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**CANADIAN UNION OF PUBLIC  
EMPLOYEES - B.C. DIVISION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

# CANADIAN UNION OF PUBLIC EMPLOYEES - B.C. DIVISION

DECEMBER 31, 2021

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## INDEPENDENT AUDITORS' REPORT

To the Members of Canadian Union of Public Employees - B.C. Division

### **Qualified Opinion**

We have audited the accompanying financial statements of Canadian Union of Public Employees - B.C. Division, which comprise the statement of financial position as at December 31, 2021 and December 31, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of Canadian Union of Public Employees - B.C. Division as at December 31, 2021 and December 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### **Basis for Qualified 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 entity 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 qualified opinion.

In common with many not-for-profit organizations, the Union derives revenues from sources, the completeness of which is not susceptible to audit verification. The scope of our audit did not extend to an examination of the payroll records of the contributing employers. Accordingly, our verification of revenues was limited to the amounts recorded in the records of the Union and we were not able to determine whether any adjustments might be necessary to the Union's financial position, its result of operations and its changes in net assets.

### **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 judgement 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 Entity 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Robert P. Matthews, CPA, CA.

Burnaby, B.C.  
March 31, 2022

  
CHARTERED PROFESSIONAL ACCOUNTANTS

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These financial statements are prepared solely for use by the client with whom Matthews Campbell, Chartered Professional Accountants, has entered into a contract and there are no representations of any kind made by us to any party with whom we have not entered into a written contract.

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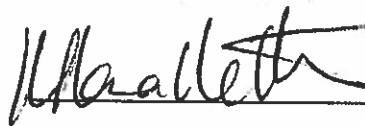
# CANADIAN UNION OF PUBLIC EMPLOYEES - B.C. DIVISION

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

	General Fund	Defence Fund	CJH Fund	2021 Total	2020 Total
<b>ASSETS</b>					
<b>CURRENT</b>					
Cash	\$ 1,637,045	\$ 2,358,742	\$ 402,733	\$ 4,398,520	\$ 3,187,394
Investments (Note 3)	338,698	6,111,418	1,387,668	7,837,784	5,929,329
Accounts receivable (Note 4)	569,127	666,532	69,224	1,304,883	1,123,721
Interfund amounts receivable (Note 5)	40,955	8,063	4,919	53,937	97,038
Interfund amounts payable (Note 5)	(4,919)	(40,955)	(8,063)	(53,937)	(97,038)
Inventory	132,022	-	-	132,022	150,917
Prepaid expenses	215,615	18,927	-	234,542	196,078
	2,928,543	9,122,727	1,856,481	13,907,751	10,587,439
<b>CAPITAL ASSETS (Note 6)</b>	191,789	-	-	191,789	149,280
	<b>\$ 3,120,332</b>	<b>\$ 9,122,727</b>	<b>\$ 1,856,481</b>	<b>\$14,099,540</b>	<b>\$10,736,719</b>
<b>LIABILITIES</b>					
<b>CURRENT</b>					
Accounts payable and accrued liabilities (Note 7)	\$ 213,241	\$ 32,523	\$ 30,100	\$ 275,864	\$ 209,587
Employee future benefit obligation (Note 8)	691,052	-	-	691,052	499,371
Loan payable (Note 9)	-	-	-	-	137,534
	904,293	32,523	30,100	966,916	846,492
<b>NET ASSETS</b>					
<b>NET ASSETS</b>	2,216,039	9,090,204	1,826,381	13,132,624	9,890,227
	<b>\$ 3,120,332</b>	<b>\$ 9,122,727</b>	<b>\$ 1,856,481</b>	<b>\$14,099,540</b>	<b>\$10,736,719</b>

APPROVED BY THE DIRECTORS:

