

**Canadian Office and
Professional Employees Union**

**Financial Statements
December 31, 2024**

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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, 2024, 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, 2024, 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 LLP¹

Montréal
May 9, 2025

¹ CPA auditor, public accountancy permit no. A126944

Canadian Office and Professional Employees Union

Financial Position

December 31, 2024

	General Fund		Strike Benefit and Defense Fund		Total	
	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$
ASSETS						
Cash and cash equivalents (Note 3)	875,469	1,035,091	8,733,157	637,903	9,608,626	1,672,994
Accounts receivable (Note 4)	265,465	197,001			265,465	197,001
Investments (Note 5)			12,264,684	19,422,263	12,264,684	19,422,263
Interfunds receivable		4	73,510			
Receivable for investments sold				48,808		48,808
Prepaid expenses	103,902	104,275			103,902	104,275
	<u>1,244,836</u>	<u>1,336,371</u>	<u>21,071,351</u>	<u>20,108,974</u>	<u>22,242,677</u>	<u>21,445,341</u>
LIABILITIES						
Trade and other payables (Note 6)	104,594	42,999			104,594	42,999
Interfunds payable	73,510			4		
	<u>178,104</u>	<u>42,999</u>	<u>—</u>	<u>4</u>	<u>104,594</u>	<u>42,999</u>
FUND BALANCES						
Unrestricted	1,066,732	1,293,372			1,066,732	1,293,372
Internally restricted			21,071,351	20,108,970	21,071,351	20,108,970
	<u>1,066,732</u>	<u>1,293,372</u>	<u>21,071,351</u>	<u>20,108,970</u>	<u>22,138,083</u>	<u>21,402,342</u>
	<u>1,244,836</u>	<u>1,336,371</u>	<u>21,071,351</u>	<u>20,108,974</u>	<u>22,242,677</u>	<u>21,445,341</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, 2024

	General Fund		Strike Benefit and Defense Fund		Convention Fund		National Organizing Fund		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Contributions from local unions	1,120,153	1,070,707							1,120,153	1,070,707
Revenues from cash and cash equivalents										
Interest income	51,202	71,925	393,817	432,020		2,533		1,518	445,019	507,996
Revenues from investments										
Interest income			105,824	96,067					105,824	96,067
Dividend income			246,306	199,175					246,306	199,175
Changes in fair value of investments			1,031,866	963,993					1,031,866	963,993
Other	7,625	15,452							7,625	15,452
	<u>1,178,980</u>	<u>1,158,084</u>	<u>1,777,813</u>	<u>1,691,255</u>	<u>—</u>	<u>2,533</u>	<u>—</u>	<u>1,518</u>	<u>2,956,793</u>	<u>2,853,390</u>
Expenditures										
Affiliation with Canadian Labour Congress	405,709	295,629							405,709	295,629
Expenses for publication of newsletters and website	8,986	6,461							8,986	6,461
Financial compensations										
President	47,000	47,000							47,000	47,000
Secretary-treasurer	42,000	42,000							42,000	42,000
Vice-presidents	27,000	26,200							27,000	26,200
International relations	49,421	45,340							49,421	45,340
Meetings										
Canadian Labour Congress	13,859	36,935							13,859	36,935
National Executive	153,028	112,848							153,028	112,848
Canadian Equity Council	59,061	6,734							59,061	6,734
COPE Convention	9,282	430							9,282	430
Office supplies, equipment and other	9,102	31,385							9,102	31,385
Professional fees	24,145	61,726							24,145	61,726
Restricted fund expenses			730,420	418,500					730,420	418,500
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	20,000							20,000	20,000
Travelling and meal expenses										
President and Secretary-treasurer	41,986	45,688							41,986	45,688
Officers	22,476	4,006							22,476	4,006
Donations	44,000	16,511	25,000						69,000	16,511
Reimbursements to regions – JEDI	153,565	405,423							153,565	405,423
Custodian fees			60,012	55,960					60,012	55,960
	<u>1,405,620</u>	<u>1,479,316</u>	<u>815,432</u>	<u>474,460</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,221,052</u>	<u>1,953,776</u>
Excess (deficiency) of revenues over expenditures	<u>(226,640)</u>	<u>(321,232)</u>	<u>962,381</u>	<u>1,216,795</u>	<u>—</u>	<u>2,533</u>	<u>—</u>	<u>1,518</u>	<u>735,741</u>	<u>899,614</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, 2024

