

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

FINANCIAL STATEMENTS

DECEMBER 31, 2023

CANADIAN UNION OF PUBLIC EMPLOYEES - B.C. DIVISION

DECEMBER 31, 2023

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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, 2023 and December 31, 2022, 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, 2023 and December 31, 2022, 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

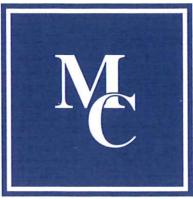
Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that 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.
April 2, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS

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.

CANADIAN UNION OF PUBLIC EMPLOYEES - B.C. DIVISION

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

| | General Fund | Defence Fund | CJH Fund | 2023 Total | 2022 Total |
|---|--------------|--------------|--------------|--------------|--------------|
| ASSETS | | | | | |
| CURRENT | | | | | |
| Cash | \$ 777,396 | \$ 3,349,930 | \$ 366,281 | \$ 4,493,607 | \$ 1,783,274 |
| Investments (Note 3) | 1,574,759 | 8,802,717 | 1,624,443 | 12,001,919 | 11,150,821 |
| Accounts receivable (Note 4) | 723,671 | 875,919 | 88,983 | 1,688,573 | 1,669,223 |
| Interfund amounts receivable (Note 5) | - | 37,049 | 30,070 | 67,119 | 129,210 |
| Interfund amounts payable (Note 5) | (59,085) | (8,034) | - | (67,119) | (129,210) |
| Inventory (Note 6) | 106,310 | - | - | 106,310 | 101,823 |
| Prepaid expenses | 196,844 | 54,879 | - | 251,723 | 252,871 |
| | 3,319,895 | 13,112,460 | 2,109,777 | 18,542,132 | 14,958,012 |
| CAPITAL ASSETS (Note 7) | 442,135 | - | - | 442,135 | 385,340 |
| | \$ 3,762,030 | \$13,112,460 | \$ 2,109,777 | \$18,984,267 | \$15,343,352 |
| LIABILITIES | | | | | |
| CURRENT | | | | | |
| Accounts payable and accrued liabilities | \$ 267,144 | \$ 42,564 | \$ 1,474 | \$ 311,182 | \$ 319,327 |
| Employee future benefit obligation (Note 8) | 533,039 | - | - | 533,039 | 568,457 |
| | 800,183 | 42,564 | 1,474 | 844,221 | 887,784 |
| NET ASSETS | | | | | |
| NET ASSETS | 2,961,847 | 13,069,896 | 2,108,303 | 18,140,046 | 14,455,568 |
| | \$ 3,762,030 | \$13,112,460 | \$ 2,109,777 | \$18,984,267 | \$15,343,352 |

APPROVED BY THE DIRECTORS:



Director



Director

See accompanying notes

CANADIAN UNION OF PUBLIC EMPLOYEES - B.C. DIVISION

STATEMENT OF CHANGE IN NET ASSETS

| | YEAR ENDED DECEMBER 31, 2023 | | | | |
|--------------------------------------|------------------------------|-----------------|--------------|---------------|---------------|
| | General Fund | Defence Fund | CJH Fund | 2023 Total | 2022 Total |
| NET ASSETS, beginning of year | \$ 2,462,617 | \$ 10,120,611 | \$ 1,872,340 | \$ 14,455,568 | \$ 13,132,624 |
| Excess of revenues over expenditures | 499,230 | 2,949,285 | 235,963 | 3,684,478 | 1,322,944 |
| NET ASSETS, end of year | \$ 2,961,847 | \$ 13,069,896 | \$ 2,108,303 | \$ 18,140,046 | \$ 14,455,568 |

