



Canadian
University
Employees

2170 Western Parkway, U.B.C., Vancouver, B.C. V6T 1V6

224-2308

GENERAL MEMBERSHIP MEETING

THURSDAY, OCTOBER 30, 1986

I. R. C. # 2

12:30 -- 2:30

AGENDA

1. Adoption of Agenda.
2. Adoption of Minutes.
3. Business Arising from Minutes.
4. Nominations: Grievance Committee
Contract Committee
Trustee (one position)
Recording Secretary.
5. Daycare assessment amendment.*
6. Treasurer's Report.**
7. Bylaw amendment.***
8. Grievance Committee Report.
9. Contract Committee Report.
10. Union Office Report.
11. Other business.

* NOTICE OF MOTION: That members working at off-campus locations be exempted from the daycare assessment.

** NOTICE OF MOTION: Bylaw Amendment: G.6

Union Representative (Grievance)
Union Representative (Contract)

The two Union Representatives shall be voting members of the Local Executive. The Union Representatives are responsible for maintaining the collective agreement and for providing membership services. As their major responsibility, one Union representative shall coordinate the activities of the Grievance Committee and the other shall coordinate the activities of the Contract Committee, both under the direction of the Local Executive. There shall be one job standard covering the two positions. Each Union Representative will work under an individual job description, which outlines her/his job duties. The job standard, and the job description for each position will be reviewed and amended as necessary by the Local Executive.

*** TREASURER'S REPORT: Audited financial statements for the year ending December 31, 1985; Audited financial statements for the eight months ending August 31, 1986; Auditor's management letter containing criticisms and recommendations resulting from their review of the Union's records.

GENERAL MEMBERSHIP MEETING

OCTOBER 30, 1986

M I N U T E S

Announcement: That Richard Melanson is running for the Pension Board, and George McLaughlin (C.U.P.E. 116) is running for the Board of Governors. The C.U.E. Executive endorses these candidates.

1. Adoption of the Agenda

Amendments: Item #10 changed to #6A
Item #9 switched with #8

MOVED: Florence Halama
2ND: Sarah Eeckhout
CARRIED

2. Adoption of the Minutes of September 30, 1986

MOVED: Wendy Murphy
2ND: Jan Ashdown
CARRIED

3. Business Arising from the Minutes

Ted Byrne discussed the picketing situation at the hospitals. Pickets were put up the the H.S.A., and the Union informed the University that we recognized their picket lines as bona fide. Confusion arose when the H.E.U. set up their own pickets. The H.S.A. is going to be making a recommendation to its membership to reject contract proposed by the employer. This might mean going back to negotiations but it could also mean going back on strike. If they do go back on strike there will be picket lines up and we may not cross them. So far, the H.E.U. hasn't made a recommendation to its membership. We have been assured by all the unions concerned that we will be given 72 hours' strike notice.

At this point there was a discussion about the picket lines that were set up the previous week by the H.S.A. The H.S.A. was telling people that these were information pickets. Ted stressed that next time they set up pickets they will be telling people not to cross and Ted assured C.U.E. members at the hospitals that as soon as the C.U.E. office knows that one of the unions will be picketing our members will be informed.

A member from a hospital asked what to do if there were no pickets when people got to work, but pickets were thrown up later in the day. The member was informed that she should leave work.

Someone asked what would happen to people who did cross the picket lines: since the members at the hospitals comprised only a tiny part of the union, is the union going to pay the wages of people who have to go out?

Ted Byrne answered: in 1983 the hospitals didn't go out and the members at the hospitals were not assessed. More discussion ensued. Ted informed the meeting that we will be going to the Labour Relations Board regarding essential services and that the Board will designate which services are essential.

NOTICE OF MOTION:

THAT C.U.E. members at the hospitals affected by the strike be given some sort of compensation until C.U.P.E. strike pay comes into effect.

4. Nominations

Grievance Committee: nominations remain open.
Contract Committee: Nancy Bosman will stand.
Suzan Zagar will stand.
Trustee: one position remains open.
Recording Sec'y: position remains open.

5. Daycare Assessment Amendment: That members working at off-campus locations be exempted from the daycare assessment.

Michele McAnulty spoke against the amendment: the question is whether we support the concept of daycare or not; also, other campus organizations have given donations.

