The NEB authorized \$300,000 from budget line Negotiations – General Fund, be used to support Phases 1 and 2 of the “Building the Power to Win” mobilization plan. However, following numerous inquiries to various members at National Office, The National Board of Trustees was unable to obtain expenses for this campaign.

20. ARBITRATION

The National Board of Trustees notes an overall increase in arbitration costs during the 2020 -2021 verification. During our 1st verification, arbitration and cancellation costs were combined. For our 2nd and 3rd verifications, the amounts were recorded separately to accurately compare the difference between arbitrator and

cancellation costs from one year to the next.

Total arbitration costs are comprised of many different items but the biggest three, in terms of cost, are the arbitrator, legal, and cancellation fees.

Out of the eight Regions and the National Office, three regions had arbitration costs that fell, some substantially. The National Office and five regions had increases in arbitration costs and some of those increases were as high as 305%.

While the cost of arbitrator fees fell by 10% in the last fiscal year, the costs associated with cancellation fees rose 31 % and legal fees increased by a staggering 92%.

The National Board of Trustees does understand that there will be years in which costs are higher than others, but legal fees continue to be a concern. To alleviate the high costs associated with arbitrations, the National Board of Trustees has previously recommended that the National Union do more to train and use Worker Advocates as well as Union Representatives as per section 10.08 (i) of the National Constitution. While the Covid pandemic has put a halt on this training, the National Board of Trustees hopes to see that training resume quickly.

Total Arbitration Costs by Region

	2019 2020	2020 2021
National	\$83,302.79	\$254,137.69
Atlantic	\$335,949.86	\$188,136.13
Québec	\$126,122.90	\$213,812.11
Metro-Montréal	\$255,677.52	\$329,570.49
Central	\$93,302.20	\$60,578.40
Metro-Toronto	\$283,774.54	\$314,490.98
Ontario	\$248,233.64	\$505,657.72
Prairie	\$258,738.70	\$253,911.49
Pacific	\$289,527.35	\$313,232.02
Total	\$1,974,629.50	\$2,433,527.03

For the period of our verification, the National Grievance Department reported that 644 arbitration dates were scheduled, 136 were cancelled and 166 were given continuation dates. We thank the National Grievance Department for following our 2019-2020 recommendation to provide the data regarding number of arbitrations filed, the number of files heard and the number of cancellations. We look forward to having this information on a yearly basis.

Therefore, the National Board of Trustees recommends:

- Training for Workers Advocates resume as soon as Regional Health regulations permits.

The recommendation of the National Board of Trustees is understood.

21. LEGAL FEES

Chart - Summary of Total Costs by Region

	2018 – 2019	2019 2020	2020 2021
National	\$518,212	\$483,090	\$525,129
Atlantic	\$0	\$722	\$0
Quebec	\$65,366	\$37,586	\$17,816
Metro-Montreal	\$12,100	\$16,927	\$89,223
Central	\$5,712	\$12,320	\$42,091
Metro-Toronto	\$6,868	\$14,173	\$30,206
Ontario	\$25,778	\$ 25,046	\$0
Prairie	\$0	\$0	\$14,516
Pacific	\$79,662	\$100,580	\$31,917
Total	\$713,698	\$690,444	\$750,898

Note: All amounts have been rounded to the nearest dollar.

22. APPENDIX “AA”

The National Board of Trustees verified the expenses of the Appendix “AA” Committee for the period of July 1, 2020 to June 30, 2021.

The Appendix “AA” Committee consisted of five CUPW members working with Canada Post to identify, conduct and evaluate collection and delivery related projects. Members of the committee prorate the time on which they work on the Appendix “AA” Committee with a portion paid by Canada Post and the remainder paid by CUPW.