See accompanying notes

CANADIAN UNION OF PUBLIC EMPLOYEES - B.C. DIVISION

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2023

| | General Fund | Defence Fund | CJH Fund | 2023 | 2022 |
|---|--------------|--------------|------------|--------------|--------------|
| REVENUES | | | | | |
| Per Capita | \$ 3,642,862 | \$ 2,505,572 | \$ 227,397 | \$ 6,375,831 | \$ 5,756,654 |
| Conventions and conferences | 92,925 | - | - | 92,925 | 81,951 |
| Division support | 143,176 | - | - | 143,176 | 140,188 |
| Investment/other income | 78,071 | 267,791 | 59,143 | 405,005 | 1,060,367 |
| Unrealized gains (losses) on investments | 146,724 | 1,022,717 | 158,831 | 1,328,272 | (929,895) |
| (Loss) gain on disposal of capital assets | (1,935) | - | - | (1,935) | 22,000 |
| | 4,101,823 | 3,796,080 | 445,371 | 8,343,274 | 6,131,265 |
| DIRECT EXPENDITURES | | | | | |
| Administration and executive board | 369,772 | - | - | 369,772 | 301,852 |
| Convention - CUPE BC | 544,127 | - | - | 544,127 | 500,963 |
| Convention - National | 21,634 | - | - | 21,634 | - |
| Executive visits | 21,580 | - | - | 21,580 | 15,206 |
| Seminars and conferences | 54,984 | - | - | 54,984 | 13,448 |
| Insurance | 16,729 | - | - | 16,729 | 15,573 |
| Donations | 250 | - | 176,424 | 176,674 | 140,548 |
| Elections | - | - | - | - | 211,986 |
| Special programs & miscellaneous | 13,025 | 4,257 | 25,500 | 42,782 | 27,121 |
| Committees (Note 9) | 328,749 | 36,719 | - | 365,468 | 269,292 |
| Cost sharing programs | - | 26,209 | - | 26,209 | 7,627 |
| Action program net of recoveries | - | 519,459 | - | 519,459 | 961,990 |
| Scholarships | 2,000 | - | - | 2,000 | 2,000 |
| Strike expenses | - | 220,533 | - | 220,533 | 23,441 |
| | 1,372,850 | 807,177 | 201,924 | 2,381,951 | 2,491,047 |
| | 2,728,973 | 2,988,903 | 243,447 | 5,961,323 | 3,640,218 |
| ADMINISTRATIVE EXPENDITURES | | | | | |
| Accounting and legal | 50,501 | - | - | 50,501 | 27,825 |
| Amortization | 48,567 | 1,734 | - | 50,301 | 44,606 |
| Automotive | 27,400 | - | - | 27,400 | 25,023 |
| Bank and management | 7,740 | 37,884 | 7,484 | 53,108 | 30,899 |
| Office | 112,975 | - | - | 112,975 | 170,145 |
| Rent | 195,646 | - | - | 195,646 | 176,002 |
| Salaries | 1,100,423 | - | - | 1,100,423 | 929,416 |
| - Payroll costs and benefits | 426,465 | - | - | 426,465 | 503,811 |
| Telephone | 18,651 | - | - | 18,651 | 19,979 |
| The Public Employee | 241,375 | - | - | 241,375 | 389,568 |
| | 2,229,743 | 39,618 | 7,484 | 2,276,845 | 2,317,274 |
| EXCESS OF REVENUES OVER EXPENDITURES | \$ 499,230 | \$ 2,949,285 | \$ 235,963 | \$ 3,684,478 | \$ 1,322,944 |

See accompanying notes

CANADIAN UNION OF PUBLIC EMPLOYEES - B.C. DIVISION

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023

| | 2023 | 2022 |
|---|---------------------|---------------------|
| CASH FLOWS FROM: | | |
| OPERATING ACTIVITIES | | |
| Excess of revenues over expenditures for the year | \$ 3,684,478 | \$ 1,322,944 |
| Charges to revenues over expenditures not affecting cash flows: | | |
| Amortization | 50,301 | 44,606 |
| Realized (gain) loss on investments | (39,743) | (813,636) |
| Unrealized (gain) loss on investments | (1,328,272) | 929,895 |
| (Loss) gain on disposal of capital assets | 1,935 | (22,000) |
| | 2,368,699 | 1,461,809 |
| Changes in non-cash working capital: | | |
| Accounts receivable | (19,350) | (364,340) |
| Interfund amounts receivable | 62,091 | (75,273) |
| Interfund amounts payable | (62,091) | 75,273 |
| Inventory | (4,487) | 30,199 |
| Prepaid expenses | 1,148 | (18,329) |
| Accounts payable and accrued liabilities | (8,145) | 43,463 |
| Employee future benefit obligation | (35,418) | (122,595) |
| | 2,302,447 | 1,030,207 |
| INVESTING ACTIVITIES | | |
| Proceeds on disposal of capital assets | - | 35,849 |
| Purchase of capital assets | (109,029) | (254,551) |
| Purchase of investments | (1,643,876) | (9,654,921) |
| Proceeds on disposal of investments | 2,160,791 | 6,228,170 |
| | 407,886 | (3,645,453) |
| NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS | 2,710,333 | (2,615,246) |
| CASH AND EQUIVALENTS, beginning of year | 1,783,274 | 4,398,520 |
| CASH AND EQUIVALENTS, end of year | \$ 4,493,607 | \$ 1,783,274 |