Richard Melanson pointed out that there is some transferability between the hospitals and campus because employees working at the various hospitals can transfer to the University campus and vice versa.

Nancy Bosman spoke in favour of the amendment, saying that a lot of the people in the hospitals don't really feel that they're really part of the campus. She also felt that donations should be voluntary.

Ted Byrne pointed out that we are having a referendum ballot to decide whether there will be an assessment. The discussion today is about whether the ballot should include the hospitals.

Vic Wilson stated that people who don't have children and who work on campus also won't be using the daycare, but they will still be paying.

Rochelle de la Giroday stated that there is potential for different interest groups to be involved in the vote. Those people who are not in favour of an assessment can simply vote against it on the referendum ballot.

Amendment was DEFEATED.

6. Treasurer's Report

Mary Vorvis gave the Treasurer's Report. (For the complete text see Appendices I and II). The report consisted of the results of the special audit undertaken by Dunwoody & Company for the periods January - December 1985, and January - August 31, 1986, and also notices of motion put forward on the recommendation of Dunwoody & Company. The audit and management letter are available in the Union Office for members to review.

The following Notices of Motion were given:

1. To change effective date in Bylaw K1 to September 1, 1986;
2. That the requirement under Bylaw K4 that 10% of monthly dues be allocated into strike fund be waived in regard to all unpaid interfun amounts for period up to and including February 1985;
3. That the requirement under Bylaw K4 that 10% of monthly dues be allocated into strike fund shall be waived altogether for the period of the service contract.

6B. Office Report (linked with Treasurer's Report)

Kitty Byrne announced that the Executive has made a motion suspending Patricia House until the end of her term in January 1987. The reasons were:

- lack of trust
- lack of confidence that she was able to perform the job she then held
- there is not, and cannot be, direct supervision of people in the two staff rep. positions. The Executive and the membership must be able to rely on the job being done, and in the Executive's opinion, this was not the case.

Questions from the floor arose, to which the Executive responded.

- Patricia's term ends January 31, 1987
- The Executive reached its decision on October 14, 1986
- Patricia's term was paid out because this was thought to be the wisest way to go on the advice of our lawyer.
- Patricia can return to a position in the bargaining unit at the end of her term, but not before
- Karen Shaw was very concerned about Patricia's suspension. She said that she had resigned only two months ago after serving on the Executive for the past few years. She had been unaware that an investigation was taking place, and wanted to know when the investigation began. (The investigation began in August 1986, although the problems began long before then.) Karen stated that she remembered Patricia pleading for help and wanted to know why, after turning a deaf ear, the Executive was doing this now. (Mary Vorvis read from the management letter from Dunwoody & Co.)
- Vic Wilson asked whether there was more of a collective responsibility here than simply Patricia's problem. (Ted Byrne said that people who came on to the Executive did ask for minutes and financial statements and the Executive was not able to get them in a timely fashion. Richard Melanson stated that he had been an Executive member also. People were friends with Patricia and are unable to believe that this report can be true. People who volunteered had to trust in the paid staff. He said that he believed the Executive chose the best course of

action; the only other alternative would have been to charge her and that would have been nasty. The Union is continuing to pay her salary even though she's not working. He thought we had to accept what the Treasurer is saying. Kitty Byrne stated that it's impossible for the Executive to police the staff on an ongoing basis, and when minutes aren't available for years people on the Executive don't even know what questions to ask. Patricia was to have taken over the duties of the grievance person in the office. When Kitty walked into the office in the summer, she realized that Ted was handling 2/3 of the grievances at the time. Patricia had had recourse through the stewards to get the job done.)

