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OPSEU CONVENTION 2017



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CONGRÈS DU SEFPO 2017

**États financiers
vérifiés et
notes**

**Audited Financial
Statements and
Notes**



SECTION C

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Ontario Public Service Employees Union

Financial Statements
December 31, 2016



March 14, 2017

Independent Auditor's Report

To the Members of Ontario Public Service Employees Union

We have audited the accompanying financial statements of Ontario Public Service Employees Union, which comprise the statement of financial position as at December 31, 2016 and the statements of revenue and expenditures and fund balances and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ontario Public Service Employees Union as at December 31, 2016 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Ontario Public Service Employees Union

Statement of Financial Position

As at December 31, 2016

| | | | | | 2016 | 2015 |
|---|--------------|-------------|----------------|--------------|-------------|-------------|
| | General Fund | Strike Fund | Education Fund | Defence Fund | Total | Total |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Assets | | | | | | |
| Current assets | | | | | | |
| Cash | 1,539,149 | 625,034 | 2,558 | - | 2,166,741 | 3,643,354 |
| Receivable | | | | | | |
| Dues | 5,498,040 | - | - | - | 5,498,040 | 5,404,714 |
| Other | 2,271,274 | 251,522 | - | - | 2,522,796 | 2,399,294 |
| Prepaid expenses and other assets | 702,722 | - | 3,295 | - | 706,017 | 664,940 |
| | 10,011,185 | 876,556 | 5,853 | - | 10,893,594 | 12,112,302 |
| Investments | 2,753,950 | 56,781,942 | - | - | 59,535,892 | 60,848,769 |
| Capital assets (note 3) | 3,100,588 | 14,654,649 | - | - | 17,755,237 | 13,881,466 |
| | 15,865,723 | 72,313,147 | 5,853 | - | 88,184,723 | 86,842,537 |
| Liabilities and Fund Balances | | | | | | |
| Current liabilities | | | | | | |
| Bank indebtedness (note 4) | 3,415,624 | - | - | - | 3,415,624 | 3,754,814 |
| Accounts payable | 8,703,443 | 714,049 | 56,027 | - | 9,473,519 | 9,335,957 |
| Accrued liabilities | 21,062,643 | - | - | - | 21,062,643 | 20,454,856 |
| Obligations under capital leases (note 6) | 128,186 | - | - | - | 128,186 | 129,327 |
| | 33,309,896 | 714,049 | 56,027 | - | 34,079,972 | 33,674,954 |
| Inter-fund balances | 356,091 | 463,889 | (819,980) | - | - | - |
| Obligations under capital leases (note 6) | 153,505 | - | - | - | 153,505 | 282,148 |
| Post-employment benefits (note 9) | 59,128,000 | - | - | - | 59,128,000 | 60,447,000 |
| | 92,947,492 | 1,177,938 | (763,953) | - | 93,361,477 | 94,404,102 |
| Fund surplus (deficit) | (77,081,769) | 71,135,209 | 769,806 | - | (5,176,754) | (7,561,565) |
| | 15,865,723 | 72,313,147 | 5,853 | - | 88,184,723 | 86,842,537 |
| Commitments and contingencies (notes 8 and 11) | | | | | | |

Approved by the Board of Directors

 Director

 Director

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

Ontario Public Service Employees Union
Statement of Revenue and Expenditures and Fund Balances
For the year ended December 31, 2016

| | | | | | 2016 | 2015 |
|--|-----------------------|----------------------|-------------------------|-----------------------|--------------------|--------------------|
| | General Fund \$ | Strike Fund \$ | Education Fund \$ | Defence Fund \$ | Total \$ | Total \$ |
| Revenue | | | | | | |
| Membership dues | 98,810,840 | 1,252,257 | 1,833,178 | 18,376 | 101,914,651 | 98,622,922 |
| Investment income (note 7) | 74,012 | 1,706,343 | - | - | 1,780,355 | 4,555,554 |
| Other income | 1,587,622 | - | - | - | 1,587,622 | 1,331,146 |
| | <u>100,472,474</u> | <u>2,958,600</u> | <u>1,833,178</u> | <u>18,376</u> | <u>105,282,628</u> | <u>104,509,622</u> |
| Expenditures | | | | | | |
| Members' activities (schedule 1) | 36,937,154 | - | - | 18,376 | 36,955,530 | 33,031,579 |
| Executive board activities (schedule 2) | 1,470,537 | - | - | - | 1,470,537 | 1,446,301 |
| Departmental costs (schedule 3) | 57,672,079 | - | - | - | 57,672,079 | 54,798,318 |
| Strike | - | 939,255 | - | - | 939,255 | 8,974,973 |
| Amortization of capital assets (note 3) | 1,421,890 | 699,064 | - | - | 2,120,954 | 1,392,204 |
| Education | - | - | 1,833,178 | - | 1,833,178 | 1,803,981 |
| Investment management fees | - | 137,811 | - | - | 137,811 | 153,664 |
| | <u>97,501,660</u> | <u>1,776,130</u> | <u>1,833,178</u> | <u>18,376</u> | <u>101,129,344</u> | <u>101,601,020</u> |
| Net operating revenue | 2,970,814 | 1,182,470 | - | - | 4,153,284 | 2,908,602 |
| Post-employment benefits (note 9) | (8,471,000) | - | - | - | (8,471,000) | (7,986,000) |
| Excess of (expenditures over revenue) revenue over expenditures before the undernoted | (5,500,186) | 1,182,470 | - | - | (4,317,716) | (5,077,398) |
| Change in fair value of investments | 357,076 | 2,085,451 | - | - | 2,442,527 | (3,762,865) |
| Surplus (loss) for the year | (5,143,110) | 3,267,921 | - | - | (1,875,189) | (8,840,263) |
| Fund surplus (deficit) - Beginning of year | (77,698,659) | 69,367,288 | 769,806 | - | (7,561,565) | 4,833,698 |
| Net actuarial loss - post- employment benefits (note 9) | 4,260,000 | - | - | - | 4,260,000 | (3,555,000) |
| Interfund transfer of investment income (note 7) | 1,500,000 | (1,500,000) | - | - | - | - |
| Fund surplus (deficit) - End of year | <u>(77,081,769)</u> | <u>71,135,209</u> | <u>769,806</u> | <u>-</u> | <u>(5,176,754)</u> | <u>(7,561,565)</u> |

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

Ontario Public Service Employees Union

Statement of Cash Flows

For the year ended December 31, 2016

| | 2016 \$ | 2015 \$ |
|--|-------------|-------------|
| Cash provided by (used in) | | |
| Operating activities | | |
| Loss for the year | (1,875,189) | (8,840,263) |
| Items not affecting cash | | |
| Amortization of capital assets | 2,120,954 | 1,392,204 |
| Post-employment plan costs | 2,941,000 | 2,748,000 |
| Change in fair value of investments | (2,442,527) | 3,762,865 |
| | 744,238 | (937,194) |
| Changes in non-cash working capital (note 10) | 487,444 | (1,382,280) |
| | 1,231,682 | (2,319,474) |
| Investing activities | | |
| Proceeds on disposal of investments - net | 3,755,404 | 3,472,315 |
| Purchase of capital assets | (5,994,725) | (2,226,662) |
| | (2,239,321) | 1,245,653 |
| Financing activities | | |
| Proceeds from (repayment of) bank indebtedness | (339,190) | 3,754,814 |
| Repayment of capital lease obligations | (129,784) | (146,115) |
| | (468,974) | 3,608,699 |
| Increase (decrease) in cash during the year | (1,476,613) | 2,534,878 |
| Cash - Beginning of year | 3,643,354 | 1,108,476 |
| Cash - End of year | 2,166,741 | 3,643,354 |
| Supplementary disclosures (note 10) | | |

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

Ontario Public Service Employees Union

Notes to Financial Statements

December 31, 2016

1 Summary of significant accounting policies

Purpose of organization

The Ontario Public Service Employees Union (OPSEU or the Union) is incorporated without share capital under the provisions of Part III of the Corporations Act of the Province of Ontario. The Act requires that the Union be carried on without the purpose of gain for its members and that any profits or other accretions to the Union be used in promoting its objectives.