	2024			2023
	Unrestricted	Internally restricted		
		Strike Benefit and Defense		
	General Fund	Fund	Total	Total
	\$	\$	\$	\$
Balance, beginning of year	1,293,372	20,108,970	21,402,342	20,502,728
Excess (deficiency) of revenues over expenditures	(226,640)	962,381	735,741	899,614
Balance, end of year	1,066,732	21,071,351	22,138,083	21,402,342

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

Canadian Office and Professional Employees Union

Cash Flows

Year ended December 31, 2024

	2024	2023
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenditures	735,741	899,614
Non-cash item		
Changes in fair value of investments	(1,031,866)	(963,993)
	(296,125)	(64,379)
Changes in working capital items		
Accounts receivable	(68,464)	132,761
Prepaid expenses	373	(101,607)
Trade and other payables	61,595	(166,184)
Cash flows from operating activities	(302,621)	(199,409)
INVESTING ACTIVITIES		
Acquisition of investments	(2,502,883)	(2,184,468)
Disposition of investments	10,741,136	2,500,242
Cash flows from investing activities	8,238,253	315,774
Net increase in cash and cash equivalents	7,935,632	116,365
Cash and cash equivalents, beginning of year	1,672,994	1,556,629
Cash and cash equivalents, end of year	<u>9,608,626</u>	<u>1,672,994</u>

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

Canadian Office and Professional Employees Union

Notes to Financial Statements

December 31, 2024

1 - DESCRIPTION OF THE UNION

Canadian Office and Professional Employees Union (hereafter "the 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. The union organization includes a National Union (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 appropriate fund when received or receivable, if the amount to be received can be reasonably estimated and 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 and resulting revenues are recognized using the accrual method of accounting.

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.

With respect to investments measured at fair value, the Union has elected to exclude interest and dividend income from changes in the fair value.

Cash and cash equivalents

The Union's policy is to present in cash and cash equivalents bank balances held in Canadian bank accounts and term deposits with a maximum maturity of three months. Separate bank accounts are maintained for each fund.

Canadian Office and Professional Employees Union

Notes to Financial Statements

December 31, 2024

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 accounting

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

General Fund

Assets, liabilities, revenues and expenses relating to service delivery and administration are reported in the General Fund.

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 and Defense Fund 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 contributions to the Convention Fund were abolished (\$77.56 per local section before July 1, 2022).

Canadian Office and Professional Employees Union

Notes to Financial Statements

December 31, 2024

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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. Foreign exchange gains and losses on financial assets and liabilities measured at fair value are included as changes in the fair value of investments in the operations.

3 - CASH AND CASH EQUIVALENTS

	2024 \$	2023 \$
General Fund		
Cash	875,469	1,035,091
Strike Benefit and Defense Fund		
Cash	8,287,305	315,808
Term deposit	445,852	322,095
	<u>8,733,157</u>	<u>637,903</u>
	<u>9,608,626</u>	<u>1,672,994</u>

4 - ACCOUNTS RECEIVABLE

	2024 \$	2023 \$
General Fund		
Contributions receivable	265,465	191,514
Other		5,487
	<u>265,465</u>	<u>197,001</u>

Canadian Office and Professional Employees Union

Notes to Financial Statements

December 31, 2024

5 - INVESTMENTS

	<u>2024</u>	<u>2023</u>
	\$	\$
Strike Benefit and Defense Fund		
Term deposit, 5.05%		8,240,687
Canadian government and corporate bonds, with coupon rates from 0.95% to 11.5% (0.95% to 5.75% as at December 31, 2023), maturing from January 2026 to December 2055 (January 2026 to December 2051 as at December 31, 2023)	3,580,460	3,153,097
Canadian equities	4,195,136	3,960,742
Foreign equities	4,489,088	4,067,737
	<u>12,264,684</u>	<u>19,422,263</u>

6 - TRADE AND OTHER PAYABLES

	<u>2024</u>	<u>2023</u>
	\$	\$
General Fund		
CLC affiliation payable	104,303	25,491
Other payables	291	17,508
	<u>104,594</u>	<u>42,999</u>

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 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, 2024

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, 2024, the Union is exposed to currency risk due to cash denominated in U.S. dollars totalling \$1,625 (\$79,743 as at December 31, 2023) and investments denominated in U.S. dollars totalling \$4,489,088 (\$4,116,545 as at December 31, 2023).

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.