Chart – Summary of Cost

	Arbitrators Fees		Cancellation Fees		Legal Fees		Workers Advocates	
	2019 2020	2020 2021	2019 2020	2020 2021	2019 2020	2020 2021	2019 2020	2020 2021
National	\$39,068.50	\$27,439.41	\$2,273.00	\$4,976.83	\$24,413.76	\$216,091.92	\$0.00	\$0.00
Atlantic	\$277,276.43	\$163,787.75	\$13,937.99	\$18,344.48	\$26,553.53	\$3,189.34	\$2,172.67	\$0.00
Québec	\$4,001.14	\$52,311.41	\$58,354.99	\$62,995.20	\$63,198.44	\$96,926.04	\$0.00	\$0.00
Metro-Montréal	\$43,479.47	\$16,109.56	\$81,928.37	\$102,693.16	\$128,555.99	\$201,188.19	\$0.00	\$699.44
Central	\$50,149.34	\$26,724.50	\$15,882.94	\$23,475.75	\$23,583.95	\$10,378.15	\$0.00	\$0.00
Metro-Toronto	\$102,272.12	\$134,395.01	\$48,561.75	\$61,909.88	\$122,432.61	\$117,287.00	\$499.20	\$0.00
Ontario	\$99,663.32	\$146,150.54	\$53,279.50	\$61,196.31	\$84,760.81	\$291,217.94	\$0.00	\$3,849.73
Prairie	\$163,986.83	\$140,434.14	\$54,216.43	\$76,847.07	\$0.00	\$1,631.00	\$5,231.29	\$782.44
Pacific	\$131,914.49	\$117,548.63	\$65,812.72	\$102,860.33	\$55,087.39	\$78,787.17	\$16,771.56	\$9,302.86
Total	\$911,811.64	\$824,900.95	\$394,247.69	\$515,299.01	\$528,586.48	\$1,016,696.75	\$24,674.72	\$14,634.47

	Professional Fees		Witness		Medical Review RSMC		Other	
	2019 2020	2020 2021	2019 2020	2020 2021	2019 2020	2020 2021	2019 2020	2020 2021
National	\$0.00	\$0.00	\$0.00	\$750.00	\$0.00	\$0.00	\$17,547.53	\$4,879.53
Atlantic	\$0.00	\$0.00	\$2,739.37	\$0.00	\$0.00	\$0.00	\$13,269.87	\$2,814.56
Québec	\$0.00	\$0.00	\$0.00	\$0.00	\$ 0.00	\$0.00	\$568.33	\$1,579.46
Metro-Montréal	\$0.00	\$0.00	\$0.00	\$0.00	\$ 0.00	\$2,874.38	\$1,713.69	\$6,005.76
Central	\$0.00	\$0.00	\$0.00	\$0.00	\$ 0.00	\$0.00	\$3,685.97	\$0.00
Metro-Toronto	\$0.00	\$0.00	\$551.80	\$0.00	\$2,099.05	\$0.00	\$7,358.01	\$899.09
Ontario	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$412.86	\$10,530.01	\$2,830.34
Prairie	\$0.00	\$3,159.00	\$145.89	\$186.96	\$5,500.00	\$2,880.00	\$29,658.26	\$27,990.88
Pacific	\$0.00	\$0.00	\$1,020.28	\$0.00	\$0.00	\$0.00	\$18,920.91	\$4,733.03
Total	\$0.00	\$3,159.00	\$4,457.34	\$936.96	\$7,599.05	\$6,167.24	\$103,252.58	\$51,732.65

Chart – Summary of Costs of Legal Fees by Category

	Legal Fees General		Legal Fees Civil		Court Actions		Canadian Industrial Relations Board		Judicial Advice		Judicial Review		Workers Compensation Board	
	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21
National	\$271,132	\$442,712	\$8,285	\$0	\$0	\$18,684	\$2,615	\$0	\$104,930	\$61,793	\$96,128	\$1,940	\$0	\$0
Atlantic	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$722	\$0	\$0	\$0
Quebec	\$5,208	\$0	\$0	\$0	\$0	\$0	\$13,470	\$11,359	\$8,128	\$6,457	\$0	\$0	\$10,780	\$0
Metro-Montreal	\$0	\$2,552	\$0	\$0	\$0	\$0	\$0	\$9,311	\$0	\$10,317	\$0	\$0	\$16,927	\$67,043
Central	\$912	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,933	\$37,581		\$0	\$6,475	\$4,510
Metro-Toronto	\$8,099	\$9,158	\$0	\$0	\$0	\$0	\$6,074	\$0	\$0	\$0	\$0	\$0	\$0	\$21,048
Ontario	\$0	\$0	\$0	\$0	\$0	\$0	\$3,472	\$0	\$0	\$0	\$0	\$0	\$21,574	\$0
Prairie	\$0	\$0	\$0	\$0	\$0	\$13,632	\$0	\$884	\$0	\$0	\$0	\$0	\$0	\$0
Pacific	\$3,658	\$28,041	\$0	\$0	\$0	\$0	\$0	\$0	(\$300)	\$1,581	\$88,245	\$112	\$8,977	\$2,183
Total	\$289,009	\$482,463	\$8,285	\$0	\$0	\$32,316	\$25,631	\$21,554	\$117,691	\$117,729	\$185,095	\$2,052	\$64,733	\$94,784

Note: All amounts have been rounded to the nearest dollar.