The Union is exempt from income tax under the provisions of paragraph 149(1)(k) of the Income Tax Act.

Basis of accounting

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) in Part III of the Chartered Professional Accountants of Canada (CPA Canada) Handbook. The financial statements include the following significant accounting policies.

Fund accounting

These financial statements include the following funds:

1) Strike Fund

The Strike Fund is maintained in accordance with Article 23 of the Constitution:

23.1 The Union shall maintain a Strike Fund, whose assets shall be used only for the following purposes:

- i) for strike pay and expenses related to strikes, lockouts and other work stoppage situations involving OPSEU members; and
- ii) on a two-thirds majority roll-call of the Executive Board, to make interest free loans to other striking unions where the Board deems such loans to be in the interest of the Union members.

23.2 Notwithstanding Article 23.1, the assets of the Strike Fund may be encumbered by one or more security interests in order to secure any form of indebtedness of the Union, subject to any policies that may be established from time to time by the Executive Board regarding the manner of giving of security over the assets of the Strike Fund. Any such approval encumbrance shall require approval by two-thirds of the Executive Board.

Notwithstanding Article 23.1, up to 10 million dollars of the assets of the Strike Fund may be encumbered. There are no assets encumbered as at December 31, 2016 (2015 - \$nil).

2) Education Fund

The resources of this fund are used to support the Union's Education Program.

Ontario Public Service Employees Union

Notes to Financial Statements

December 31, 2016

3) Defence Fund

The resources in this fund are used to support situations that involve fundamental challenges to the Union's principles, standards and practices.

4) General Fund

The ongoing operations of the Union are funded through the General Fund. This includes all staffing and related costs, the operating costs for the Union's buildings and equipment, the costs for negotiations, legal and other fees related to grievance handling, organizing, committee meetings, campaigns and other member activities.

Rebates to Locals

The per capita membership dues rebates to Locals are recorded as an expenditure in the year in which they are paid. These funds are used by the Locals to run their operations in accordance with the Union's constitution and local by-laws.

Capital assets

Capital assets are carried at cost, less accumulated amortization. Amortization charges are based on the estimated useful lives of the assets and are calculated at the following annual rates and methods:

| | |
|--------------------------------|-----------------------|
| Building and improvements | 4% declining balance |
| Furniture and fixtures | 3 years straight-line |
| Computer hardware and software | 3 years straight-line |
| Equipment | 3 years straight-line |
| Vehicles | 3 years straight-line |
| Leasehold improvements | over term of lease |
| Capital lease assets | over term of lease |

Major capital expenditures intended to enhance or prolong the life of a building are treated as assets. Annual operating costs are recorded as expenses of the General Fund.

The Union reviews the carrying amounts of its long-lived assets regularly. If the long-lived assets no longer have any long-term service potential to the Union, the excess of the net carrying amount over any residual value is recognized as an expense in the statement of revenue and expenditures and fund balances.

Post-employment benefits

The Union records its obligations under the pension plan and other post-retirement benefit plan as being its total liabilities and related costs less the plan assets. The Union has adopted the following policies:

- The Union has elected to use the actuarial valuation for funding purposes (funding valuations) for the pension and other post-retirement benefit plans.

Ontario Public Service Employees Union

Notes to Financial Statements

December 31, 2016

- The cost of pensions and other retirement benefits earned by employees is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of expected plan investment performance for funded plans, salary escalation, retirement ages of employees and expected health-care costs.
- Plan assets are measured at fair value.
- Actuarial gains and losses arise when the actual return on plan assets differs from the expected return on the plan assets for a period, or when the accrued benefit obligations change during the year. The actuarial gains and losses are recorded directly in the General Fund. A curtailment is an event that significantly reduces the expected years of future service of present employees or eliminates the accrual of defined benefits for future services of a significant number of active participants. The components of the gain or loss are recognized in the statement of revenue and expenditures and fund balances in the year in which it occurs.

Cash

Cash comprises cash on hand and bank balances.

Financial instruments

Financial assets and financial liabilities are initially measured at fair value. The Union subsequently measures all its financial assets and financial liabilities at amortized cost, except for long-term investments, which are measured at fair value. Changes in the fair value are recognized in the statement of revenue and expenditures and fund balances.

Financial assets measured at amortized cost include cash and amounts receivable. Long-term investments are measured at fair value including fixed income investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Revenue recognition and dues receivable

The Union uses the restricted fund method of accounting for its contributions.

Membership dues are recognized as revenue of the General Fund, Strike Fund, Education Fund and Defence Fund in the year received or receivable. Dues receivable are recognized as an asset when the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as revenue of the General Fund and Strike Fund when earned, based on the investments held in the fund.

Ontario Public Service Employees Union

Notes to Financial Statements

December 31, 2016

Leased assets

Leases entered into that transfer substantially all the benefits and risks associated with ownership are recorded as the acquisition of a capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with assets owned by the Union, and the obligation, including interest thereon, is liquidated over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.

Use of estimates

The preparation of these financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

2 Funds in the hands of the Locals

The assets of Locals are available for the general use of the Union only in the event a Local should cease to exist because the members cease to be members of the Union. Funds in the hands of Locals have not been included in these financial statements because of the unavailability of the funds except in this extreme case. Based on the most recent trustees' reports received, these funds have been conservatively estimated to be in excess of \$14,300,000 (2015 - \$10,250,000).

3 Capital assets

The capital assets of the General Fund are as follows:

| | 2016 | | | 2015 |
|--------------------------------------|------------------|-----------------------------------|------------------|------------------|
| | Cost \$ | Accumulated amortization \$ | Net \$ | Net \$ |
| Assets acquired under capital leases | 980,669 | 793,062 | 187,607 | 322,759 |
| Leasehold improvements | 2,855,589 | 2,159,591 | 695,998 | 579,175 |
| Furniture and fixtures | 796,424 | 600,407 | 196,017 | 266,318 |
| Computer | | | | |
| Hardware | 1,285,111 | 880,193 | 404,918 | 264,451 |
| Software | 969,536 | 793,964 | 175,572 | 243,173 |
| Equipment | 33,929 | 33,929 | - | - |
| Vehicles | 839,685 | 488,905 | 350,780 | 252,171 |
| Land | 483,492 | - | 483,492 | 483,492 |
| Building and improvements | 1,199,938 | 593,734 | 606,204 | 668,804 |
| | <u>9,444,373</u> | <u>6,343,785</u> | <u>3,100,588</u> | <u>3,080,343</u> |

Ontario Public Service Employees Union

Notes to Financial Statements

December 31, 2016

The capital assets of the Strike Fund are as follows:

| | | | <u>2016</u> | <u>2015</u> |
|--------------|-------------------|--------------------|-------------------|-------------------|
| | Cost | Accumulated | Net | Net |
| | \$ | amortization | \$ | \$ |
| | | \$ | | |
| Land | | | | |
| 100 Lesmill | 4,805,888 | - | 4,805,888 | 4,805,888 |
| Niagara | 120,000 | - | 120,000 | 120,000 |
| 76 Coldwater | 300,000 | - | 300,000 | 300,000 |
| Thunder Bay | 450,000 | - | 450,000 | |
| 31 Wellesley | 1,956,760 | - | 1,956,760 | 1,956,760 |
| Kingston | 400,000 | - | 400,000 | 400,000 |
| Buildings | | | | |
| 100 Lesmill | 6,697,887 | 2,223,498 | 4,474,389 | 1,970,865 |
| Niagara | 126,689 | 79,128 | 47,561 | 49,543 |
| 76 Coldwater | 292,967 | 81,624 | 211,343 | 220,149 |
| Thunder Bay | 969,292 | 19,386 | 949,906 | |
| 31 Wellesley | 416,139 | 139,476 | 276,663 | 288,190 |
| Kingston | 718,467 | 56,328 | 662,139 | 689,728 |
| | <u>17,254,089</u> | <u>2,599,440</u> | <u>14,654,649</u> | <u>10,801,123</u> |

During the year, capital assets were acquired at an aggregate cost of \$5,994,725 (2015 - \$2,391,316), of which \$nil (2015 - \$164,654) was acquired by means of capital leases and \$5,994,725 (2015 - \$2,226,662) paid in cash.

