

**Canadian Office and  
Professional Employees Union**

**Financial Statements  
December 31, 2023**

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## **Independent Auditor's Report**

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To the Members of  
Canadian Office and Professional Employees Union

### **Opinion**

We have audited the financial statements of Canadian Office and Professional Employees Union (hereafter "the Union"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Union as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### **Basis for opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Union or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Union's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Union's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention

in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Union to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Raymond Chabot Grant Thornton LLP<sup>1</sup>*

Montréal  
December 17, 2024

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<sup>1</sup> CPA auditor, public accountancy permit no. A126944

# Canadian Office and Professional Employees Union

## Financial Position

December 31, 2023

	General Fund		Strike Benefit and Defense Fund		Convention Fund		National Organizing Fund		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>										
Current										
Cash and cash equivalents (Note 3)	1,035,091	289,168	637,903	1,129,597		79,740		58,124	1,672,994	1,556,629
Accounts receivable (Note 4)	197,001	329,007		680		75			197,001	329,762
Investments (Note 5)		1,050,000	19,422,263	17,783,296					19,422,263	18,833,296
Interfunds receivable	4	387,001		493						
Receivable for investments sold			48,808	39,551					48,808	39,551
Prepaid expenses	104,275	2,668							104,275	2,668
	<u>1,336,371</u>	<u>2,057,844</u>	<u>20,108,974</u>	<u>18,953,617</u>	<u>–</u>	<u>79,815</u>	<u>–</u>	<u>58,124</u>	<u>21,445,341</u>	<u>20,761,906</u>
<b>LIABILITIES</b>										
Current										
Trade and other payables (Note 6)	42,999	193,067		11,447		4,669			42,999	209,183
Payable for investments purchased				49,995						49,995
Interfunds payable			4			130,942		256,552		
	<u>42,999</u>	<u>193,067</u>	<u>4</u>	<u>61,442</u>	<u>–</u>	<u>135,611</u>	<u>–</u>	<u>256,552</u>	<u>42,999</u>	<u>259,178</u>
<b>FUND BALANCES (NEGATIVE)</b>										
Unrestricted	1,293,372	1,864,777							1,293,372	1,864,777
Internally restricted (negative)			20,108,970	18,892,175		(55,796)		(198,428)	20,108,970	18,637,951
	<u>1,293,372</u>	<u>1,864,777</u>	<u>20,108,970</u>	<u>18,892,175</u>	<u>–</u>	<u>(55,796)</u>	<u>–</u>	<u>(198,428)</u>	<u>21,402,342</u>	<u>20,502,728</u>
	<u>1,336,371</u>	<u>2,057,844</u>	<u>20,108,974</u>	<u>18,953,617</u>	<u>–</u>	<u>79,815</u>	<u>–</u>	<u>58,124</u>	<u>21,445,341</u>	<u>20,761,906</u>

The accompanying notes are an integral part of the financial statements.

On behalf of the Board,

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

## Canadian Office and Professional Employees Union Operations

Year ended December 31, 2023

	General Fund		Strike Benefit and Defense Fund		Convention Fund		National Organizing Fund		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>										
Contributions from local unions	1,070,707	1,191,271		641,683		61,524		180,729	1,070,707	2,075,207
Revenues from cash and cash equivalents										
Interest income	71,925	32,383	432,020	146,764	2,533	1,664	1,518	1,556	507,996	182,367
Revenues from investments										
Interest income			96,067	63,865					96,067	63,865
Dividend revenues			199,175	200,758					199,175	200,758
Changes in fair value of investments			963,993	(710,577)					963,993	(710,577)
Other revenues	15,452	9,542							15,452	9,542
	<u>1,158,084</u>	<u>1,233,196</u>	<u>1,691,255</u>	<u>342,493</u>	<u>2,533</u>	<u>63,188</u>	<u>1,518</u>	<u>182,285</u>	<u>2,853,390</u>	<u>1,821,162</u>
<b>Expenditures</b>										
Affiliation with Canadian Labour Congress	295,629	389,045							295,629	389,045
Expenses for publication of newsletters and website	6,461	21,621							6,461	21,621
Financial compensations										
President	47,000	46,000							47,000	46,000
Secretary-treasurer	42,000	41,000							42,000	41,000
Vice-presidents	26,200	20,300							26,200	20,300
International relations	45,340	42,569							45,340	42,569
Meetings										
Canadian Labour Congress	36,935	15,508							36,935	15,508
National Executive	112,848	115,084							112,848	115,084
Canadian Equity Council	6,734	38,618							6,734	38,618
COPE Convention	430	382,162							430	382,162
Office supplies, equipment and other	31,385	23,909							31,385	23,909
Professional fees	61,726	69,847							61,726	69,847
Restricted fund expenses			418,500	56,355		215,773		426,992	418,500	699,120
Subsidies										
Operations of the Office of the President	115,000	115,000							115,000	115,000
Operations of the Office of the Secretary-treasurer	160,000	160,000							160,000	160,000
Internal legal affairs	20,000	48,630							20,000	48,630
Travelling and meal expenses										
President and Secretary-treasurer	45,688	45,308							45,688	45,308
Officers	4,006	27,749							4,006	27,749
Donations	16,511	26,986							16,511	26,986
Reimbursements to regions – JEDI	405,423								405,423	
Custodian fees			55,960	54,576					55,960	54,576
	<u>1,479,316</u>	<u>1,629,336</u>	<u>474,460</u>	<u>110,931</u>	<u>–</u>	<u>215,773</u>	<u>–</u>	<u>426,992</u>	<u>1,953,776</u>	<u>2,383,032</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(321,232)</u>	<u>(396,140)</u>	<u>1,216,795</u>	<u>231,562</u>	<u>2,533</u>	<u>(152,585)</u>	<u>1,518</u>	<u>(244,707)</u>	<u>899,614</u>	<u>(561,870)</u>