For the period under review, CUPW has paid \$19,503.24 as our share of the costs, which is 6.5% of the total cost. Canada Post paid \$291,582.04, which is 93.5% of the total cost of the Committee.

During the previous verification the National Board of Trustees were informed that efforts to clarify and to sign a Memorandum of Agreement were still underway to clearly define the specific percentage of expenses that CUPW and Canada Post will pay. In the report received by the National Board of Trustees there is a column showing amounts related to Part 4 Clause 17. While the costs of Appendix AA has decreased significantly during this verification there is still no clear understanding of who covers the expenses related to Appendix AA.

Therefore, the National Board of Trustees recommends that:

- The National Executive Committee clearly define and clarify the costs associated with the Appendix “AA” file and who is responsible to cover costs, and at which percentage and then generate a Memorandum of Agreement with Canada Post to solidify the coverage of these costs.*

A Memorandum of Agreement has been negotiated and signed by the parties regarding lost wages, accommodation, per diem, and any other expenses incurred by those working under Appendix “AA “ of the Urban collective agreement.

23. ARTICLE 8

For the year under review, from July 1, 2020, to June 30, 2021, we learned that 21 new files were opened, and 28

files were closed. The total of active files therefore went from 69 on June 30, 2020, to 62 on June 30, 2021.

Expenses incurred by national and regional disciplinary committees for the period under review amounted to \$17,186. This represents a reduction of \$123,171 over the previous year.

By analyzing the breakdown of committee costs for each region, we found a total decrease of \$93,838 in the following categories: accommodation, meeting room rental, mileage, vehicle rental and transportation. We also found a decrease of \$28,529 in the following categories: lost wages and per diem.

It is very likely that this decrease is due to the fact that meetings were held virtually rather than in person.

Chart – Cost Distribution: National and Regional Offices

	2018 - 2019	2019 2020	2020 2021
National	\$14,324	\$6,990	\$668
Atlantic	\$0	\$3,817	\$0
Quebec	\$3,144	\$6	\$4,250
Metro-Montreal	\$0	\$0	\$0
Central	\$8,884	\$4,192	\$714
Metro-Toronto	\$5,202	\$1,926	\$8,585
Ontario	\$23,825	\$42,211	\$1,142
Prairie	\$21,103	\$72,646	\$923
Pacific	\$17,800	\$8,569	\$904
TOTAL	\$94,282	\$140,357	\$17,186

Note: The National Board of Trustees is happy to see a reduction in the number of active files compared with the previous year.

Therefore, the National Board of Trustees recommends:

- That the National Secretary-Treasurer continues to remind members to use the conflict resolution process.*

Whenever an Article 8 charge is submitted under sections 8.12 and 8.16 of the National Constitution, as per section 8.01 of the Constitution the National Secretary-Treasurer officially writes to the plaintiff and the respondent offering mediation to resolve the dispute between the parties.

24. CHILD/ELDER CARE COSTS

There was no child/elder care costs recorded during the current verification. In person activities were put on hold on account of the Covid pandemic.

25. INSURANCE

As provided for under section 4.100(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, 2021. The policy provides coverage of \$50,000 per incident and a total of \$2,000,000 cumulative underwritten by AIG Insurance of Canada.

The policy is available in both official languages.

26. CUPW ADMINISTRATIVE STAFF

All of the administrative staff at the National and Regional Offices are covered by collective agreements or contracts that are negotiated between themselves and CUPW, or between CUPW and their respective Unions.

The following chart shows the number of administrative staff and their affiliation:

	Canadian Office and Professional Employees Union (COPE 225)	Canadian Union of Public Employees (CUPE 1979)
Number of Employees	49	28
Collective Agreement's Starting date	July 1, 2018	December 18, 2017
Collective Agreement's Expiry Date	June 30, 2022	December 30, 2020

At June 30, 2021, there were three administrative employees who were covered by individual contracts with CUPW. They are as follows:

		Contract Expiry Date
1.	Director of Finance and Administration	September 6, 2025
2.	Director of Information Technology	February 11, 2022
3.	Manager and Analyst – Business Systems	April 7, 2022

Leave Entitlements

As of June 30, 2021, there were 580.65 days of unused annual leave available to COPE 225 members at the National and Regional Offices. This is a decrease of 86.83 days from the National Board of Trustees' last report. The current annual leave amounts represent a potential payout of \$189,010.96. It must be noted that the cost associated with these unused leave days will increase with each contractual wage increase. There is no provision to carry-over annual leave in the COPE 225 collective agreement.