4 Bank and other indebtedness

The Union has an available bank line of credit of \$5,000,000. The bank line is due on demand and is secured by a general security agreement on the net assets of the Union. Drawings against the line are limited to 10% of the prior year's revenues plus \$2,000,000. Interest is charged at the prime rate plus 0.5% per annum.

As at December 31, 2016, \$1,094,604 (2015 - \$756,580) was drawn against the line of credit and formed part of the Union's bank indebtedness at that date. The remaining bank indebtedness of \$2,321,020 (2015 - \$2,998,234) represents outstanding cheques, net of any outstanding deposits.

5 Government remittances

Included in accounts payable are government remittances payable including payroll withholdings and related taxes, and Workers' Safety Insurance premiums of \$223,441 (2015 - \$128,848).

Ontario Public Service Employees Union

Notes to Financial Statements

December 31, 2016

6 Obligations under capital leases

The following presents future minimum lease payments under capital leases expiring with various maturities to March 2019 and interest rates varying from 6.2% to 9.7% per annum, together with the present value of the obligations:

| | \$ |
|-----------------------|----------------|
| 2017 | 154,842 |
| 2018 | 123,934 |
| 2019 | <u>16,823</u> |
| | 295,600 |
| Less: Interest | <u>13,909</u> |
| | 281,691 |
| Less: Current portion | <u>128,186</u> |
| | <u>153,505</u> |

7 Investment income

Included in investment income are interest income and fund distributions of \$1,874,356 (2015 - \$3,815,354) and dividend income of \$764,304 (2015 - \$740,200). Included in change in fair value of investments are realized gains of \$568,171 (2015 - \$1,248,579) and unrealized gains of \$1,874,356 (2015 - losses of \$5,011,444).

The investments in the Strike Fund are professionally managed by BMO Asset Management Inc. (part of the BMO Financial Group) and RBC Dominion Securities. The investment income reported is netted against investment management and related fees of approximately \$137,811 (2015 - \$153,664).

In accordance with the budget approved at Convention, up to \$1.5 million (2015 - \$1.5 million) of the investment income earned in fiscal 2016 in the Strike Fund could be allocated to the General Fund. During the year, \$1.5 million in investment income in the Strike Fund was earned and transferred to the General Fund.

8 Commitments

The future minimum lease payments under operating leases that have non-cancellable terms in excess of one year as at December 31, 2016 are as follows:

| | \$ |
|---------------------|------------------|
| 2017 | 1,474,239 |
| 2018 | 1,360,965 |
| 2019 | 1,182,850 |
| 2020 | 1,017,989 |
| 2021 | 598,215 |
| 2022 and thereafter | <u>2,078,485</u> |
| | <u>7,712,742</u> |

Ontario Public Service Employees Union

Notes to Financial Statements

December 31, 2016

9 Post-employment benefits

The Union maintains a pension and other post-retirement benefit plan for substantially all of its employees. It also provides post-employment benefits for retired employees.

| | 2016 \$ | 2015 \$ |
|------------------------------------|------------|------------|
| Pension plan | 17,638,000 | 21,682,000 |
| Other post-retirement benefit plan | 41,490,000 | 38,765,000 |
| | 59,128,000 | 60,447,000 |

Information about the Union's pension plan and other post-retirement benefit plan in aggregate is as follows:

| | Pension plan | | Other post-retirement benefit plan | |
|--|---------------|---------------|------------------------------------|------------|
| | 2016 \$ | 2015 \$ | 2016 \$ | 2015 \$ |
| Accrued benefit obligation | 174,995,000 | 165,591,000 | 41,490,000 | 38,765,000 |
| Fair value of plan assets | (157,357,000) | (143,909,000) | - | - |
| Accrued benefit obligation | 17,638,000 | 21,682,000 | 41,490,000 | 38,765,000 |
| Discount rate | 6.0% | 6.0% | 6.0% | 6.0% |
| Salary increase | 3.50% | 3.50% | - | - |
| Expected long-term rate of return on plan assets | 6.0% | 6.0% | - | - |
| Inflation rate | 2.0% | 2.0% | - | - |
| Health benefit costs (decreasing to 4% over 12 years) | - | - | 6.3% | 6.6% |
| Dental costs | - | - | 4.0% | 4.0% |

Ontario Public Service Employees Union

Notes to Financial Statements

December 31, 2016

The movement in the accrued benefit obligation during the year is as follows:

| | Pension plan | | Other post-retirement benefit plan | |
|------------------------------------|--------------|-------------|------------------------------------|-------------|
| | 2016 \$ | 2015 \$ | 2016 \$ | 2015 \$ |
| Beginning balance, as at January 1 | 21,682,000 | 13,429,000 | 38,765,000 | 40,715,000 |
| Interest cost | 1,264,000 | 765,000 | 2,383,000 | 2,506,000 |
| Service cost | 3,254,000 | 3,045,000 | 1,570,000 | 1,670,000 |
| Actuarial (gain) loss | (4,086,000) | 8,845,000 | (174,000) | (5,290,000) |
| Benefits paid | (4,476,000) | (4,402,000) | (1,054,000) | (836,000) |
| Ending balance, as at December 31 | 17,638,000 | 21,682,000 | 41,490,000 | 38,765,000 |

The net pension and other post-retirement benefit expense for the year was determined as follows:

| | Pension plan | | Other post-retirement benefit plan | |
|--------------------------------|--------------|-------------|------------------------------------|------------|
| | 2016 \$ | 2015 \$ | 2016 \$ | 2015 \$ |
| Current service cost | 3,254,000 | 3,045,000 | 1,570,000 | 1,670,000 |
| Interest expense | 9,920,000 | 9,365,000 | 2,383,000 | 2,506,000 |
| Interest income on plan assets | (8,656,000) | (8,600,000) | - | - |
| Net pension expense | 4,518,000 | 3,810,000 | 3,953,000 | 4,176,000 |

Benefits of \$7,119,000 (2015 - \$6,471,000) were paid from the pension plan during the year.

The most recently filed actuarial valuation of the pension plan was prepared as at December 31, 2013 with the next valuation due to be completed in 2017. The effective date of the next required actuarial valuation for funding purposes is due with an effective date no later than December 31, 2016.

The most recent actuarial valuation of the other post-retirement benefit plan was prepared as at April 1, 2014 and extrapolated to December 31, 2016.

The pension fund invests in bonds, pooled funds and domestic and foreign stocks.

