



37^E CONGRÈS 2019, L'UNION DANS L'ACTION

ÉTATS FINANCIERS 2016-2018 RAPPORT DU COMITÉ DE SURVEILLANCE 2016-2018

English Version

Report on Finances, 2016-2018

Introduction

For the three-year financial period, the Conseil central du Montréal métropolitain–CSN (CCMM–CSN) incurred a deficit of \$162,870, as compared to the projected deficit of \$98,989. A detailed reading of the financial statements will allow us to explain the deviations that occurred.

While preparing the 2016–2018 budget assumptions, we were getting ready for the 9th round of coordinated bargaining in the hotel industry. During this time, the Liberal government was implementing a second reform of the health and social services network orchestrated by Minister Barrette. By creating megastructures (CIUSSS and CISSS), the government triggered a wave of affiliation votes, leading to the loss of 23,000 CSN members, 9000 of whom were affiliated with the CCMM–CSN. The idea of joining the ranks of another labour organization broke the hearts of the activists among these members. Elected officials also had to resign themselves to leaving the CSN. This all had a negative impact on CCMM–CSN revenue, which led us to take steps to deal with these losses. Savings on political leadership reduced the impact of the loss of revenue from per capita dues and the additional unforeseen actuarial revaluation expenditure. Positions at the CSN and CCMM–CSN were eliminated, which had an impact on the work team. Note that at the same time, many private-sector unions negotiated their collective agreements since the start of the mandate.

Revenue

On December 31, 2018, revenue from per capita dues had decreased by \$213,169, for a shortfall of almost 3%, while total revenue, including revenue from other sources, had decreased by about 4%.

Spending

Political leadership

Despite the actuarial revaluation of the pension plans that had to be added to the benefit expenses for executive committee members, other than for the president, the “political leadership” envelope was not exceeded. Long-term leave due to illness for both the general secretary and first vice-president was the reason for the non-recurring savings of \$219,000 for political leadership. There were savings of nearly \$50,000 for the convention item.

The “Far North delegation” budget item was seldom used. In fact, the union adviser assigned to the Far North unions was the only person who went to Nunavik. A CCMM–CSN, CSN, FSSS, and FEESP delegation went to Kuujuaq in spring 2019. This spending will appear in the financial statements for the next financial period.

Central duties

Spending was also lower than expected for more than one item for “areas-of-struggle” committees and for the “support for struggles” item. Some spending on the part of the education and international solidarity areas-of-struggle committees was recorded in the 2013–2015 financial period. There were also savings for the two “union training” items. This is partly due to cancelled sessions because of lack of participants. In addition, sessions were sometimes led by only one instructor, when they are normally led by two instructors.

Administrative duties

There was higher spending than expected for the total budget envelope for “administrative duties” (\$176,562). This situation can be explained mainly by the costs of actuarial revaluation of the pension plans, which led to a shortfall of \$241,642 on the employee benefits item. There was also additional spending for the “computer” item, due to a contract adjustment, and for “administrative fees” for the salaries of the activists who were relieved of duty, in order to comply with new tax rules. However, savings on the “rent” item after the adjustment to the calculation of space being occupied and on the “copying and printing” item allowed for reducing the total overrun for the “administrative duties” budget envelope. Although, in fall 2017, we had to cut a half-time union adviser job and an office employee job, spending was kept within the “salary” budget envelope. This is explained by the fact that the CCMM–CSN executive committee had to immediately replace employees under the SAMVR budget of the CSN, while such replacements normally occur after 30 days of absence. We did so to prevent disruptions in union services.

Changes in net assets

With a deficit of \$162, 870, the unallocated balance for the end of the period is negative \$308,047 while that in 2015 was negative \$1,310,077. Despite these unforeseen events, the CCMM–CSN has enough financial flexibility to keep its daily financial commitments.

CCMM–CSN Oversight Committee Report for the Financial Period Ended December 31, 2018

The Conseil central du Montréal métropolitain (CCMM–CSN) oversight committee met on May 9 and 10, 2019, at the CSN, to verify the finances of our central council for the period between July 1, 2018, and December 31, 2018, and to review the financial period from January 1, 2016, to December 31, 2018. Carole Leroux and Félix Sylvestre were present. We would like to thank Edlyne Coicou, CCMM–CSN accounting secretary, and our treasurer Patrice Benoît for their help and availability throughout the mandate, as well as all those who served on the committee.

The methodology used was to first analyze the activity reports of all members of the executive committee, the executive secretary, and the accounting secretary of the CCMM–CSN.

Next, for the committees, we proceeded with sampling, and analyzed the activity reports of some of those in charge, as well as expense reports for the committees for which they are responsible.

We then verified the decisions of the executive committee with regard to donations. Note that the analysis of the statement of operations was carried out with the information available, which is being internally audited.

For the period between July 1, 2018, and December 31, 2018, all activity reports from the executive committee, employees, and activists were duly completed and accompanied by the required supporting documentation. We want to point out that for the entire financial period, the rules were complied with, and recommended adjustments to properly track expenses for committee activities were heard and implemented.

For the committees, there are two situations to report. Two committees had lower spending due to the absence of those in charge of them, and two committees had budget overruns that we considered acceptable. Overall, the committees stayed within their respective budgets and accomplished their mandates, while respecting the missions and by-laws of the CCMM–CSN. In addition, while we reported early on in the mandate that some committees quickly used a great deal of their budget room, at the end of the mandate, their financial framework was respected.

For donations, we wish to emphasize that those approved by the executive committee complied with current policies, as has been the case since the beginning of the period.

With respect to the statement of operations, the 2016–2018 financial period ended with a deficit of \$162,870, which is higher than the expected deficit of \$98,989.

In light of the recorded deficit, it is our view that we should remain cautious. Since fall 2017, efforts to limit the deficit have not been sufficient. Moreover, executive committee member absences allowed for savings that will not recur. This situation compensated, in part, for the loss of revenue from per capita dues following the union affiliation vote in the health and social services network.

In this context, we believe that a future deficit cannot be ruled out. We therefore recommend the utmost caution when making subsequent decisions.

In conclusion, we, the members of the oversight committee, recommend that the CCMM–CSN convention adopt the financial statements for the period between January 1, 2016, and December 31, 2018. We also wish Patrice Benoît and Manon Perron all the best in their retirement.



Carole Leroux



Sébastien Gagné



Félix Sylvestre