Unused sick leave credits held by COPE 225 employees are paid out at a 20% rate and the current monetary value of all unused sick leave is \$167,221.80.

Please note only grand parented COPE 225 staff are paid out the 20% of their sick leave credits, as of 2012 upon termination of employment.

CUPE 1979 members employed by the Union have accumulated 489.14 days of unused annual leave credits which represents a current liability of \$156,439.29. The value of this leave will also increase with every contractual raise. There is no provision to carry-over annual leave in the CUPE 1979 collective agreement.

Please note that for both COPE 225 and CUPE 1979, there is collective agreement language that does allow for a carry over of annual leave from one year to the next.

Therefore, the National Board of Trustees recommends:

- That all unused leave credits that do not have contractual language that allows them to be carried over at the end of the year be paid out to curtail the growth in the value of those credits and thus the Union's costs.

As per the provisions of the staff collective agreements, carry over of annual leave is only granted under negotiated provisions. All other annual leave is paid out at the end of the fiscal year.

While the National Board of Trustees put forth a recommendation during their last verification that the National Union provide the Board with the means to verify the use of leave and the leave balances of those employed by the Union, our recommendation was dismissed on the grounds that the information we requested was confidential.

Each day of leave that is not used represents a dollar amount and a liability to the Union. The National Board of Trustees feels that to protect the funds of the membership and to do a complete and concise reporting of the Union's finances, that this information is needed.

Therefore, the National Board of Trustees recommends:

- That the National Secretary-Treasurer ensure that the National Board of Trustees has all of the information that it feels is necessary to do a complete verification; and

As per the current practice, all information pertaining to leave not taken, meaning carried over to the next fiscal year that creates a financial liability for CUPW, is provided to the National Board of Trustees. Other contractual leave taken by staff in a fiscal year does not create a financial liability and is considered personal and confidential, and will not be supplied to the members of the National Board of Trustees.

- That a system be developed wherein each person's leave usage can be tracked, even if there has to be a random key assigned to each individual's account to conceal their identity, so that the National Board of Trustees can ensure that all leave credits used are recorded.

As per the recommendation, a system will be implemented for the fourth verification of the National Board of Trustees, where all names will be removed from annual leave reports to ensure the confidentiality of the individual.

Buy-outs

In the interest of long-term savings and succession planning, the National Executive Board authorized the National Secretary-Treasurer to initiate the buy-out process with COPE 225 staff under employment with CUPW. 6 individuals at National Office accepted the offer. As stated by the National Secretary-Treasurer, the purpose of the buy-outs was financially motivated in that newer hires receive a lower remuneration and have less benefits and leave entitlements than present staff.

The total cost of the 6 buy-outs was \$376,759. This represented severance of a total of 5 years and 10 months. The figures we received were rounded to the nearest dollar. In place of those who chose to leave their employment, 7 administrative assistants were hired.

27. INDEPENDENT MEDICAL PRACTITIONER COSTS

The National Board of Trustees has reviewed the independent medical practitioner costs for the 2020-2021 fiscal year. These costs have decreased by \$190,684.89 compared to last fiscal year.

This plan covers both Urban Operations and Rural Suburban Mail Carrier members on the work floor. Often workers and their physicians do not fill out the STDP forms in a manner that forces the insurance company to approve a claim the first time. This can lead to additional requests for information to support a claim. In turn this can increase the cost of Independent Medical Practitioner costs.

Chart- Independent Medical Practitioner Costs by Region

	Atlantic	Quebec	Metro Montreal	Central	Metro Toronto	Ontario	Prairie	Pacific	Total
2019 - 2020	\$39,120.89	\$89,409.63	\$151,200.38	\$93,719.35	\$158,881.32	\$170,194.51	\$63,013.04	\$55,127.34	\$820,666.46
2020 - 2021	\$33,491.45	\$63,892.05	\$121,704.38	\$43,252.57	\$99,992.35	\$154,997.83	\$70,684.24	\$41,966.70	\$629,981.57