Ontario Public Service Employees Union

Notes to Financial Statements

December 31, 2016

10 Supplementary disclosures to the statement of cash flows

Changes in non-cash working capital

| | 2016 \$ | 2015 \$ |
|-----------------------------------|----------------|--------------------|
| Dues receivable | (93,326) | (682,282) |
| Other receivables | (123,502) | (527,273) |
| Prepaid expenses and other assets | (41,077) | (215,311) |
| Accounts payable | 137,562 | (59,133) |
| Accrued liabilities | 607,787 | 101,719 |
| | <u>487,444</u> | <u>(1,382,280)</u> |

Cash paid for interest

| | 2016 \$ | 2015 \$ |
|---------------------------|----------------|---------------|
| Line of credit | 99,978 | 18,303 |
| Capital lease obligations | 32,983 | 26,837 |
| | <u>132,961</u> | <u>45,140</u> |

Non-cash transactions

| | 2016 \$ | 2015 \$ |
|----------------------------------|------------|------------|
| Capital assets | - | 164,654 |
| Obligations under capital leases | - | 164,654 |

11 Contingencies

The Union has been served with several human resource related claims, Ontario Labour Relations Board claims and other claims, which it is defending. At present, the outcomes of these claims are indeterminable. In the opinion of the Union, these claims will be settled without material financial liability. Should losses arise from any of these claims, such losses will be charged to operations in the year of resolution.

In 2014, the Union, as part of a group, entered into a limited guarantee of a credit facility on behalf of the New Democratic Party of Ontario. As at December 31, 2016, the full amount of the credit facility has been drawn. The term of the facility is 48 months and is repayable in full or in part at any time without notice, penalty or bonus. The maximum amount of the Union's potential liability is limited to \$500,000.

Ontario Public Service Employees Union

Notes to Financial Statements

December 31, 2016

12 Financial instruments

Credit risk

Credit risk is the risk one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Union's financial instruments that are exposed to concentrations of credit risk relate primarily to cash, investments, dues and other receivables. The Union manages its exposure to this risk by maintaining cash and investments with major financial institutions. Dues are received on a monthly basis from various employers. The Union regularly follows up on any overdue payments to reduce its exposure to default.

Liquidity risk

Liquidity risk is the risk the Union may encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Union: will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value that is less than what they are worth, or the Union may be unable to settle or recover a financial asset. Liquidity risk arises from bank indebtedness, accounts payable, accrued liabilities and obligations under capital leases.

The Union continues to focus on maintaining adequate liquidity to meet cash interest and principal repayments, operating working capital requirements and capital expenditures.

Market risk

The Union is exposed to fluctuations in equity markets on its investments, which are invested in mutual funds and publicly listed equities. Market risk is managed through construction of a diversified portfolio of instruments traded on various markets and across various industries.

Interest rate risk

Interest rate risk is the risk 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 arising from the possibility that changes in interest rates will affect the value of fixed income denominated investments and interest payments on the line of credit.

There have been no changes to the Union's financial instrument risk exposure from the prior year.

Ontario Public Service Employees Union

Schedule 1

Schedule of Expenditures - Members' Activities

For the year ended December 31, 2016

| | 2016 \$ | 2015 \$ |
|-------------------------------------|------------|------------|
| General Fund | | |
| Affiliation dues | 3,062,524 | 2,768,270 |
| Affiliation expenses | 263,012 | 42,747 |
| Convention and regional meeting | 2,416,995 | 2,530,944 |
| Legal costs | 6,900,861 | 6,997,944 |
| Payments to locals | 11,180,007 | 10,544,119 |
| Negotiation costs | 2,859,822 | 2,948,532 |
| Divisional and sector meetings | 636,995 | 823,731 |
| Committee meetings | 1,745,811 | 1,386,915 |
| Campaigns, donations and other | 6,773,594 | 3,942,008 |
| Organizing activities | 536,371 | 276,896 |
| Solidarity reserve | 65,712 | 66,913 |
| Member grievance activities | 465,451 | 505,169 |
| Other members' recoveries | 30,000 | 7,041 |
| | <hr/> | <hr/> |
| | 36,937,154 | 32,841,229 |
| Defence Fund | | |
| HPD Radio Ad Campaign | 6,724 | 181,179 |
| HPD Public Media/ Mobilizing | - | 1,605 |
| Solidarity Request Criminal Counsel | 4,872 | 7,566 |
| HPD Hospital Cuts Fightback | 4,756 | - |
| Legal Defence | 22,025 | - |
| | <hr/> | <hr/> |
| | 18,376 | 190,350 |
| | <hr/> | <hr/> |
| | 36,955,530 | 33,031,579 |
| | <hr/> | <hr/> |

Ontario Public Service Employees Union

Schedule 2

Schedule of Expenditures - Executive Board Activities

For the year ended December 31, 2016

| | 2016 \$ | 2015 \$ |
|---------------------------------|-------------------|-------------------|
| Board meetings | 235,041 | 212,376 |
| Officers' meetings | 25,301 | 33,960 |
| Committee activities | 44,379 | 68,744 |
| Negotiations with staff | 7,320 | 2,774 |
| Regional activities | 444,497 | 572,691 |
| General board activities | 713,999 | 555,756 |
| | <u>1,470,537</u> | <u>1,446,301</u> |

Schedule of Expenditures - Departmental Costs

Schedule 3

For the year ended December 31, 2016

| | 2016 \$ | 2015 \$ |
|--------------------------------------|-------------------|-------------------|
| President's office | 1,446,086 | 1,520,915 |
| First Vice-President's office | 435,707 | 504,406 |
| Legal services division | 5,445,546 | 5,601,260 |
| Employee relations division | 7,449,612 | 6,069,093 |
| Finance | 9,935,558 | 7,026,288 |
| Communications division | 8,193,239 | 7,024,498 |
| Local service divisions* | | |
| Bargaining | 8,307,561 | - |
| Operations | 16,458,770 | 27,051,858 |
| | <u>57,672,079</u> | <u>54,798,318</u> |

* The local services division was separated into two divisions in the current year. It is not possible to restate the comparative figures and thus the total amount for the prior year is shown in the operations division.

