



**Report to the  
6<sup>th</sup> Triennial Convention  
PSAC North**

**Whitehorse, YT  
June 6 - 8, 2014**

**Finance Committee**



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**Finance Committee Members:**

Chair Brother Todd Parsons	Union of Northern Workers	Northwest Territories
Brother Imoe Papastie	Nunavut Employees Union	Nunavut
Brother Derek Yap	Yukon Employees' Union	Yukon



## Introduction

The Convention Finance Committee presents the financial statements for 2012 and 2013. The accounting firm of Avery Cooper & Co, Certified General Accountants was retained to perform review the books, and the Chair of the Committee had the opportunity to meet with the auditors and discuss their reports. Time and cost restrictions did not allow for a comprehensive audit.

The financial statements for the years ending December 31, 2012 and December 31, 2013 are limited to audited statements of cash receipts and disbursements of PSAC North, and include a summary of significant accounting policies and other explanatory information. Based on the information available to the auditors, they were unable to provide a balance sheet and variance report.

The financial statements for the period of June 20, 2011 to December 31, 2011 were compiled by the accountants in accordance with the standards applicable to compilation engagements, and were not audited.

The Finance Committee was not called upon during the three year cycle to review or provide any oversight of expenditures.

The auditors did not find any sign of misappropriation or misuse of funds.

Even so, the Finance Committee are proposing some changes to accounting policy and procedure, which we feel are important, corrective in nature, and will allow for a high degree of accountability and transparency in the future.

Avery Cooper & Co has been retained to design and implement Simply Accounting software for the go forward accounting system for PSAC North.



## Current Picture

PSAC North operates on subsidies from PSAC National office. The amount that the region receives comes from the line item in the PSAC National budget for Regional Councils.

Over the previous 3-year cycle, the PSAC National Budget line item has been \$ 3,375,000 to be split between the seven PSAC Regional Councils.

PSAC North received \$ 149,625 per year for 2012 to 2015 for the operation of the Regional Council.

The grants for the operation of PSAC North Regional Council are paid in two installments to the Region each year, in January and in June. Upon submission of proposals for political action and other initiatives in the Region, there are funds available in various other line items as per the PSAC National budget.

PSAC North also received money from PSAC National for Regional Committee support, starting in 2006. These amounts are directly related to the number of active committees in the region. In 2012-2014 the breakdown of the amounts received were as follows:

	<b>2012</b>	<b>2013</b>	<b>2014</b>
Area Councils	\$ 3,774	\$ 2,550	\$ 2,550
Regional Women's Committee	\$ 5,800	\$ 5,860	\$ 4,800
Human Rights Committees	\$ 6,092	\$ 6,125	\$ 5,800

PSAC North also received \$ 165,423 for the Regional Triennial Convention for the period of 2013 to 2015.

The Regions do not assess their own dues. Therefore PSAC North must live within the financial limits set by the transfer formula. This means all expenses related to such programs and activities as the Regional Convention, the operations of Area Councils and Regional Committees, meetings of the Regional Council, as well as all the many other worthwhile projects that might be desired, must be contained within this allocation.



## **Time Lag**

Delegates at this Convention of PSAC North will adopt a budget based on the current revenues.

In May 2015, delegates at the PSAC National Triennial Convention in Quebec City will adopt a budget that sets aside an amount for Regional Councils that may mean more or less than the current revenues.

PSAC North must be prepared to re-align its budget for 2015-17 based on the new figures.

Therefore, PSAC North must build a budget taking into account that the assumptions we use here may change as a result of PSAC Convention delegates' decisions. It will be incumbent upon the PSAC North Regional Council to make the necessary adjustments following the PSAC National Triennial Convention.

The three year budget that is proposed by the Convention Finance Committee is attached as Appendix C. It is based on the assumptions that are reflected in this report.



## **Recommendations of the Finance Committee**

We are making a number of significant recommendations which are corrective in nature, and will allow for a high degree of accountability and transparency.