Chart – Summary of Costs

	STDP Benefit				Administration Fees				Total STDP Claims Paid and Administration Fees			
	2019	2020	2020	2021	2019	2020	2020	2021	2019	2020	2020	2021
CUPW		\$ 50,589		\$31,760		\$ 8,575		\$ 5,383		\$ 59,164.30		\$ 37,143
COPE 225		\$ 39,164		\$25,429		\$ 6,638		\$ 4,310		\$ 45,802.77		\$ 29,739
CUPE 1979		\$ 45,401		\$41,913		\$ 7,695		\$ 7,104		\$ 53,096.60		\$ 49,017
Total		\$135,155		\$99,102		\$22,909		\$16,797		\$158,063.60		\$115,899

28. SHORT TERM DISABILITY PLAN FOR ELECTED UNION OFFICERS, CUPE 1979 AND COPE 225 STAFF

National, Regional Officers and Staff, as well as full-time Local Officers are covered under a self-funded Short Term Disability Plan, as they are not able to utilize the Canada Post Short Term Disability Plan.

This plan is funded through CUPW and specifically the General Fund. Coughlin Insurance is the independent 3rd party disability manager. There is a management fee which varies, as it is based on the number of claims that are processed.

29. JOE DAVIDSON FUND

The National Board of Trustees reviewed the bursaries that were awarded to CUPW members through the Joe Davidson Fund.

Five members were enrolled in the Canadian Labour College of Canada, at a cost of \$4,700. This is a decrease in the previous verification which showed a cost of \$7,000. The costs accrued during this verification were appropriated for tuition fees. No travel or per diem costs were accrued due to Covid-19 restrictions.

The current Canadian Labour College program consists of three intensive course sessions that are offered over 14 months or longer. Each session includes online and in-person learning in addition to independent study. A maximum of two week-long in-person classes are offered each year in British Columbia and/or Ontario. Having more online learning significantly reduces the cost associated to the Joe Davidson Fund, which may allow more members the opportunity to enroll in the Canadian Labour College program.

Therefore, the National Board of Trustees recommends:

- That the National Executive Board encourage more members to enroll in the Canadian Labour College or similar programs established by the Union Education Service of the FTQ, with focus given to all equity-seeking groups within our membership.

Yearly, the Education Department produces bulletins regarding the Canadian Labour College and similar bulletins are produced for members of Quebec when the FTQ holds similar education sessions. This information is also shared on CUPW's National Website and is mailed to all Locals.

30. LOCAL FINANCIAL STATEMENTS

The National Board of Trustees examined the Local Financial Statements for the 2020-2021 fiscal year.

CUPW has 201 Locals of which 30 did not submit a Local Annual Financial Statement. It is mandated in section 9.29 of the National Constitution that Locals prepare and send a financial report to the National Secretary-Treasurer within 60 days following the end of the fiscal year. Those Locals who do not do so shall have their per capita tax (rebate) withheld until receipt of the report as per 9.31.

Three (3) Locals submitted audited financial statements in accordance with section 9.29 of the National Constitution.

Fifteen (15) Locals are under trusteeship, an increase of 4 from last year's verification. Local 355 of the Metro-Montreal Region has been in trusteeship for several years and there doesn't seem to be any members left.

Chart – Local Financial Statements

Region	Number of Locals in Region	Financial Statements not filed	Number of Locals with Statements That Do Not Balance	Non Payment to Labour Council	Bank Statements Not Provided	Locals Under Trusteeship
Atlantic	35	2	7	13	n/a	5
Quebec	32	1	7	5	n/a	0
Metro-Montreal	2	1	0	0	0	1
Central	34	7	1	10	n/a	4
Metro-Toronto	1	0	1	0	n/a	0
Ontario	28	4	4	2	n/a	0
Prairie	33	7	5	11	n/a	2
Pacific	36	8	6	15	n/a	3
Total	201	30	31	56	n/a	15

Thirty-one (31) Locals did not balance their financial statement. This is a significant decrease from our previous verification of 76. The National Board of Trustees notes that the Finance Department allowed for a one time adjustment to Locals so that they could enter the new fiscal year with a balanced financial statement as per the National Board of Trustees’ recommendation. We are hopeful that this will continue for those Locals not balanced and who did not receive a one-time adjustment. The National Board of Trustees was not able to verify how many locals received a one-time adjustment, therefore we were unable to determine what the dollar value of these adjustments was to the Union.

There are several Locals still using outdated forms. The National Board of Trustees appreciates that the National Secretary-Treasurer continues to send out the current Local Annual Financial Statement form to Locals reminding them of the obligations under sections 9.29 and 9.31 of the National Constitution. Many forms were not filled out correctly and errors were found in the instruction within the form.