**ONTARIO PUBLIC SERVICE EMPLOYEES UNION
2016 OPERATING RESULTS**

Comparison of Budget and Operating Results

| | Budget Approved At 2016 AGM | Board Approvals | Total Budget | 2016 Actual | Favourable Variance (unfavourable) |
|--|--------------------------------|--------------------|--------------------|--------------------|--|
| GENERAL FUND | | | | | |
| Revenue | | | | | |
| Membership Dues: | | | | | |
| Ontario Public Service | \$31,500,000 | | \$31,500,000 | \$30,983,504 | (\$516,496) |
| Broader Public Service | 48,200,000 | | 48,200,000 | 51,355,071 | 3,155,071 |
| C.A.A.T. - Academic | 11,750,000 | | 11,750,000 | 12,365,885 | 615,885 |
| C.A.A.T. - Support | 6,825,000 | | 6,825,000 | 7,210,191 | 385,191 |
| Total Membership Dues | <u>98,275,000</u> | | <u>98,275,000</u> | <u>101,914,651</u> | <u>3,639,651</u> |
| Investment/Other Income | 555,000 | | 555,000 | 767,183 | 212,183 |
| Permit fees | 650,000 | | 650,000 | 894,451 | 244,451 |
| Total Revenue | <u>99,480,000</u> | | <u>99,480,000</u> | <u>103,576,285</u> | <u>4,096,285</u> |
| Transfers to Other Funds: | | | | | |
| Strike Fund | (1,208,200) | | (1,208,200) | (1,252,257) | (44,057) |
| Education Fund | (1,880,500) | | (1,880,500) | (1,833,178) | 47,322 |
| Defence Fund | (200,000) | | (200,000) | (18,376) | 181,624 |
| Transfers from other Funds: | | | | | |
| Strike Fund | 1,500,000 | | 1,500,000 | 1,500,000 | |
| LBED Anti-Privatization | 350,000 | | 350,000 | | (350,000) |
| | <u>(1,438,700)</u> | | <u>(1,438,700)</u> | <u>(1,603,811)</u> | <u>165,111</u> |
| Total Operating Revenue | <u>98,041,300</u> | | <u>98,041,300</u> | <u>101,972,474</u> | <u>(4,287,337)</u> |
| Members' Activities: | | | | | |
| Affiliation Dues | 3,098,900 | | 3,098,900 | 3,062,524 | 36,376 |
| Affiliation Conventions/Committees | 372,520 | | 372,520 | 263,012 | 109,508 |
| Convention/Regional Meetings | 2,169,050 | | 2,169,050 | 2,416,995 | (247,945) |
| Legal Expenses | 6,555,000 | | 6,555,000 | 6,900,861 | (345,861) |
| Payments to Locals | 10,853,000 | | 10,853,000 | 11,180,007 | (327,007) |
| Negotiations Costs | 2,826,000 | 263,392 | 3,089,392 | 2,859,822 | 229,570 |
| Division/Sector Meetings | 565,000 | | 565,000 | 636,995 | (71,995) |
| Committee Meetings | 1,894,200 | 16,500 | 1,910,700 | 1,745,811 | 164,889 |
| Campaigns, Donations & Other | 4,289,652 | 3,622,993 | 7,912,645 | 6,773,594 | 1,139,051 |
| Organizing Initiatives | 255,400 | | 255,400 | 536,371 | (280,971) |
| Solidarity Reserve | 75,000 | | 75,000 | 65,712 | 9,288 |
| Other Members' Expenses | 451,700 | | 451,700 | 495,450 | (43,750) |
| | <u>33,405,422</u> | <u>3,902,885</u> | <u>37,308,307</u> | <u>36,937,154</u> | <u>371,152</u> |
| Executive Board | | | | | |
| Board Meetings | 280,400 | | 280,400 | 235,041 | 45,359 |
| Officers' Meetings | 31,000 | | 31,000 | 25,301 | 5,699 |
| Board Committees | 167,000 | | 167,000 | 44,379 | 122,621 |
| Staff Negotiations | 55,000 | | 55,000 | 7,320 | 47,680 |
| Regional Activities | 475,500 | | 475,500 | 444,497 | 31,003 |
| General Board Activities | 49,850 | | 49,850 | 713,999 | (664,149) |
| | <u>1,058,750</u> | | <u>1,058,750</u> | <u>1,470,537</u> | <u>(411,787)</u> |
| Departmental Costs | | | | | |
| President's Office | 1,463,011 | | 1,463,011 | 1,446,086 | 16,925 |
| First Vice-President's Office | 417,230 | | 417,230 | 435,707 | (18,477) |
| Legal Services Division | 6,728,473 | | 6,728,473 | 5,445,546 | 1,282,927 |
| Employee Relations Division | 6,544,082 | | 6,544,082 | 7,449,612 | (905,530) |
| Financial Services Division | 10,201,412 | 175,817 | 10,377,229 | 9,935,558 | 441,671 |
| Communications Division | 6,361,401 | | 6,361,401 | 8,193,239 | (1,831,838) |
| Local Services - Bargaining | 8,570,805 | | 8,570,805 | 8,307,561 | 263,244 |
| Local Services - Operations | 18,158,027 | | 18,158,027 | 16,458,770 | 1,699,257 |
| Administrative Savings | (1,000,000) | | (1,000,000) | - | (1,000,000) |
| | <u>57,444,441</u> | <u>175,817</u> | <u>57,620,258</u> | <u>57,672,079</u> | <u>(51,821)</u> |
| Original Contingency | 1,500,000 | | 1,500,000 | | 1,500,000 |
| Strike Back Fund | 3,804,237 | | 3,804,237 | | 3,804,237 |
| Board Approvals | | (4,078,702) | (4,078,702) | | (4,078,702) |
| Depreciation/amortization | 1,104,399 | | 1,104,399 | 1,421,890 | (317,491) |
| Debt Repayment | 500,000 | | 500,000 | | 500,000 |
| Total Operating Expenses | <u>98,817,249</u> | | <u>98,817,249</u> | <u>97,501,660</u> | <u>1,315,589</u> |
| Net Operating Surplus (Deficit) | <u>(775,949)</u> | | <u>(775,949)</u> | <u>4,470,814</u> | <u>(73,373)</u> |

**ONTARIO PUBLIC SERVICE EMPLOYEES UNION
2016 OPERATING RESULTS**

Comparison of Budget and Operating Results

| | Budget Approved At 2016 AGM | Board Approvals | Total Budget | 2016 Actual | Favourable Variance (unfavourable) |
|---------------------------------------|--------------------------------|--------------------|------------------|------------------|--|
| STRIKE FUND | | | | | |
| Revenue | | | | | |
| Contributions - General Fund Transfer | \$1,208,200 | | \$1,208,200 | \$1,252,257 | \$44,057 |
| Investment Income | 1,500,000 | | 1,500,000 | 1,706,343 | 206,343 |
| Transfers to General Fund | (1,500,000) | | (1,500,000) | (1,500,000) | - |
| Total Revenue | 1,208,200 | | 1,208,200 | 1,458,600 | 250,400 |
| Expenses | | | | | |
| Strike Expenses | - | | - | 939,255 | (939,255) |
| Depreciation Expense | 361,928 | | 361,928 | 699,064 | (337,136) |
| Investment Management Fees | - | | - | 137,811 | (137,811) |
| Total Expenses | 361,928 | | 361,928 | 1,776,130 | (1,414,202) |
| Net Operating Surplus (Deficit) | 846,272 | | 846,272 | (317,530) | 1,163,802 |
| Change in fair value of investments | - | | - | 2,085,451 | 2,085,451 |
| Net Surplus (Deficit) | 846,272 | | 846,272 | 1,767,921 | 921,649 |
| EDUCATION FUND | | | | | |
| Revenue | | | | | |
| Contributions - General Fund Transfer | 1,880,500 | | 1,880,500 | 1,833,178 | (47,322) |
| Regional Education | | | | | |
| Region 1 | 171,404 | | 171,404 | 173,855 | (2,451) |
| Region 2 | 280,310 | | 280,310 | 263,720 | 16,590 |
| Region 3 | 236,960 | | 236,960 | 220,253 | 16,707 |
| Region 4 | 239,022 | | 239,022 | 168,539 | 70,483 |
| Region 5 | 354,937 | | 354,937 | 428,948 | (74,011) |
| Region 6 | 162,000 | | 162,000 | 251,625 | (89,625) |
| Region 7 | 130,000 | | 130,000 | 128,027 | 1,973 |
| Total Regional Education | 1,574,633 | | 1,574,633 | 1,634,967 | (60,334) |
| Central Education | | | | | |
| Orientation for New Presidents | 161,864 | | 161,864 | 94,540 | (67,324) |
| Educational Material | 40,800 | | 40,800 | 12,461 | (28,339) |
| Local Editor's Conference | - | | - | 12,442 | 12,442 |
| Anti Harassment Training | 40,000 | | 40,000 | 40,672 | 672 |
| Pension Trustee Training | 13,500 | | 13,500 | - | (13,500) |
| OPSEU Scholarship | 10,000 | | 10,000 | 10,000 | - |
| New Treasurer's course | - | | - | 5,672 | 5,672 |
| Translation of Education Material | 38,000 | | 38,000 | 21,105 | (16,895) |
| Other miscellaneous expenses | - | | - | 1,320 | 1,320 |
| Total Expenses | 1,878,797 | | 1,878,797 | 1,833,178 | 45,619 |
| Net Surplus / (Deficit) | 1,703 | | 1,703 | - | (1,703) |
| DEFENCE FUND | | | | | |
| Revenue | | | | | |
| Contributions - General Fund Transfer | 200,000 | | 200,000 | 18,376 | (181,624) |
| Expenses | | | | | |
| HPD Sector 10 Radio Ad Campaign | - | | - | 6,723 | (6,723) |
| Solidarity Request (Criminal Counsel) | - | | - | 4,872 | (4,872) |
| HPD Hospital Cuts Fightback | - | 45,900 | 45,900 | 4,756 | 41,144 |
| Legal Defence In-Camera | - | 10,000 | 10,000 | 2,025 | 7,975 |
| Other expenses | 200,000 | | 144,100 | - | 144,100 |
| Total Expenses | (200,000) | 55,900 | 200,000 | 18,376 | 181,624 |
| Net Surplus / (Deficit) | 0 | | 0 | 0 | 0 |