 Director

 Director

# CANADIAN UNION OF PUBLIC EMPLOYEES - B.C. DIVISION

## STATEMENT OF CHANGE IN NET ASSETS

	YEAR ENDED DECEMBER 31, 2021				
	General Fund	Defence Fund	CJH Fund	2021 Total	2020 Total
NET ASSETS, beginning of year	\$ 1,739,193	\$ 6,570,128	\$ 1,580,906	\$ 9,890,227	\$ 7,524,094
Excess of revenues over expenditures	476,846	2,520,076	245,475	3,242,397	2,366,133
NET ASSETS, end of year	\$ 2,216,039	\$ 9,090,204	\$ 1,826,381	\$ 13,132,624	\$ 9,890,227

See accompanying notes

# CANADIAN UNION OF PUBLIC EMPLOYEES - B.C. DIVISION

## STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2021

	General Fund	Defence Fund	CJH Fund	2021	2020
<b>REVENUES</b>					
Per Capita	\$ 3,156,801	\$ 2,160,281	\$ 196,389	\$ 5,513,471	\$ 5,100,982
Conventions and conferences	98,225	-	-	98,225	-
Division support	144,336	-	-	144,336	143,580
Investment/Other Income	7,942	184,492	31,400	223,834	124,884
Unrealized gains (losses) on investments	-	511,507	174,382	685,889	12,780
Loss on fair value adjustment to loan payable (Note 9)	-	(12,466)	-	(12,466)	(24,544)
	<b>3,407,304</b>	<b>2,843,814</b>	<b>402,171</b>	<b>6,653,289</b>	<b>5,357,682</b>
<b>DIRECT EXPENDITURES</b>					
Administration and executive board	80,152	-	-	80,152	98,604
Convention - CUPE BC	304,278	-	-	304,278	22,846
Convention - National	660	-	-	660	801
Executive visits	3,501	-	-	3,501	7,407
Seminars and conferences	20,834	-	-	20,834	47,053
Insurance	16,395	-	-	16,395	9,019
Donations	-	-	130,666	130,666	138,182
Elections	-	2,147	-	2,147	2,041
Special programs & miscellaneous	14,525	66,129	20,000	100,654	304,017
Committees (Note 10)	63,939	24,918	-	88,857	243,213
Cost sharing programs	-	11,598	-	11,598	10,366
Action program net of recoveries	-	186,661	-	186,661	22,839
Scholarships	2,000	-	-	2,000	7,000
Strike expenses	-	2,031	-	2,031	19,075
<b>Total Direct Expenditures</b>	<b>506,284</b>	<b>293,484</b>	<b>150,666</b>	<b>950,434</b>	<b>932,463</b>
	<b>2,901,020</b>	<b>2,550,330</b>	<b>251,505</b>	<b>5,702,855</b>	<b>4,425,219</b>
<b>ADMINISTRATIVE EXPENDITURES</b>					
Accounting and legal	51,056	-	-	51,056	52,886
Amortization	34,105	7,013	-	41,118	40,299
Automotive	26,433	-	-	26,433	31,231
Bank and management fees	621	23,241	6,030	29,892	24,795
Office	166,218	-	-	166,218	249,616
Rent	178,606	-	-	178,606	183,684
Salaries	948,149	-	-	948,149	822,298
- Payroll costs and benefits	663,182	-	-	663,182	397,784
Telephone	16,402	-	-	16,402	18,126
The Public Employee	339,402	-	-	339,402	238,367
	<b>2,424,174</b>	<b>30,254</b>	<b>6,030</b>	<b>2,460,458</b>	<b>2,059,086</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ 476,846</b>	<b>\$ 2,520,076</b>	<b>\$ 245,475</b>	<b>\$ 3,242,397</b>	<b>\$ 2,366,133</b>