### **Recommendation #1**

- That the Finance Committee be required to review the expenditures and revenues prior to each Regional Council meeting, and report to each Regional Council meeting.

### **Recommendation #2**

- That the Finance Committee produces and provides a balance sheet and variance report at each Regional Council meeting.

### **Recommendation #3**

- That the Finance Committee be tasked to write policies and procedures regarding expenditures and the approvals of expenditures.

### **Recommendation #4**

- That the Finance Committee will present these policies and procedures to the Regional Council for approval and adoption.

### **Recommendation #5**

- That the Finance Committee reviews Committee Funding and Reporting Procedures which were distributed at the June 2013 Regional Council Meeting, and amend if necessary. This will hold all Committees at all levels in PSAC North to the same high degree of transparency as Regional Council.

### **Recommendation #6**

- That the Finance Committee will present the Committee Funding and Report Procedures to Regional Council for approval and adoption.



## Line Item Descriptions

### REVENUE

#### **Regional Convention**

Funds provided to each region from the PSAC National Budget to financially assist regions for costs associated with holding Regional Triennial Conventions.

#### **PSAC Regional Council Allocation**

Funds provided to each region by PSAC National Office based on the budget adopted by the PSAC National Triennial Convention.

### DISBURSEMENTS

#### **Regional Convention**

Expenses incurred to hold the PSAC North Regional Triennial Convention such as venue, audio visual, subsidies for delegate's travel, convention material, accommodation, etc.

#### **Regional Council Meetings**

Expenses such as accommodation, meeting rooms, travel, per diem, loss of salary reimbursement and all other costs associated with the Regional Council meetings, as well as other meetings/conference calls of the Regional Council and Regional Council Committees as necessary.

#### **Audit**

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error.

#### **Donations and Memberships**

This line item includes costs such as CCPA (Canadian Centre for Policy Alternatives) membership fees, donations to CLIFF events (Canadian Labour International Film Festival) and other community partners for initiatives in the North, as well as to any 'kid's camps' and other Labour events sponsored by the Federations of Labour in the North, etc.



**Regional Initiatives**

This line item includes subsidies for other Labour and social justice initiatives in the North such as Anti-Poverty coalition work, CLC (Canadian Labour Congress) initiatives, Component Campaigns, etc.

**Other Regional Committees**

These include Area Council, Regional Women's Committees, Aboriginal Peoples, Racially Visible Persons, Pride, Access and Youth Committees.





## Appendix A: 2013 Statement of Cash Receipts & Disbursements (for the year ended December 31, 2013)

(Schedule I)

	Budget	Actual	Variance
Revenue (Schedule 11)	312,201	381,412	(69,211)
Interest Income	100	59	41
Reserve and Other	-	-	
	<b>312,301</b>	<b>381,471</b>	<b>(69,170)</b>
<b>Expenses</b>			
Area Council	36,000	48,000	(12,000)
Regional Convention	82,712	7,078	75,634
Health & Safety Activities	10,000	3,074	6,926
Initiatives	10,000	18,235	(8,235)
Local Development	23,714	-	23,714
Other Committees	16,500	13,500	3,000
Political Action	33,000	26,529	6,471
Regional Council	100,375	90,120	10,255
Regional Political Action (WAAA) Note 4	-	5,485	(5,485)
Youth Initiative	-	12,000	(12,000)
	<b>312,301</b>	<b>224,021</b>	<b>88,279</b>
Increase in Cash	-	157,449	(157,449)
Cash (beginning of year)	444,207	444,207	-
Cash (end of year)	444,207	601,656	(157,449)

As represented by:

Restricted Funds – WAAA Note 4

\$ 57,515

Unrestricted Funds

544,141

**\$ 601,656**



(Schedule II)

SCHEDULE OF REVENUE  
For the year ended December 31, 2013

Convention 2014	\$	82,712
Other Activities		5,000
Regional Council		152,164
Regional Health & Safety		10,000
Regional Human Rights Committees		6,125
Regional Political Action		33,000
Regional Political Action (WAAA)		3,000
Regional Women's Committee		5,860
Union of Northern Workers		4,553
Youth Initiative		12,000
Yukon Employees' Union		6,998
Total Revenue (Schedule I)	\$	<b><u>381,412</u></b>

See the accompanying notes.