Locals are not detailing their “Other” revenue and expenses. As the National Board of Trustees was not provided bank statements during this verification, there was no way to verify that these expenses and/or revenue are in accordance with section 9.37 of the National Constitution.

The National Board of Trustees while recognizing that some Locals cumulative surpluses are for future activities and/or investment purposes, appreciates that the National Secretary-Treasurer continues to remind Locals that Local funds are for the betterment of the membership and encourage Locals to use their cumulative surpluses as provided in section 9.37.

Fifty-six (56) Locals did not make payment to their District Labour Council. This is a decrease of 35 from last year’s verification.

There are still a number of Locals who do not do their banking with consumer co-operatives and Credit Unions but continue to use Big Banks, such a RBC or CIBC. The National Board of Trustees appreciates that the National Secretary-Treasurer sent a letter to all Locals and elected Union Representatives outlining the aims of the Union as stipulated in section 1.02(g) of the National Constitution.

The National Board of Trustees had challenges this year as documents/files provided by National Office contained differing figures.

Therefore, the National Board of Trustees recommends:

- That Local 355 be removed from the list of Locals; and
- Local 355 has been removed from the list of official Locals.
- That the Finance Department continue to make one-time adjustments to those Locals still not balanced and that Financial Department return to those Locals, who have received a one-time adjustment, and whose Local Financial Statement is not balanced, a copy of their financial statement to correct their error and resubmit; and
- The practice continues where the Finance Department adjusts the original statement, and the National Secretary-Treasurer provides a new statement explaining the amended version to the Local Secretary-Treasurer.

- That the National Secretary-Treasurer keep a record of those locals that receive a one-time adjustment in order to make their statements balance; and
- A record will be developed for the 2021-2022 fiscal year.
- That the National Secretary-Treasurer provide a dollar value of these adjustments; and
- The National Board of Trustees at its fourth verification, will be provided with a list of Locals that required adjustments to balance with the dollar value and an accumulated total.
- That the National Secretary-Treasurer send out the new Annual Financial Statement no later than one month prior to the end of the fiscal year and return to any Local a copy of their outdated Local Annual Financial Statement, along with the current form, to be resubmitted using the current form; and
- The Annual Financial Statement is sent out by June 30 of each year. In 2022, if a Local submits an outdated version of the Annual Financial Statement, it will be returned to the Local with instructions to transfer the information into the correct version of the form.
- That the National Secretary Treasurer remind Locals that most expenses are listed on the Financial Statements and “Other” expense and revenue should be used only for those items not related to the lists provided as per section 9.37 of the National Constitution and, if using “Other” expenses, specify these expenses; and
- The National Secretary-Treasurer will remind Locals regarding the proper use of funds under section 9.37 of the National Constitution.
- That a letter again be sent out outlining section 1.02(g) of the National Constitution, specifying that Locals and Union Representatives divest away from “Big Banks” especially RBC as they are big oil and Mining Co. supporters.
- The letter sent out on December 10, 2021, outlining the aims of the Union, as stipulated in section 1.02 (g) of the National Constitution, was re-issued on June 10, 2022.

31. PAYMENT FOR UNION LEAVE (SECTION 26.06 URBAN) (SECTION 21.04 RSMC)

Employees to stay on Payroll, allows members to remain on the corporate payroll while working on behalf of the Union. Invoices from Canada Post often contain errors in Union Leave and, without thorough vetting and disputing, results in a cost to the Union. Disputing these errors keeps Union funds where they belong, with the Union.

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

The National Board of Trustees has reviewed Union Leave billing for the 2020-2021 fiscal year and is pleased to see that the amount of dues rebates withheld for non-payment of union leave invoices, sent to locals by Canada Post Corporation, continues to decrease.

Six (6) of 8 Regions reported a decrease in rebate withheld. While this is an improvement, there is still a significant amount of money being withheld from Local rebates.

Chart – Total Amounts Withheld

Total Amounts Withheld	
2018 – 2019	\$237,943.30
2019 - 2020	\$220,311.53
2020 – 2021	\$193,112.26

Although dues rebates are withheld for reasons outlined in the Constitution, for example sections 9.31 and 9.42 and occasionally when Locals order Union material from the National Print Shop, the amount of rebates being withheld indicate that Locals are not paying their Canada Post invoices within the 45 (Urban) and 60 (RSMC) days contractually allotted time frame.

The National Board of Trustees is hopeful that National Office will follow through in the development of an education module regarding clause 26.06 with the assistance of the Education Department this year, as stated in response to our 2019-2020 recommendation.