- Florence Halama wanted to know how many hours the Treasurer had put in.
- Mary Vorvis stated that she was a volunteer, and that she worked every weekend and some of her days off: "It's been like another full time job."
- Karen Shaw stated that Mary's report was the best Treasurer's report she'd ever heard. She thought that the list of items 1 - 13 may have resulted in some confusion; she didn't think that there was reason to suspend Patricia; and particularly regarding the issue of overtime Karen had seen things reverse themselves over and over again. (Ted Byrne responded: No one tells the Union office staff that they must work overtime on a particular night. Approval usually occurred afterwards. The whole point is this: that Patricia was badgered by Executive members for year after year. She was elected Secretary-Treasurer year after year. Everyone else has had the same problem of arriving without experience. Other people have taken courses. He didn't know how to bargain contracts when he came into the job. Patricia never availed herself of any opportunities. Susan Zagar also responded: she has been on the Executive since 1979 but for one year. She felt that it's always been difficult to have trust in Patricia. Patricia got direction from the Executive. The first year she was in office she was offered courses and any kind of help she needed. That didn't work because Patricia was also a voluntary member of the grievance committee, which added to her workload. Nevertheless, the Executive told Patricia that her priority was doing the books, and it kept telling her this. Several years after that the President (3 years ago) had to physically take home the books that Patricia was supposed to do as part of her job. As far as the suspension goes, Suzan didn't think there was anything else the Executive could have done. The problem with Patricia isn't something that has just taken place, but the Executive never had the kind of evidence they have now. Suzan felt that at this point the membership could endorse what the Executive has done, or the Executive should resign--she didn't think there was any alternative.

MOTION from the floor:

THAT the membership ratify the Executive's decision.

MOVED: Richard Melanson

2ND: Michele McAnulty

CARRIED

7. Bylaw Amendment G.6: moved & seconded by the Executive.

"The two Union Representatives shall be voting members of the Local Executive. The Union Representatives are responsible for maintaining the collective agreement and for providing membership services. As their major responsibility, one Union representative shall coordinate the activities of the Grievance Committee and the other shall coordinate the activities of the Contract Committee, both under the direction of the Local Executive. There shall be one job standard covering the two positions. Each Union Representative will work under an individual job description, which outlines her/his job duties. The job standard, and the job description for each position will be reviewed and amended as necessary by the Local Executive."

CARRIED.

8. Contract Committee Report

Ted Byrne gave the report. Contract Committee continues to be small. It has been having trouble getting people to serve on it. The Division meetings during the summer did not produce a great response. The contract questionnaire got a healthy response and the office has received about 400 completed forms. The Committee has gone through the returned questionnaires and the C.U.P.E. 116 proposals as well as looking at negotiations in the province and elsewhere. We have got as far as narrowing the contract proposals to fifty or sixty which we have been prioritizing according to what people most wanted. It seems that people wanted improvements to benefits, contracting out, and V.D.T. safety. Simon Fraser University and universities back east have tuition waivers for family members as well as special leave for emergencies. Members also want the language regarding flex time tightened up and would like to see leave of absence increased to eight months. Long-term employees would like recommendations for length of service--perhaps after a certain number of years they would be entitled to more vacation. We will now be preparing contract language which we will bring to a special membership meeting in November or December for ratification. One more thing is that the majority of people want a two-year contract and a percentage rather than across-the-board increase.

Kitty stated that as far as negotiated wage increases go, we can expect that after the results of the recent election we will come under the Compensation Stabilization Program.

9. Grievance Committee Report

Kitty Byrne reported on Grievance Committee activities.

Members are concerned at the length of time it takes to see grievances through. The University has been trying to stall the union with meaningless offers. The Union has to come up with some kind of policy as to what is the real deadline when we go to arbitration--it should be made clear to the University that when we invoke arbitration we mean to go through with it. We avoid going to arbitration where we are able but not when it would be detrimental to the grievor.

Stewards are dropping off the list, perhaps because of inadequate training. We had one training session last June. We should have steward meetings every two months. If the problem is confidence, we can work on that at the meetings. We are certainly interested in having stewards trained as much as possible. Hopefully, with C.U.P.E.'s help we'll be able to do more of this on an ongoing basis.

Stewards also stay on the list but don't make themselves available. If anyone is interested in becoming a steward please phone the office and let us know.

Members want to have a staff rep. at any and every grievance meeting, which is unworkable. The staff also have the responsibility for day-to-day work. The steward structure is really the backbone of the union. Also, there is a tendency to push things to a ridiculous conclusion if there is a staff rep. present at an early stage of a grievance.

Another problem is the question of job descriptions. There is restructuring going on in one Department. The onus is on the Department Head to draw up the list of job duties for your position. Don't assume that the Union necessarily knows about this or that we don't care or can't do anything.