**\* NOTES FOR the 2013 (Schedule I and II)**

**NOTE 1 NATURE OF OPERATIONS**

The Public Service Alliance of Canada (PSAC North) is Canada’s largest Union north of the 60<sup>th</sup> parallel. PSAC North represents its members as their bargaining agent in negotiating collective agreements, providing support and a voice in their workplace and in their community including the Yukon, Northwest Territories, and Nunavut. PSAC North has its regional offices in Yellowknife, Whitehorse and Iqaluit. The organization is exempt from income taxes under subsection 149(1) of the Income Tax Act (Canada).

**NOTE 2 BASIS OF ACCOUNTING**

The financial statement for PSAC North was prepared by Avery Cooper & Co. (Certified General Accountants) in accordance with the cash receipts and disbursements basis of accounting. The cash receipts and disbursements basis of accounting depicts the effects of transactions and other events in the period in which the cash and payments occur, even if the effects of the underlying transactions and other events and circumstances occur in a different period.

Contributions of materials and services for no consideration are not recognized in the financial statement.

Tangible capital assets are recorded at cost and expensed when paid. During the year, no tangible capital assets were acquired.

**NOTE 3 BUDGET AMOUNTS**

The 2013 budget amounts on the financial statement for PSAC North are approved at Convention, are unaudited, and are presented for information purposes only.

**NOTE 4 RESTRICTED FUNDS**

PSAC North has externally restricted funds consisting of the Regional Political Action “We are all Affected” (WAAA) project. Any unspent funding is carried over to the next year. During the year, PSAC had the following activity for WAAA funds.

Funds received:	\$ 63,000
Disbursements:	\$ 5,485
Cash Balance:	\$ 57,515

\* Please note that there are outstanding expenses for WAAA such as Loss of Salary that will be realized in 2014. Monies not spent on this Campaign are returned to the PSAC National office.



## Appendix B: 2012 Statement of Cash Receipts & Disbursements (for the year ended December 31, 2012)

			(Schedule I)
	Budget	Actual	Variance
Revenue (Schedule 11)	229,489	202,761	26,728
Interest Income	100	46	54
Reserve and Other			
	229,589	202,807	26,782
Expenses			
Area Council	36,000	24,166	11,834
Regional Convention	-	4,834	(4,834)
Health & Safety Activities	10,000	2,500	7,500
Initiatives	10,000	14,969	(4,969)
Local Development	23,714	-	23,714
Other Committees	16,500	20,600	(4,100)
Political Action	33,000	8,103	24,897
Regional Council	100,375	80,568	19,807
	229,589	155,740	73,850
Increase in Cash	-	47,068	(47,068)
Cash (beginning of year)	397,139	397,139	-
Cash (end of year)	397,139	444,207	(47,068)

\* See the accompanying notes.



(Schedule II)

SCHEDULE OF REVENUE  
For the year ended December 31, 2012

Area Councils	\$	3,774
NWT Aboriginal Committee		3,900
Other Activities		570
Regional Council		149,625
Regional Human Rights Committees		6,092
Regional Political Action		33,000
Regional Women's Committees		<u>5,800</u>
Total Revenue (Schedule 1)	\$	<u>202,761</u>

See the accompanying notes.



**\* NOTES FOR the 2012 (Schedule I and II)**

**NOTE 1 NATURE OF OPERATIONS**

The Public Service Alliance of Canada (PSAC North) is Canada's largest Union north of the 60<sup>th</sup> parallel. PSAC North represents its members as their bargaining agent in negotiating collective agreements, providing support and a voice in their workplace and in their community including the Yukon, Northwest Territories, and Nunavut. PSAC North has its regional offices in Yellowknife, Whitehorse and Iqaluit. The organization is exempt from income taxes under subsection 149(1) of the Income Tax Act (Canada).