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| ONTARIO PUBLIC SERVICE EMPLOYEES UNION |
| 2016 - DETAILED VARIANCE ANALYSIS |

| | 2016 Actual | Budget | Favourable Variance Unfavourable |
|--------------------------------------|------------------|------------------|--|
| <u>GENERAL FUND</u> | | | |
| Members' Activities | | | |
| Affiliation Dues: | | | |
| CLC | \$720,000 | \$720,000 | |
| NUPGE | 2,038,293 | 1,965,500 | (72,793) |
| OFL | 226,800 | 340,200 | 113,400 |
| CAUT | 77,431 | 73,200 | (4,231) |
| Sub-total affiliation dues | 3,062,524 | 3,098,900 | 36,376 |
| Affiliation Other Expenses: | | | |
| OFL | 808 | 35,000 | 34,192 |
| NUPGE | 234,784 | 324,330 | 89,546 |
| CLC | 27,420 | 9,390 | (18,031) |
| CAUT | - | 3,800 | 3,800 |
| Sub-total Affiliation Other Expenses | 263,012 | 372,520 | 109,508 |
| Total Affiliations | 3,325,536 | 3,471,420 | 145,883 |
| Annual Convention: | | | |
| AGM Delegates | 1,485,441 | 1,200,000 | (285,441) |
| AGM Staff | 114,434 | 99,850 | (14,584) |
| Committees | 48,926 | 45,000 | (3,926) |
| AGM Other | 752,190 | 824,200 | 72,010 |
| Regional Meetings | 16,004 | - | (16,004) |
| Total Annual Convention | 2,416,995 | 2,169,050 | (247,945) |
| Divisional Meetings: | | | |
| OPS | 469,597 | 375,000 | (94,597) |
| CAAT Academic | 61,609 | 75,000 | 13,391 |
| CAAT Support | 82,033 | 100,000 | 17,967 |
| BPS | 23,756 | 15,000 | (8,756) |
| Total Divisional Meetings | 636,995 | 565,000 | (71,995) |
| Committee Meetings | | | |
| Sector - OPS | 456,989 | 383,000 | (73,989) |
| CAAT Academic | 62,506 | 75,000 | 12,494 |
| CAAT Support | 63,933 | 80,000 | 16,067 |
| CAAT Joint | 49,781 | 35,000 | (14,781) |
| CAAT Pension Sponsors | 3,479 | 4,700 | 1,221 |
| BPS | 640,738 | 766,000 | 125,262 |
| OPSEU Jt Trust | 3,928 | 7,000 | 3,072 |
| BPS All Chairs | 59,366 | 75,000 | 15,634 |

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| ONTARIO PUBLIC SERVICE EMPLOYEES UNION |
| 2016 - DETAILED VARIANCE ANALYSIS |

| | 2016 Actual | Budget | Favourable Variance Unfavourable |
|---------------------------------------|-------------------|-------------------|--|
| Committee Meetings (continued) | | | |
| Equity- Provincial Womens Committee | 42,435 | 55,000 | 12,565 |
| Human Rights | 43,017 | 55,000 | 11,983 |
| Rainbow Alliance | 40,628 | 55,000 | 14,372 |
| Disability Caucus | 50,345 | 55,000 | 4,655 |
| Francophone Caucus | 43,285 | 55,000 | 11,715 |
| Young Workers Committee | 38,493 | 55,000 | 16,507 |
| Workers of Colour | 45,052 | 55,000 | 9,948 |
| Indigenous Circle | 82,618 | 75,000 | (7,618) |
| Equity Chairs | 19,216 | 25,000 | 5,784 |
| Total Committee Meetings | 1,745,811 | 1,910,700 | 164,889 |
| Local Rebates/Expenses | | | |
| Local Rebates | \$8,837,885 | \$8,700,000 | (\$137,885) |
| Area Council Dues | 22,468 | 21,000 | (1,468) |
| Labour Council Dues | 140,949 | 108,000 | (32,949) |
| Local Time Off | 359,609 | 400,000 | 40,391 |
| Local Time Off Member Book off | 1,812,127 | 1,600,000 | (212,127) |
| Northern Lights Fund | - | 18,000 | 18,000 |
| Other Local Expenses | 6,967 | 6,000 | (967) |
| Total Local Expenses | 11,180,007 | 10,853,000 | (327,007) |
| Negotiations Meetings | | | |
| Ontario Public Service | 79,895 | 130,000 | 50,105 |
| CAAT Academic | 56,358 | 67,000 | 10,642 |
| CAAT Support | 27,723 | | (27,723) |
| Broader Public Service | 2,549,504 | 2,657,392 | 107,888 |
| Mobilizing | 146,343 | 235,000 | 88,657 |
| Total Negotiation Meetings | 2,859,822 | 3,089,392 | 229,570 |
| Members' Expenses | | | |
| Grievance - OPS | 231,526 | 230,000 | (1,526) |
| - CAAT A | 29,024 | 15,000 | (14,024) |
| - CAAT S | 6,148 | 8,000 | 1,852 |
| - BPS | 2,108 | 0 | (2,108) |
| - BPS - Regional | 177,286 | 120,000 | (57,286) |
| - LBED | 17,298 | 20,000 | 2,702 |
| Legal Services | 2,060 | 8,000 | 5,940 |
| Sub-Total Grievance | 465,450 | 401,000 | (64,450) |
| Membership Benefits | 47,069 | 27,500 | (19,569) |
| Campaign | 6,784 | | (6,784) |
| Job Security | (23,853) | 23,200 | 47,053 |
| Total Members Expenses | 495,450 | 451,700 | (43,750) |

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| ONTARIO PUBLIC SERVICE EMPLOYEES UNION 2016 - DETAILED VARIANCE ANALYSIS |
|---|