The accompanying notes are an integral part of the financial statements.

# Canadian Office and Professional Employees Union

## Changes in Fund Balances

Year ended December 31, 2023

	Unrestricted	Internally restricted (negative)			
	General Fund	Strike Benefit and Defense Fund	Convention Fund	National Organizing Fund	Total
	\$	\$	\$	\$	\$
Balance as at December 31, 2022	1,864,777	18,892,175	(55,796)	(198,428)	20,502,728
Excess (deficiency) of revenues over expenditures	(321,232)	1,216,795	2,533	1,518	899,614
Transfer from General Fund to closed funds	(250,173)		53,263	196,910	
<b>Balance as at December 31, 2023</b>	<b><u>1,293,372</u></b>	<b><u>20,108,970</u></b>	<b><u>–</u></b>	<b><u>–</u></b>	<b><u>21,402,342</u></b>

The accompanying notes are an integral part of the financial statements.

# Canadian Office and Professional Employees Union

## Cash Flows

Year ended December 31, 2023

	2023	2022
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenditures	899,614	(561,870)
Non-cash item		
Changes in fair value of investments	(963,993)	710,577
	(64,379)	148,707
Changes in working capital items		
Accounts receivable	132,761	516,810
Prepaid expenses	(101,607)	3
Trade and other payables	(166,184)	(404,383)
Cash flows from operating activities	(199,409)	261,137
<b>INVESTING ACTIVITIES</b>		
Acquisition of investments	(2,184,468)	(10,578,313)
Sale of investments	2,500,242	1,555,520
Cash flows from investing activities	315,774	(9,022,793)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>116,365</b>	<b>(8,761,656)</b>
Cash and cash equivalents, beginning of year	1,556,629	10,318,285
Cash and cash equivalents, end of year	1,672,994	1,556,629

The accompanying notes are an integral part of the financial statements.



# Canadian Office and Professional Employees Union

## Notes to Financial Statements

December 31, 2023

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### **1 - DESCRIPTION OF THE UNION**

Canadian Office and Professional Employees Union is an organization that is affiliated with the Canadian Labour Congress (CLC), and is devoted to the education, defense and development of the economic, social and moral interest of its members. It includes a National Union (hereafter "the Union"), Local Unions and Councils as defined in its constitution. It is a not-for-profit organization under the Income Tax Act.

### **2 - SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of presentation**

These financial statements, which have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, include the accounts of the Union but not those of Local Unions or Councils.

#### **Revenue recognition**

Contributions from local unions are collected by Local Unions at agreed amounts for specific funds and are remitted to the Union. The Union applies the restricted fund method. Contributions are recognized as revenue of the applicable fund when received or receivable, when the amount receivable can be reasonably estimated and its collection is reasonably assured. Unrestricted contributions are recognized as revenue in the General Fund using the deferral method in the year during which the related expenses are incurred.

#### *Net investment income*

Investment transactions are recorded on the transaction date.

Interest income is accrued daily and dividend income is recognized on the ex-dividend date.

The changes in fair value of investments represent the change in the difference between the fair value and the book value of investments at the beginning and end of the year. All changes in fair value of investments are recorded in the statement of operations in the year they occur and in the fund in which the investments are held.

#### **Cash and cash equivalents**

Cash and cash equivalents consist of balances held in Canadian bank accounts and term deposits with an original maturity of 90 days or less. Separate bank accounts are maintained for each fund.

#### **Financial assets and liabilities**

##### *Initial measurement*

Upon initial measurement, the Union's financial assets and liabilities are measured at fair value, which, in the case of financial assets or financial liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related financing fees and transaction costs. Transaction costs relating to financial assets and liabilities that will be measured subsequently at fair value are recognized in operations in the year they are incurred.

# Canadian Office and Professional Employees Union

## Notes to Financial Statements

December 31, 2023

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### **2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### *Subsequent measurement*

At each reporting date, the Union measures its financial assets and liabilities at amortized cost (including any impairment in the case of financial assets), except for investments which are measured at fair value. The Union uses the effective interest rate method to amortize any premiums, discounts, transaction costs and financing fees in the statement of operations.

With respect to financial assets measured at amortized cost, the Union assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Union determines that, during the year, there was a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it will then recognize a reduction as an impairment loss in operations. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost is recognized in operations in the year the reversal occurs.

#### **Fund balances and transfers**

The Union presents its financial statements on a restricted fund basis with the following funds.