See accompanying notes

CANADIAN UNION OF PUBLIC EMPLOYEES - B.C. DIVISION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

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, 2023

(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.

(h) 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.

CANADIAN UNION OF PUBLIC EMPLOYEES - B.C. DIVISION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

(i) 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.

(j) 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.

CANADIAN UNION OF PUBLIC EMPLOYEES - B.C. DIVISION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

3. INVESTMENTS

| | General Fund | Defence Fund | CJH Fund | 2023 | 2022 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Cash and money market funds | \$ - | \$ 751 | \$ - | \$ 751 | \$ 1,770 |
| Investments at quoted market value (Cost - \$9,783,133) | 1,474,759 | 8,301,966 | 1,624,443 | 11,401,168 | 9,809,635 |
| Term deposit - Internally restricted for employee future benefit obligation (Note 8) | 100,000 | - | - | 100,000 | 339,416 |
| Term deposits | - | 500,000 | - | 500,000 | 1,000,000 |
| | \$ 1,574,759 | \$ 8,802,717 | \$ 1,624,443 | \$12,001,919 | \$11,150,821 |

Term deposits held at December 31, 2023 mature and earn interest per annum as follows:

| | | General Fund | Defence Fund | CJH Fund |
|------------------|-------|-------------------|-------------------|-------------|
| October 5, 2024 | 5.25% | \$ 100,000 | \$ - | \$ - |
| January 3, 2024 | 4.50% | - | 250,000 | - |
| October 19, 2024 | 5.25% | - | 250,000 | - |
| | | \$ 100,000 | \$ 500,000 | \$ - |

4. ACCOUNTS RECEIVABLE

| | General Fund | Defence Fund | CJH Fund | 2023 | 2022 |
|---------------|-------------------|-------------------|------------------|---------------------|---------------------|
| Per Capita | \$ 711,860 | \$ 444,913 | \$ 88,983 | \$ 1,245,756 | \$ 998,656 |
| CUPE National | 11,811 | 431,006 | - | 442,817 | 670,567 |
| | \$ 723,671 | \$ 875,919 | \$ 88,983 | \$ 1,688,573 | \$ 1,669,223 |

CANADIAN UNION OF PUBLIC EMPLOYEES - B.C. DIVISION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

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.

| | 2023 | 2022 |
|---|------------------|-------------------|
| General Fund receivable from Defence Fund | \$ - | \$ 121,744 |
| Defence Fund receivable from Colleen Jordan Humanity Fund | - | 6,569 |
| Colleen Jordan Humanity Fund receivable from General Fund | 22,036 | - |
| Colleen Jordan Humanity Fund receivable from Defence Fund | 8,034 | - |
| General Fund receivable from Colleen Jordan Humanity Fund | - | 897 |
| Defence Fund receivable from General Fund | 37,049 | - |
| Interfund amounts receivable | \$ 67,119 | \$ 129,210 |

6. INVENTORY

The Union maintains an inventory of promotional items that are expensed throughout the year as these items are donated. The inventory is physically counted at year end and adjusted to actual on hand. During the year ended December 31, 2023 the amount of inventories recognized as an expense was \$111,692.