| | 2016 Actual | Budget | Favourable Variance Unfavourable |
|--------------------------------------|------------------|------------------|--|
| Legal Expenses | | | |
| Collective Bargaining | 680,150 | 390,000 | (290,150) |
| Organizing | 246,354 | 280,000 | 33,646 |
| Grievance | 5,215,049 | 5,035,000 | (180,049) |
| Membership Benefits | 202,640 | 240,000 | 37,360 |
| Interest Arbitration | 159,729 | 140,000 | (19,729) |
| Legal Estimates/Other | 396,939 | 470,000 | 73,061 |
| Total Legal Expenses | 6,900,861 | 6,555,000 | (345,861) |
| Other Membership Expenses | | | |
| Donations: | | | |
| Union of Injured Workers | \$1,250 | \$1,250 | |
| CCPA | 5,000 | 5,000 | |
| Rainford Jackson Education Fund | 0 | 2,500 | 2,500 |
| Canadian Civil Liberties | 1,250 | 1,250 | |
| Ont. Coalition for Better Daycare | 500 | 500 | |
| Workers' Arts & Heritage Center | 5,000 | 5,000 | |
| Helen Kiss Memorial Bursary | 250 | 250 | |
| Andre Bekerman Bursary | 750 | 750 | |
| National Movement for Harmony | 2,500 | 2,500 | |
| Donna Bryant Memorial Fund | 250 | 250 | |
| Our Times | 1,000 | 1,000 | |
| Stephen Lewis Fund | 25,000 | 25,000 | |
| The Leonard Peltier Fund | 2,684 | 2,500 | (184) |
| Brian MacIntosh Memorial Fund | 250 | 250 | |
| Bill Kuehnbaum Bursary | 250 | 250 | |
| Larry Cripps Bursary/Scholarship | 1,000 | 1,000 | |
| Carol McGregor Scholarship | 0 | 1,500 | 1,500 |
| Curt Bishop Scholarship | 1,000 | 1,000 | |
| LEAF Patron Sponsorship | 5,000 | 5,000 | |
| Barbra Schlifer Commemorative Clinic | 750 | 750 | |
| First National Technical Institute D | 1,500 | 1,500 | |
| Mayworks Festival of Working People | 2,000 | 2,000 | |
| Speakers School | 2,250 | 2,250 | |
| Peter Kormos Memorial Bursary | 1,000 | 1,000 | |
| CAAT Support Scholarship Fund | 3,007 | 3,007 | |
| Other Donations | 158,699 | 132,930 | (25,769) |
| Total Donations | 222,140 | 200,187 | (21,953) |

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| ONTARIO PUBLIC SERVICE EMPLOYEES UNION |
| 2016 - DETAILED VARIANCE ANALYSIS |

| | 2016 Actual | Budget | Favourable Variance Unfavourable |
|--|------------------|------------------|--|
| Campaigns | | | |
| Political Action Committee | 104,571 | 150,000 | 45,429 |
| Systemic Change | 6,904 | 35,000 | 28,096 |
| CLC Women's Conference | 19,020 | 40,000 | 20,980 |
| OHC Campaign | 47,064 | 40,000 | (7,064) |
| PYC International Youth Day | 161,608 | 163,000 | 1,392 |
| Social Mapping Project | 17,282 | 60,000 | 42,718 |
| Human Rights Conference | 180,389 | 160,000 | (20,389) |
| Children Fund Medical Emergency | 5,000 | 10,000 | 5,000 |
| CAAT A Good Schools, Good Jobs | 38,403 | - | (38,403) |
| CAAT A Divex Release | 90,120 | - | (90,120) |
| LBED Occupational H&S Project | 18,704 | - | 21,296 |
| CAAT PT Workers Camp | 2,160 | 85,700 | 83,540 |
| LBED Anti-Privatization | 83,821 | 350,000 | 266,179 |
| CCAP-Ontario Hydro Not for Sale | 288,324 | 100,000 | (188,324) |
| CAAT S Part Time (Phase 2) | 933,580 | 500,000 | (433,580) |
| Indigenous Bi-Annual Conference | 95,310 | 74,900 | (20,410) |
| NEW-Sector Camp Development | 72,322 | 75,000 | 2,678 |
| NEW-Fightback Privatization | 12,684 | 100,000 | 87,316 |
| OPSEU Leadership Conf on Privatization | 45,324 | 69,500 | 24,176 |
| Hydro One-Anti Privatization Campaign | 318,640 | 92,000 | (226,642) |
| MH Anti Violence | 47,410 | 155,487 | 108,077 |
| CLC Rise Up! | 38,821 | 150,000 | 111,179 |
| Fight for \$15 & Fairness | 15,214 | 10,000 | (5,214) |
| We Own It (Phase 2) | 1,863,676 | 1,663,400 | (200,276) |
| CLC 2016 National YWS | 11,837 | 30,000 | 18,163 |
| Corrections Special Bargaining Meeting | 36,612 | 150,000 | 113,388 |
| HCDC Plenary | 15,299 | 41,657 | 26,358 |
| CAAT-S Part Time Campaign (Phase 4) | 59,136 | 246,138 | 187,002 |
| Stay Safe/Be Safe | 49,012 | 54,411 | 5,399 |
| We Own It (Phase 1) | 254,010 | 267,600 | 13,590 |
| Save Our Schools | 4,363 | 5,000 | 637 |
| CAAT A Part Time Campaign (Phase1) | 285,118 | 350,896 | 65,778 |
| Save our Hospitals | 21,761 | 15,000 | (6,761) |
| Other campaigns | 157,922 | 639,385 | 481,463 |
| Total campaigns | 5,401,421 | 5,924,074 | 522,653 |

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| ONTARIO PUBLIC SERVICE EMPLOYEES UNION |
| 2016 - DETAILED VARIANCE ANALYSIS |

| | 2016 Actual | Budget | Favourable Variance Unfavourable |
|---|-------------------|-------------------|--|
| Other Programs | | | |
| Annual Programs | | | |
| Labour Day Parade | 22,461 | 33,000 | 10,539 |
| Promoting the Union Agenda | 98,626 | 133,000 | 34,374 |
| In Solidarity | 86,537 | 40,000 | (46,537) |
| Accommodation Policy | 91,834 | 95,000 | 3,166 |
| Membership Centres | 1,004,788 | 810,000 | (194,788) |
| Communications Incentive Fund | 1,372 | 15,000 | 13,628 |
| Social Justice Fund | 128,500 | 135,000 | 6,500 |
| Pride Day Activities | 43,997 | 52,000 | 8,003 |
| All Pension Appointees | 8,557 | 15,000 | 6,443 |
| Joint Leadership Meeting | 39,088 | 35,000 | (4,088) |
| LBED Anti-Privatization | 1,540 | 0 | (1,540) |
| OPSEU Accessibility Fund | 0 | 50,000 | 50,000 |
| Regional Hardship Fund | 131,320 | 128,712 | (2,608) |
| Live & Let Live Matching Donations | 750 | 0 | (750) |
| Social Justice | 7,222 | 25,000 | 17,778 |
| Retired Members Division | 84,070 | 64,000 | (20,070) |
| Translation Services | 0 | 45,672 | 45,672 |
| Subtotal annual programs | 1,750,663 | 1,676,384 | (74,279) |
| Other Programs | | | |
| Human Rights Policies | 73,200 | 60,000 | (13,200) |
| OPSEU Women's Conference | 16,178 | 10,000 | (6,178) |
| Previous Years' Expenses | (730,286) | 0 | 730,286 |
| Caribana Activities | 40,279 | 42,000 | 1,721 |
| Subtotal other programs | (600,629) | 112,000 | 712,629 |
| Total Other programs | 1,150,033 | 1,788,384 | 638,351 |
| Total Other membership expenses: | 6,773,594 | 7,912,645 | 1,139,051 |
| Organizing Initiatives | 536,371 | 255,400 | (280,971) |
| Solidarity Reserve | 65,712 | 75,000 | 9,288 |
| TOTAL MEMBERS' ACTIVITIES | 36,937,154 | 37,308,307 | 371,152 |