Therefore, the Board of Trustees recommends:

- That the National Secretary-Treasurer, in conjunction with the National Director of each Region, continue to remind Local Secretary-Treasurers of the importance of thoroughly vetting their 26.06(Urban) and 21.04(RSMC) Canada Post invoices for accuracy and making payment within the contractually allotted time frame (Urban – 45 days/RSMC – 60 days); and
- In May of 2022, the National Secretary-Treasurer held virtual training sessions regarding Local administration in all Regions. At these meetings, the importance of reviewing all billing for lost wages contained in a Local’s monthly “Statement of Earning” issued by Canada Post for accuracy was discussed. Also discussed with the participants was the withholding of Local rebate funds when a Local does not reimburse Canada Post for Local lost wages, and communicating disputes regarding the billing within the time frame provided for in the RSMC and Urban collective agreements.
- That the education module in development be accessible to all Local Secretary-Treasurers.
- Due to other urgent work of the Education Department, the module has yet to be developed.

Chart – Amounts Withheld from Local Rebates

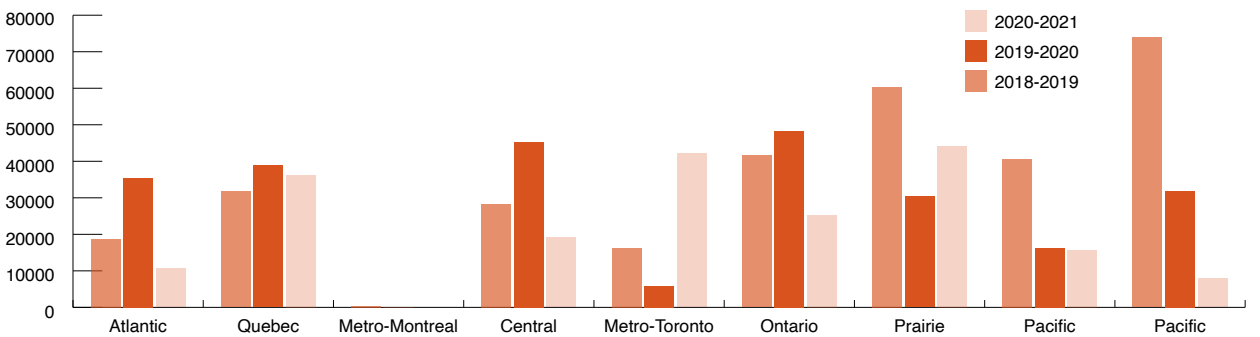


Chart – Amounts Withheld from Local Rebates

	Atlantic	Quebec	Metro Montreal	Central	Metro Toronto	Ontario	Prairie	Pacific
2018-2019	\$18,704.28	\$31,724.75	\$434.30	\$28,352.02	\$16,181.92	\$41,594.99	\$60,377.78	\$40,600.26
2019-2020	\$35,498.03	\$38,852.02	\$0.00	\$45,243.22	\$5,823.92	\$48,363.71	\$30,343.77	\$16,186.86
2020-2021	\$10,622.05	\$36,152.36	\$0.00	\$19,116.91	\$42,118.01	\$25,239.77	\$44,218.98	\$15,644.18

32. EXTERNAL ORGANIZING

According to the information provided to the National Board of Trustees during this verification, the status of funds being used for External Organizing are as follows:

Balance as of June 30, 2020	\$3,725,062.81
Revenue	\$816,199.15
Expenses	(\$945,011.50)
Balance as of June 30, 2021	\$3,596,250.46

For the period under review, the number of Private Sector Bargaining Unit Members was 1,019 on June 30, 2021. The average number of Private Sector bargaining unit members for any month throughout the year was 935.

33. CHECK OFF AND MEMBERSHIP

In accordance with subsection 4.100 (e) of our National Constitution, the National Board of Trustees has verified membership and check-offs for the period of July 1, 2020 to June 30, 2021.

The information and statistics come from computerized statements made available to us for analysis.

Note:

- 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 chose to report on check-off and membership on a yearly basis instead of 6 months so as to present a clearer, more streamlined report, because the verification is now conducted on an annual basis.
- For the period of July 1, 2020 to June 30, 2021, there was an increase in CUPW membership of 2,508 members.
- For the Urban unit, there was an increase of 2,427 members.