##### *Strike Benefit and Defense Fund*

The Strike Benefit and Defense Fund is used primarily to cover benefits paid in connection with strikes and lockouts by regions and Local Unions and to cover certain expenses of the National Executive Board for the defense of the Union, Local Unions, Councils and their members in accordance with the procedures, rules and regulations adopted by the National Convention. Effective July 1, 2022, contributions to the Strike Benefit were suspended (\$3.25 per member before July 1, 2022).

##### *Convention Fund*

The Convention Fund is financed to cover all expenses regarding the National Convention. Effective July 1, 2022, monthly contribution to the Convention Fund were abolished (\$77.56 per local section before July 1, 2022).

##### *National Organizing Fund*

The National Organizing Fund provides funds to regions to recruit new members. Effective July 1, 2022, contributions to the National Organizing Fund were abolished (\$0.90 per member before July 1, 2022).

#### **Accounting estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on Union management's knowledge of current events and actions that the Union may undertake in the future. Actual results may differ from these estimates.

# Canadian Office and Professional Employees Union

## Notes to Financial Statements

December 31, 2023

### 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Foreign currency translation

The Union uses the temporal method to translate transactions denominated in a foreign currency. Under this method, monetary assets and liabilities are translated at the exchange rate in effect at the date of the statement of financial position. Non-monetary assets and liabilities are translated at historical exchange rates, with the exception of those recognized at fair value, which are translated at the exchange rate in effect at the date of the statement of financial position. Revenue and expenses are translated at the average rate for the period with the exception of the amortization of assets translated at the historical exchange rates, which is translated at the same exchange rates as the related assets. The related exchange gains and losses are accounted for in operations for the year.

### 3 - CASH AND CASH EQUIVALENTS

	2023	2022
	\$	\$
General Fund		
Cash	1,035,091	289,168
Strike Benefit and Defense Fund		
Cash	315,808	532,747
Term deposit	322,095	596,850
	637,903	1,129,597
Convention Fund		
Cash	—	79,740
National Organizing Fund		
Cash		58,124
	1,672,994	1,556,629

### 4 - ACCOUNTS RECEIVABLE

	2023	2022
	\$	\$
General Fund		
Contributions receivable	191,514	325,010
Other	5,487	3,997
	197,001	329,007
Strike Benefit and Defense Fund		
Contributions receivable		680
Convention Fund		
Contributions receivable		75
	197,001	329,762

# Canadian Office and Professional Employees Union

## Notes to Financial Statements

December 31, 2023

### 5 - INVESTMENTS

	2023	2022
	\$	\$
General Fund		
Term deposit, 5.4%, maturing on December 9, 2023	—	1,050,000
Strike Benefit and Defense Fund		
Term deposit, 5.05%, maturing on December 9, 2024 Canadian government and corporate bonds, with coupon rates from 0.95% to 5.75% (0.9% to 5% as at December 31, 2022), maturing from January 2026 to December 2051 (January 2025 to December 2051 as at December 31, 2022)	8,240,687	8,100,000
Canadian equities	3,153,097	2,593,894
Foreign equities	3,960,742	3,703,942
	4,067,737	3,385,460
	19,422,263	17,783,296
	19,422,263	18,833,296

### 6 - TRADE AND OTHER PAYABLES

	2023	2022
	\$	\$
General Fund		
CLC affiliation payable	25,491	118,650
Other payables	17,506	74,417
	42,997	193,067
Strike Benefit and Defense Fund		
Other payables		11,447
Convention Fund		
Other payables		4,669
	42,997	209,183

### 7 - FINANCIAL RISKS

#### Credit risk

The Union is exposed to credit risk regarding the financial assets recognized in the statement of financial position, other than equity investments. The Union has determined that the financial assets with more credit risk exposure are accounts receivable and receivable for investments sold since failure of any of these parties to fulfil their obligations could result in significant financial losses for the Union.

#### Market risk

The Union's financial instruments expose it to market risk, in particular, to currency risk, interest rate risk and other price risk, resulting from its investing activities.

# Canadian Office and Professional Employees Union

## Notes to Financial Statements

December 31, 2023

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### **7 - FINANCIAL RISKS (Continued)**

#### *Currency risk*

The majority of the Union's transactions are in Canadian dollars. Currency risk results from the sales and purchases of investments denominated in foreign currency which are primarily in U.S. dollars. As at December 31, 2023, the Union is exposed to currency risk due to cash denominated in U.S. dollars totalling \$79,743 (\$18,849 as at December 31, 2022) and investments denominated in U.S. dollars totalling \$4,116,545 (\$3,415,627 as at December 31, 2022).

#### *Interest rate risk*

The Union is exposed to interest rate risk with respect to financial assets bearing fixed interest rates.

The bonds and term deposit bear interest at a fixed rate and the Union is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations.

#### *Other price risk*

The Union is exposed to other price risk due to equities since changes in market prices could result in changes in fair value of these instruments.

#### **Liquidity risk**

The Union's liquidity risk represents the risk that the Union could encounter difficulty in meeting obligations associated with its financial liabilities. The Union is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized in the statement of financial position.