See accompanying notes

# CANADIAN UNION OF PUBLIC EMPLOYEES - B.C. DIVISION

## STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2021

	2021	2020
<b>CASH FLOWS FROM:</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures for the year	\$ 3,242,397	\$ 2,366,133
Charges to revenues over expenditures not affecting cash flows:		
Amortization	41,118	40,299
Realized (gain) loss on investments	(38,121)	41,589
Fair value adjustment to loan payable	12,466	24,544
Unrealized (gain) loss on investments	(685,889)	(12,780)
Loss on disposal of capital assets	8,597	155,414
	2,580,568	2,615,199
Changes in non-cash working capital:		
Accounts receivable	(181,162)	(98,867)
Interfund amounts receivable	43,101	(1,711)
Interfund amounts payable	(43,101)	1,711
Inventory	18,895	(67,162)
Prepaid expenses	(38,464)	16,437
Accounts payable and accrued liabilities	66,277	(143,279)
Employee future benefit obligation	191,681	85,234
	2,637,795	2,407,562
<b>FINANCING ACTIVITIES</b>		
Loan payable repayment	(150,000)	(250,000)
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(92,224)	(87,774)
Purchase of investments	(1,372,444)	(1,217,138)
Proceeds on disposal of investments	187,999	125,961
	(1,276,669)	(1,178,951)
<b>NET INCREASE IN CASH AND EQUIVALENTS</b>	1,211,126	978,611
<b>CASH AND EQUIVALENTS, beginning of year</b>	3,187,394	2,208,783
<b>CASH AND EQUIVALENTS, end of year</b>	\$ 4,398,520	\$ 3,187,394

See accompanying notes



# CANADIAN UNION OF PUBLIC EMPLOYEES - B.C. DIVISION

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

### 1. GENERAL INFORMATION

The Canadian Union of Public Employees - B.C. Division (The Union) is an umbrella group of CUPE Locals representing employees of various government, not-for-profit and corporate entities in British Columbia. It is affiliated with the Canadian Union of Public Employees national organization.

The Union is a tax exempt body under Section 149 of the Income Tax Act.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the *CPA Canada Handbook* and include the following significant accounting policies:

#### (a) Fund Accounting

The Union uses fund accounting to account for the financial position and operations of the General Fund, the Defence Fund and the Colleen Jordan Humanity Fund (CJH Fund).

Per capita revenues for all funds are received under an agreement with the CUPE Locals and their members.

The General Fund is the primary operating fund of the Union and supports the administrative and normal activities associated with a union.

The Defence Fund supplements strike pay provided by CUPE National and supports Division projects aimed at averting strikes and advancing goals of the Union.

The Colleen Jordan Humanity Fund provides a sustainable and reliable funding mechanism to support humanitarian and solidarity projects that reflect trade union principles as community activists and as global citizens.

#### (b) Revenue Recognition

The Union follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or if the amount to be received can be reasonably estimated and collection is reasonably assured. Revenue for conventions and conferences are recognized in the year which the event is held. Division support revenues are recorded on an accrual basis.

Investment income includes dividend and interest income and realized investment gains and losses on sale of investments and unrealized gains and losses on financial assets measured at fair value. Investment income is recorded on an accrual basis.

# CANADIAN UNION OF PUBLIC EMPLOYEES - B.C. DIVISION

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

**(c) Cash**

Cash consists of balances with banks less cheques issued and outstanding.

**(d) Investments**

Investments are valued at market value.

**(e) Inventory**

Inventory is valued at the lower of cost and net realizable value. The costs of inventory comprise the landed cost, freight, exchange and duty. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of sales.

**(f) Capital Assets**

Capital assets are recorded at cost.

The Union amortizes its capital assets as follows:

Computer equipment	30 % declining balance
Computer software	30 % straight line
Equipment	30 % declining balance
Office furniture and equipment	20 % declining balance
Vehicle	30 % declining balance
Leasehold improvements	15 year straight line

**(g) Employee Future Benefits**

- (1) The Union and its employees make contributions to the British Columbia Municipal Pension Plan and the COPE Union Pension Plan. These contributions are expensed as incurred.

Sick leave, vacation and overtime are also available to certain employees' of the Union. The cost of these benefits are determined based on hours banked. The obligation under these benefits are accrued based on projected benefits as the employees render services necessary to earn the future benefit.