**NOTE 2 BASIS OF ACCOUNTING**

The financial statement for PSAC North was prepared by Avery Cooper & Co. (Certified General Accountants) in accordance with the cash receipts and disbursements basis of accounting. The cash receipts and disbursements basis of accounting depicts the effects of transactions and other events in the period in which the cash and payments occur, even if the effects of the underlying transactions and other events and circumstances occur in a different period.

Contributions of materials and services for no consideration are not recognized in the financial statement.

Tangible capital assets are recorded at cost and expensed when paid. During the year, no tangible capital assets were acquired.

**NOTE 3 BUDGET AMOUNTS**

The 2012 budget amounts on the financial statement for PSAC North are approved at Convention, are unaudited, and are presented for information purposes only.



## Appendix C: Three Year Budget

### Public Service Alliance of Canada North Region

	2015	2016	2017
<b>Revenue</b>			
PSAC Regional Council Allocation	149,625	149,625	149,625
Regional Convention (* See Note 1)			165,423
	<b>149,625</b>	<b>149,625</b>	<b>315,048</b>
<b>Expenses</b>			
Regional Convention	-	-	165,423
Regional Council Meetings	100,375	100,375	100,375
Donations and Memberships (* Note 2)	1000	1000	1,000
Audit	8,925	7,875	7,875
Regional Initiatives (* Note 3)	10,000	10,000	10,000
Regional Committees (* Note 4)	17,000	17,000	17,000
	<b>137,300</b>	<b>136,250</b>	<b>301,673</b>
Excess (deficiency) of Revenue over Expenses	<b>12,325</b>	<b>13,375</b>	<b>13,375</b>
Net Assets (beginning of year)	<b>0</b>	<b>12,325</b>	<b>25,700</b>
Net Assets (end of year)	<b>12,325</b>	<b>25,700</b>	<b>39,045</b>

\* Note 1: The REVP (Regional Executive Vice President) and the Regional Council can access other funding on a proposal basis upon request to PSAC National. The AEC approves funding in the budget on proposal based initiatives. These can be National Campaigns such as the WAAA (We are all Affected) Campaign or for Regional based Campaigns and activities including political action. Proposals must be provided by the REVP and Regional Council and approval must be given at the National level for such funding.

Regional Women's Conferences and Regional Health and Safety Conferences are also funded from the PSAC National Budget (one per three year cycle) and the PSAC National Office provides a budget for these Conferences after the PSAC Triennial Convention.



- \* Note 2: Donations and Memberships: This line item includes costs such as CCPA (Canadian Centre for Policy Alternatives) membership fees, donations to CLIFF events (Canadian Labour International Film Festival) and other community partners for initiatives in the North, as well as to any 'kid's camps' and other Labour events sponsored by the Federations of Labour in the North, etc.
- \* Note 3: Regional Initiatives: This line item includes subsidies for other Labour and social justice initiatives in the North such as Anti-Poverty coalition work, CLC (Canadian Labour Congress) initiatives, etc.
- \* Note 4: Regional Committees: PSAC North has many Regional Committees in good standing in each Territory. This line item will allow for all existing Regional Committees to receive funding of \$1000 per year to augment the funds they already receive through the PSAC National Budget set at the PSAC National Triennial Convention and paid on a yearly basis to Regional Committees in good standing.

The PSAC North Regional Committees are:

- Regional Women's Committees
- Pride Committees
- Access Committees
- Racially Visible Committees
- Aboriginal Peoples Committees
- Youth Committees

Area Councils will also receive funding of \$ 1000 per year and will be augmented by the PSAC National Budget for Area Councils set at the PSAC National Triennial Convention and paid on a yearly basis to Area Councils in good standing.