Chart 1 – Average Number of Members in Good Standing, Members and Rand Members by Bargaining Sectors

	Urban Operations	RSMC	Private Sector	Total
Average: July 1, 2020 to June 30, 2021	46,636	11,166	935	58,737
Average: January 1 to June 30, 2020	44,209	11,261	759	56,229
Increase/decrease	2,427	(95)	176	2,508

Chart 2 – Average Number of Members in Good Standing, Members and Rand Members Working Full-Time, Part-Time or on a Temporary Basis

	Full time	Part time	Temporary	Total
Average: July 1, 2020 to June 30, 2021	39,619	6,443	12,675	58,737
Average: January 1 to June 30, 2020	38,756	6,239	11,234	56,229
Increase/decrease	863	204	1,441	2,508

Chart 3 – Average Number of Members by Status

	MIGS	Members	Rand	Total
Average: July 1, 2020 to June 30, 2021	48,446	3,354	7,538	59,338
Average: January 1 to June 30, 2020	46,349	4,228	6,247	56,824
Increase/decrease	2,097	(874)	1,291	2,514

Note: All figures have been rounded off.

- For the RSMC unit, we note a decrease of 95 members.
- For the private sector units, we note an increase of 176 members.

Six hundred and one (601) lifetime members are included in the number of members in good standing for the period of July 1, 2020 to June 30, 2021.

Five hundred and ninety-five (595) lifetime members are included in the number of members in good standing for the period of January 1 to June 30, 2020.

In accordance with section 1.22 of the National Constitution, 477 members have received Retired Member status in CUPW but are not included in the above charts.

For this period, there has been a sharp increase in the number of members in good standing and a decrease in the number of members. This difference is due to the equity payment for RSMC members in 2020. Upon

payment, many fell behind with their union dues for more than 3 months and lost their MIGS status. They therefore lost their MIGS status from January 1 to June 30, 2020. During the year of the verification, the arrears issues were resolved and they regained their MIGS status.

The National Board of Trustees notes that the number of Rand members is very high. This number still represents 12.7% of the total membership.

Therefore, the National Board of Trustees recommends:

- That the National Secretary-Treasurer continue to send Locals a list of Rand members to remind them of their obligations to meet with new members and have them complete a membership form.

The monthly rebate documentation sent to Locals identifies Local RAND members. This topic was also discussed during the Local administration training sessions held virtually in all Regions in May of 2022.

Chart 4 Average Number of Members by Region, Group and Bargaining Sectors July 1, 2020 to June 30, 2021

Region	Urban Operations						Private Sector	RSMC	Total
	Group 1	Group 2	Group 3	Group 4	Unknown	Total			
Atlantic	1,284	1,266	32	4	4	2,590	232	1,159	3,981
Quebec	941	2,196	7	0	4	3,148	0	1,986	5,134
Metro-Montreal	3,112	3,068	146	6	2	6,334	0	355	6,689
Central	1,505	1,890	33	4	3	3,435	53	1,759	5,247
Metro-Toronto	2,345	4,520	48	5	10	6,928	83	2,054	9,065
Ontario	5,667	3,729	173	7	7	9,583	4	570	10,157
Prairie	3,368	3,935	122	15	14	7,454	487	2,245	10,186
Pacific	3,025	4,038	84	10	7	7,164	76	1,038	8,278
Total	21,247	24,642	645	51	51	46,636	935	11,166	58,737

Note: All figures have been rounded off.

Chart 5 Breakdown of Funds Received July 1, 2020 to June 30, 2021

Local Rebates	\$14,195,519.28
Local Assessments	\$746,748.07
Additional Local rebates (section 7.08)	\$738,031.00
Federation of Labour Per Capita	\$554,284.47
Optional Insurance	\$1,760,876.40
Basic Life Insurance	\$1,158,563.37
Dues Unapplied and Suspended	\$170,309.45
Reserve Fund	\$1,747,141.10
Defense Fund	\$5,459,815.75
General Fund	\$32,038,155.11
Total	\$58,569,444.00

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

Union dues collected are up significantly this year to \$58,569,444.00 compared to \$52,098,708.20 for 2019-2020. Part of this increase is because several members were on precautionary cessation of work and quarantine leave with pay. These members and their replacements were paying union dues.

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

Brother John Lawrence
Ontario Region
Chairperson

Sister Angela Jones
Metro-Toronto Region
Secretary

Brother Scott Gaudet
Atlantic Region
Member

Brother Marc Désilets
Quebec Region
Member

Brother Stéphane Surprenant
Metro-Montreal Region
Member

Brother Naveed Khan
Central Region
Member

Sister Norma Kimball
Pacific Region
Member