- (2) Defined contribution plan accounting is applied to multi-employer defined benefit plans such as the British Columbia Municipal Pension Plan and accordingly, contributions are expensed.

- (3) The cost of multi-employer defined contribution pension plan benefits, such as the COPE Union Pension Plan are the employer's contributions due to the plan in the period.

# CANADIAN UNION OF PUBLIC EMPLOYEES - B.C. DIVISION

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

### (h) Allocation of Expenses

The Union has three funds: the General Fund, the Defence Fund and the Colleen Jordan Humanity Fund. The costs of each fund include expenses that are directly related to that fund. The Union also incurs a number of general and administrative support expenses that are common to the administration of the Union and each of its funds.

The Union allocates certain general expenses from the General Fund to the other funds based on management's estimates of resources used by that fund.

### (i) Contributed Services

The Union and its members benefit from contributed services in the form of volunteer time for the board and various committees. The value of contributed services are not recognized in these financial statements.

### (j) Financial Instruments

#### (1) Measurement of Financial Instruments

The Union initially measures its financial assets and financial liabilities at fair value.

The Union subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, and loans payable which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and employee future benefit obligation.

#### (2) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

#### (3) Transaction Costs

The Union recognizes its transaction costs in the statement of operations, in the period incurred. However, the carrying amount of the financial instruments that will not be subsequently measured at fair value is reflected in the transaction costs that are directly attributable to their origination, issuance or assumption.

# CANADIAN UNION OF PUBLIC EMPLOYEES - B.C. DIVISION

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

**(k) Use of Estimates**

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statement changes in such estimates in future periods could be significant. Significant areas of estimates include collectability of accounts receivable, the useful lives of capital assets and estimates of accrued liabilities.

**3. INVESTMENTS**

	General Fund	Defence Fund	CJH Fund	2021	2020
Cash and money market funds	\$ -	\$ 325,448	\$ 696	\$ 326,144	\$ 51,393
Marketable securities at quoted market value (Cost - \$5,280,553)	-	4,785,970	1,386,972	6,172,942	4,594,643
Term deposit - Internally restricted for employee future benefit obligation (Note 8)	338,698	-	-	338,698	333,293
Term deposits	-	1,000,000	-	1,000,000	950,000
	\$ 338,698	\$ 6,111,418	\$ 1,387,668	\$ 7,837,784	\$ 5,929,329

Term deposits held at December 31, 2021 mature and earn interest per annum as follows:

		General Fund	Defence Fund	CJH Fund
May 3, 2022	0.85%	\$ 237,398	\$ -	\$ -
Oct 3, 2022	1.10%	101,300	-	-
June 20, 2022	0.85%	-	250,000	-
July 19, 2022	1.10%	-	250,000	-
Oct 5, 2022	0.50%	-	250,000	-
Jan 3, 2023	1.10%	-	250,000	-
		\$ 338,698	\$ 1,000,000	\$ -

# CANADIAN UNION OF PUBLIC EMPLOYEES - B.C. DIVISION

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

### 4. ACCOUNTS RECEIVABLE

	General Fund	Defence Fund	CJH Fund	2021	2020
Per Capita	\$ 553,794	\$ 346,121	\$ 69,224	\$ 969,139	\$ 849,265
CUPE National	15,333	320,411	-	335,744	262,081
Other	-	-	-	-	12,375
	<b>\$ 569,127</b>	<b>\$ 666,532</b>	<b>\$ 69,224</b>	<b>\$ 1,304,883</b>	<b>\$ 1,123,721</b>

### 5. INTERFUND TRANSFERS

The interfund transfers represent funds transferred to (from) the Colleen Jordan Humanity Fund, the Defence Fund and the General Fund. These interfund transfers are done to maintain adequate operating cash in all of the funds, as well as to allocate receipts and expenditures between funds. These advances are non-interest bearing and due on demand.