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| 2016 - DETAILED VARIANCE ANALYSIS |

| | 2016 Actual | Budget | Favourable Variance Unfavourable |
|---------------------------------------|------------------|-------------------|--|
| <u>DEPARTMENTAL COSTS:</u> | | | |
| President's Office: | | | |
| Salary and Payroll Costs | \$1,065,150 | \$1,113,036 | \$47,886 |
| Staff and Related Costs | 202,046 | 197,134 | (4,912) |
| Other Costs | 178,890 | 152,841 | (26,049) |
| | <u>1,446,086</u> | <u>1,463,011</u> | <u>16,925</u> |
| First Vice-President's Office: | | | |
| Salary and Payroll Costs | 303,975 | 303,030 | (\$945) |
| Staff and Related Costs | 88,349 | 71,600 | (16,749) |
| Other Costs | 43,383 | 42,600 | (783) |
| | <u>435,707</u> | <u>417,230</u> | <u>(18,477)</u> |
| Legal Services Division: | | | |
| Salary and Payroll Costs | 4,783,256 | 6,082,473 | \$1,299,217 |
| Staff and Related Costs | 568,732 | 530,500 | (38,232) |
| Other Costs | 93,558 | 115,500 | 21,942 |
| | <u>5,445,546</u> | <u>6,728,473</u> | <u>1,282,927</u> |
| Employee Relations Division: | | | |
| Salary and Payroll Costs | 612,373 | 932,961 | \$320,588 |
| Staff and Related Costs | 176,386 | 140,100 | (36,286) |
| Other Costs | 74,583 | 75,800 | 1,217 |
| Training Costs | 209,264 | 279,280 | 70,016 |
| Workplace Accommodations | 234,853 | 536,900 | 302,047 |
| Organizational Expenses | 6,142,153 | 4,579,041 | (1,563,112) |
| | <u>7,449,612</u> | <u>6,544,082</u> | <u>(905,530)</u> |
| Financial Services Division: | | | |
| Salary and Payroll Costs | 6,561,986 | 7,145,829 | \$583,843 |
| Staff and Related Costs | 259,912 | 155,700 | (104,212) |
| Other Costs | 184,982 | 205,200 | 20,218 |
| Organizational Expenses | 541,225 | 371,000 | (170,225) |
| Central Duplicating | 718,214 | 872,000 | 153,786 |
| Information Technology | 772,920 | 805,500 | 32,580 |
| Building Expenses | 896,319 | 822,000 | (74,319) |
| | <u>9,935,558</u> | <u>10,377,229</u> | <u>441,671</u> |
| Communications Division: | | | |
| Salary and Payroll Costs | 6,197,965 | 5,137,751 | (\$1,060,214) |
| Staff and Related Costs | 1,064,034 | 453,300 | (610,734) |
| Other Costs | 366,105 | 344,620 | (21,485) |
| Publishing Expenses | 180,830 | 125,730 | (55,100) |
| Organizing Initiatives Administration | 384,305 | 300,000 | (84,305) |
| | <u>8,193,239</u> | <u>6,361,401</u> | <u>(1,831,838)</u> |

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| ONTARIO PUBLIC SERVICE EMPLOYEES UNION 2016 - DETAILED VARIANCE ANALYSIS |
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Local Services - Bargaining:

| | | | |
|--------------------------|------------------|------------------|----------------|
| Salary and Payroll Costs | 7,248,889 | 7,264,265 | \$15,376 |
| Staff and Related Costs | 924,430 | 1,078,090 | 153,660 |
| Other Costs | 134,242 | 228,450 | 94,208 |
| | <u>8,307,561</u> | <u>8,570,805</u> | <u>263,244</u> |

Local Services - Operations:

| | | | |
|--------------------------|-------------------|-------------------|------------------|
| Salary Costs | 12,550,403 | 13,889,607 | \$1,339,204 |
| Vehicle Costs | 1,276,101 | 1,468,800 | 192,699 |
| Other Costs | 124,205 | 500,000 | \$375,795 |
| Regional Office Expenses | 2,508,061 | 2,299,620 | (208,441) |
| | <u>16,458,770</u> | <u>18,158,027</u> | <u>1,699,257</u> |

ONTARIO PUBLIC SERVICE EMPLOYEES UNION
2016 - Trustee Audit Reports - Arrears Listing

As per OPSEU Policy; a Local that is two Audit Reports (12 months) in arrears shall have their rebates held in trust by OPSEU. Once all delinquent Audit Reports are received, rebates being held (up to 36 months) will be released to the Local without interest. Rebates being held longer than 36 months are forfeited by the Local. The following is a list of rebates that are being held (as of March 10,2017)

| LOCAL | Rebates held "in trust" | LOCAL | Rebates held "in trust" | LOCAL | Rebates held "in trust" |
|-------|----------------------------|-------|----------------------------|-------|----------------------------|
| 117 | \$ 500.00 | 403 | \$ 3,304.33 | 608 | \$ 22,750.00 |
| 119 | \$ 11,872.51 | 4102 | \$ 3,195.00 | 616 | \$ 3,814.00 |
| 121 | \$ 2,947.00 | 425 | \$ 6,026.00 | 618 | \$ 5,004.00 |
| 133 | \$ 4,752.00 | 443 | \$ 7,034.00 | 619 | \$ 20,606.95 |
| 144 | \$ 10,226.00 | 444 | \$ 13,684.00 | 626 | \$ 2,976.00 |
| 148 | \$ 13,712.00 | 446 | \$ 8,364.00 | 627 | \$ 12,569.59 |
| | | 452 | \$ 3,842.00 | 628 | \$ 8,944.00 |
| 210 | \$ 15,749.07 | 473 | \$ 5,732.00 | 635 | \$ 10,914.00 |
| 211 | \$ 7,538.00 | 480 | \$ 10,590.00 | 641 | \$ 3,450.00 |
| 231 | \$ 23,266.00 | 482 | \$ 1,085.16 | 644 | \$ 1,858.00 |
| 237 | \$ 43,118.00 | 490 | \$ 2,015.00 | 645 | \$ 6,298.00 |
| 247 | \$ 6,984.00 | 499 | \$ 16,754.00 | 652 | \$ 3,842.00 |
| 259 | \$ 18,672.00 | | | 654 | \$ 51,242.18 |
| 263 | \$ 10,596.00 | 502 | \$ 22,137.88 | 658 | \$ 2,950.00 |
| 286 | \$ 31,633.69 | 505 | \$ 3,436.00 | 659 | \$ 62,608.00 |
| 290 | \$ 10,036.21 | 5108 | \$ 24,150.44 | 663 | \$ 4,278.00 |
| 292 | \$ 5,438.00 | 5109 | \$ 20,802.00 | 669 | \$ 15,062.00 |
| 293 | \$ 7,100.00 | 5112 | \$ 20,082.00 | 679 | \$ 5,522.00 |
| | | 515 | \$ 3,548.00 | 682 | \$ 8,930.00 |
| 302 | \$ 9,984.70 | 518 | \$ 39,999.51 | | |
| 306 | \$ 7,264.00 | 519 | \$ 6,678.44 | 705 | \$ 1,000.00 |
| 311 | \$ 25,024.84 | 525 | \$ 50,790.00 | 711 | \$ 3,279.00 |
| 316 | \$ 4,374.00 | 532 | \$ 43,663.10 | 723 | \$ 9,122.00 |
| 317 | \$ 7,776.00 | 533 | \$ 98,440.22 | | |
| 319 | \$ 5,228.00 | 535 | \$ 13,656.00 | | |
| 326 | \$ 1,395.00 | 542 | \$ 6,702.00 | | |
| 332 | \$ 9,214.90 | 546 | \$ 16,489.68 | | |
| 337 | \$ 14,746.00 | 548 | \$ 72,176.00 | | |
| 365 | \$ 12,592.00 | 555 | \$ 32,996.00 | | |
| 371 | \$ 17,548.00 | 566 | \$ 28,614.92 | | |
| 373 | \$ 12,203.76 | 573 | \$ 6,396.50 | | |
| 380 | \$ 8,728.00 | 578 | \$ 19,792.00 | | |
| | | 579 | \$ 24,064.00 | | |
| | | 585 | \$ 25,840.48 | | |
| | | 587 | \$ 24,454.00 | | |
| | | 588 | \$ 5,802.00 | | |
| | | 593 | \$ 26,058.68 | | |
| | | 595 | \$ 2,887.48 | | |



Ontario Public Service
Employees Union

Syndicat des employés de la
fonction publique de l'Ontario