7. CAPITAL ASSETS

| | Cost | Accumulated Amortization | Net 2023 | Net 2022 |
|--------------------------------|-------------------|-----------------------------|-------------------|-------------------|
| Computer equipment | \$ 71,415 | \$ 36,273 | \$ 35,142 | \$ 26,372 |
| Computer software | 389,810 | 48,444 | 341,366 | 291,547 |
| Equipment | 40,258 | 19,209 | 21,049 | 26,325 |
| Leasehold improvements | 57,889 | 47,482 | 10,407 | 14,867 |
| Office furniture and equipment | 53,415 | 32,432 | 20,983 | 26,229 |
| Vehicle | 15,515 | 2,327 | 13,188 | - |
| | \$ 628,302 | \$ 186,167 | \$ 442,135 | \$ 385,340 |

Computer software with a carrying value of \$321,942 (2022 - \$251,763) is not being amortized as it is not put into use at December 31, 2023.

CANADIAN UNION OF PUBLIC EMPLOYEES - B.C. DIVISION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

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).

| | 2023 | 2022 |
|---|------------|------------|
| Employee future benefit obligation | \$ 533,039 | \$ 568,457 |
| Amounts funded by term deposit | 100,000 | 339,416 |
| Net unfunded employee future benefit obligation | \$ 433,039 | \$ 229,041 |

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 240,549 active members of which 10 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, 2021 indicated a \$3.76 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, 2024 and will be available in fall 2025. CUPE BC paid \$108,235 for employer contributions to these plans in the year ended December 31, 2023.

CANADIAN UNION OF PUBLIC EMPLOYEES - B.C. DIVISION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

9. COMMITTEES

| | General Fund | Defence Fund | 2023 | 2022 |
|---------------------------------|-----------------|-----------------|------------|------------|
| Trustees | \$ 14,680 | \$ - | \$ 14,680 | \$ 6,241 |
| Anti-Privatization | 3,343 | 379 | 3,722 | 6,685 |
| Education | 8,493 | 1,264 | 9,757 | 12,405 |
| Environmental & Climate Justice | 11,721 | 3,107 | 14,828 | 12,313 |
| International Solidarity | 11,704 | - | 11,704 | 5,945 |
| Library | 16,214 | - | 16,214 | 12,283 |
| OH&S | 21,586 | 7,679 | 29,265 | 13,014 |
| Pension | 27,205 | - | 27,205 | 10,704 |
| Political Action | 13,945 | 418 | 14,363 | 9,745 |
| Womens and Gender Rights | 17,035 | 286 | 17,321 | 13,708 |
| Colleges | 10,155 | - | 10,155 | 2,414 |
| Universities | 11,175 | - | 11,175 | 10,049 |
| Racialized Workers | 18,085 | 5,335 | 23,420 | 34,706 |
| Pink Triangle | 13,688 | - | 13,688 | 7,728 |
| Municipal | 6,609 | 169 | 6,778 | 7,311 |
| K-12 | 26,509 | - | 26,509 | 16,888 |
| Community Social Services | 10,694 | 795 | 11,489 | 7,948 |
| Young Workers | 9,404 | - | 9,404 | 10,610 |
| Transportation | 10,490 | 1,820 | 12,310 | 7,212 |
| Skilled Trades | 21,459 | 4,519 | 25,978 | 24,134 |
| Indigenous | 35,381 | 848 | 36,229 | 24,080 |
| Persons With Disabilities | 9,174 | 2,606 | 11,780 | 8,868 |
| Ad Hoc | - | 7,494 | 7,494 | 4,301 |
| | \$ 328,749 | \$ 36,719 | \$ 365,468 | \$ 269,292 |

10. COMMITMENTS

The Union has entered into lease or service agreements for premises, vehicles and parking. The minimum annual payments are as follows:

| | |
|------|------------|
| 2024 | \$ 113,852 |
| 2025 | 86,435 |
| 2026 | 83,040 |
| 2027 | 83,040 |
| 2028 | 67,641 |
| | \$ 434,008 |

CANADIAN UNION OF PUBLIC EMPLOYEES - B.C. DIVISION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

11. 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, 2023, cash and investments totalling \$751 (2022 - \$752) 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.

12. 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 2023, a total of \$227,397 (2022 - \$205,506) was redirected from the Colleen Jordan Humanity Fund to the Defence Fund in compliance with the constitution.