	2021	2020
General Fund receivable from Defence Fund	\$ 40,955	\$ 86,366
Defence Fund receivable from Colleen Jordan Humanity Fund	8,063	-
Colleen Jordan Humanity Fund receivable from General Fund	4,919	-
Colleen Jordan Humanity Fund receivable from Defence Fund	-	1,326
General Fund receivable from Colleen Jordan Humanity Fund	-	9,346
Interfund amounts receivable	<b>\$ 53,937</b>	<b>\$ 97,038</b>

### 6. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2021	Net 2020
Computer equipment	\$ 56,778	\$ 26,428	\$ 30,350	\$ 29,907
Computer software	107,279	8,952	98,327	34,335
Equipment	229,684	210,161	19,523	26,525
Leasehold improvements	57,889	36,650	21,239	30,342
Office furniture and equipment	42,976	21,934	21,042	26,303
Vehicle	38,116	36,808	1,308	1,868
	<b>\$ 532,722</b>	<b>\$ 340,933</b>	<b>\$ 191,789</b>	<b>\$ 149,280</b>

# CANADIAN UNION OF PUBLIC EMPLOYEES - B.C. DIVISION

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

### 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	General Fund	Defence Fund	CJH Fund	2021	2020
Trade and accrued liabilities \$	198,922	\$ 32,523	\$ 30,100	\$ 261,545	\$ 201,165
Government remittances	14,319	-	-	14,319	8,422
	<b>\$ 213,241</b>	<b>\$ 32,523</b>	<b>\$ 30,100</b>	<b>\$ 275,864</b>	<b>\$ 209,587</b>

### 8. EMPLOYEE FUTURE BENEFIT OBLIGATION

Employee future benefit obligation includes the accumulated sick, vacation, overtime and retirement benefits for the Union's employees. This amount has been funded partially by the general fund term deposit (see Note 3).

	2021	2020
Employee future benefit obligation	\$ 691,052	\$ 499,371
Amounts funded by term deposit	338,698	333,293
Net unfunded employee future benefit obligation	<b>\$ 352,354</b>	<b>\$ 166,078</b>

#### Employee Pension Plan

The Union and its employees contribute to the British Columbia Municipal Pension Plan (MPP) and the COPE Union Pension Plan. The boards of trustees for these plans represent plan members and employers and are responsible for the management of the pension plans including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. The MPP is a defined benefit plan and the COPE Union Pension Plan is a defined contribution plan. The British Columbia Municipal Pension Plan has approximately 204,593 active members of which 9 members are from the B.C. Division of the Union.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. The most recent valuation of the British Columbia Municipal Pension Plan as at December 31, 2018 indicated a \$2.2866 billion surplus for basic pension benefits. The actuary does not attribute portions of the unfunded liability or surplus to individual employers. The next actuarial valuation is at December 31, 2021 and will be available in fall 2022. CUPE BC paid \$91,281 for employer contributions to these plans in the year ended December 31, 2021.

### 9. LOAN PAYABLE

The loan payable was to the Canadian Union of Public Employees national organization for funds advanced. This loan was non-interest bearing, unsecured and was repaid in full in March 2021.

Gains and losses arising from the changes in fair value are recognized in excess (deficiency) of revenue over expenditures for the year. The loss on the fair value adjustment amounted to \$(12,466) (2020 - \$(24,544)).

# CANADIAN UNION OF PUBLIC EMPLOYEES - B.C. DIVISION

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

### 10. COMMITTEES

	General Fund	Defence Fund	2021	2020
Trustees	\$ 9,579	\$ -	\$ 9,579	\$ 12,016
Anti-Privatization	4,153	297	4,450	9,250
Education	3,364	-	3,364	12,330
Environmental	2,572	20	2,592	8,172
International Solidarity	3,338	-	3,338	12,529
Library	1,229	-	1,229	10,565
OH&S	3,046	-	3,046	14,086
Pension	3,691	3,893	7,584	7,925
Political Action	2,108	-	2,108	7,076
Womens	4,859	3,407	8,266	21,308
Colleges	466	-	466	3,751
Universities	301	-	301	3,258
Racialized Workers	2,849	1,003	3,852	8,512
Pink Triangle	1,846	876	2,722	17,329
Municipal	2,522	174	2,696	13,198
K-12	3,281	-	3,281	13,317
Health Care	-	-	-	626
Community Social Services	408	-	408	7,636
Young Workers	950	-	950	12,006
Transportation	3,612	-	3,612	7,132
Skilled Trades	1,460	(580)	880	9,343
Indigenous	5,444	15,828	21,272	11,991
Persons With Disabilities	2,861	-	2,861	7,567
Ad Hoc	-	-	-	12,290
	<b>\$ 63,939</b>	<b>\$ 24,918</b>	<b>\$ 88,857</b>	<b>\$ 243,213</b>

### 11. ALLOCATION OF EXPENSES

General and administrative expenses have been allocated from the General Fund to the Defence Fund as follows:

	2021	2020
Amortization	\$ 7,013	\$ 10,033
Office overhead	-	14,995
Wages	-	49,285
	<b>\$ 7,013</b>	<b>\$ 74,313</b>

The percentage allocation of expenses from the General Fund to the Defence Fund is between 0% and 10% for office overhead and wages in the current and prior year. Amortization of equipment and vehicle associated with Defence Fund activities are allocated from the General Fund to the Defence Fund based on usage. For the current year, the allocation is 100%.

# CANADIAN UNION OF PUBLIC EMPLOYEES - B.C. DIVISION

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

### 12. COMMITMENTS

The Union has entered into lease or service agreements for premises, automobiles, computer services and certain office equipment. The minimum annual payments are as follows:

2022	\$	78,336
2023		78,336
2024		77,696
2025		65,903
2026		62,508
		<hr/>
	\$	362,779

### 13. FINANCIAL INSTRUMENTS

The Union is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the Union's risk exposure at the balance sheet date.

- (a) **Liquidity risk:** Liquidity risk is the risk that the Union will encounter difficulty in meeting obligations associated with financial liabilities. The Union is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and loans payable.
- (b) **Credit risk:** Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Union's main credit risks relate to its accounts receivable. The Union provides credit to its members in the normal course of its operations. The Union is also exposed to credit risk with respect to cash and investments. The credit risk with respect to cash and investments is insignificant since they are held in large financial institutions.
- (c) **Market risk:** Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The enterprise is mainly exposed to interest rate risk and other price risks.
- (d) **Currency risk:** Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Union is exposed to currency risk as a result of investment in foreign securities and mutual funds. As at December 31, 2021, cash and investments totalling \$1,001,330 (2020 - \$732,909) is denominated in US dollars and converted into Canadian dollars. The amounts have been translated into Canadian dollars at the prevailing foreign exchange rates in effect at the date of the balance sheet.
- (e) **Interest rate risk:** Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Union is exposed to interest rate risk as a result of investment in bonds, money market funds and certain mutual funds.
- (f) **Other price risk:** Other price risk associated with investments in shares is reduced to a minimum, since the Union mitigates the risk by regularly rebalancing its portfolio.



# CANADIAN UNION OF PUBLIC EMPLOYEES - B.C. DIVISION

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

### 14. OTHER MATTERS

Article 8.1(b)(ii) of the CUPE BC Constitution states "In the event the CUPE BC Colleen Jordan Humanity Fund balance exceeds \$1,250,000, 50% of all further revenue to the fund shall be redirected to the CUPE BC Defence Fund. If the Colleen Jordan Humanity Fund balance falls below \$750,000, all fund revenue shall be reinstated until it reaches a balance of \$1,250,000."

At December 31, 2016, the CUPE BC Colleen Jordan Humanity Fund balance was in excess of \$1,250,000. Effective January 1, 2017 50% of the Colleen Jordan Humanity Fund revenue has been redirected to the Defence Fund.

During 2021, a total of \$196,389 (2020 - \$181,401) was redirected from the Colleen Jordan Humanity Fund to the Defence Fund in compliance with the constitution.