APPENDIX I

Treasurer's Report
General Membership Meeting
October 30, 1986

At the General Membership Meeting held September 30, 1986, I reported that the books for 1985 and to end of August 1986 were presently being audited and that I anticipated that I would have a financial report for this meeting.

Although I was elected Treasurer at the end of February 1986, it took a long time for both CUE's office secretary and myself to get hold of financial materials and training. (The first training session was held in mid-June for two days, and total physical possession of books and transfer of handling of the petty cash occurred in late August).

Upon taking hold of the financial materials, there appeared to be some accounting irregularities and the Executive had concerns re the state of the finances (e.g., budget being adequate, accuracy of financial projections for 1985 and 1986). Also, my predecessor had not had the 1985 audit done, which should have been completed prior to my taking over the duties of my office in order to have a clean set of books.

This led the Executive to engage Dunwoody & Company, Chartered Accountants, to do an independent audit. (This audit is independent of previous auditors and is also independent in the sense that it is a more thorough audit than the statutory audit normally required to be done.)

As of yesterday, we now have from Dunwoody & Company the final Audit Report. This is comprised of the financial statements of CUE for the year ended 31 December 1985, the financial statements of CUE for the eight month period ended 31 August 1986, as well as the management letter. The Audit Report is available for your perusal and information at the CUE office.

I shall now give my report.

Financial Statements 1985/86

Balance Sheet as at 31 December 1985

ASSETS

GENERAL FUND

Cash and short term deposits

- decreased by approximately 1/2 31 December 1985 over 31 December 1984 (\$12,502 vs. \$25,706).
- reduction is indicative of declining financial health.
- part of the difference is due to fact in 1984, there was some cash on hand because of special levy for computer which when the computer was purchased resulted in a reduction of cash on hand.

Difference in General Fund between 1984 and 1985

- there is a difference, not a large difference ($\$48,917 - \$43,034 = \$5,883$). General Fund decreased.

STRIKE FUND

Investments

- increased by $\$111,000 - \$103,442 = \$6,558$ in 1985. (Presumably this is the estimated return on existing investments only, since no additional monies were transferred to the Strike Fund in 1985.)

Due from General Fund

- indebtedness of the General Fund to the Strike Fund grew by $\$35,653$ ($\$40,510 - \$4,857$) in 1985. (This money went to general use and, after February 1985, went to pay CUPE Per Capita Taxes rather than to increase the Strike Fund.)

Note: At this point it appears that assets grew by $\$36,328$ in 1985 ($\$193,554 - \$157,215$). This is illusory only, however, and is primarily as a result of including in assets the Strike Fund money due from the General Fund (which money due is, in fact, overexpended revenue; i.e., the allocation of money which we did not have at the time).

LIABILITIES

Accounts payable

- increased by $\$35,954 - \$27,606 = \$8,348$ in 1985. (This indicates the financing of general operations at the expense of creditors, primarily CUPE it would appear; i.e., cash has gone down but the accounts payable have gone up.)

Due to Strike Fund

- to be subject of Notice of Motions.

"BOTTOM LINE" - END OF 1985

Appearance at least, of declining financial health (less coming in than we should have had to cover the more going out than we had anticipated).

Financing of general operations at the expense of creditors (people waiting for their money).

General Fund technically indebted to Strike Fund by $\$40,510$.

Revenue technically overexpended by $\$33,430$.

Couldn't afford to join CUPE? One interpretation. Looking at straight dollars and cents, not as good financial position as two years ago (1984). Going to have to have a very close look at between now and end of February. Will be a subject at another membership meeting. In the meantime, accounting problem to be dealt with.

1985 financial picture was complicated by arbitration and professional fee expenses that were carried over from 1984.

1986 to date looks more promising than 1985 did.

Nonetheless, the above conclusions may still be valid but not necessarily as critical financially now as it was in 1985 because of reduced arbitration and professional fee expenses.

Statements of Revenue, Expenditures and Unexpended Revenue 1985/86

Year ended 31 December 1985

REVENUE

Increased in real terms by about \$105,000. \$30,000 from CUPE is merely a kickback from expenditures.

EXPENDITURES

Arbitrations in 1985 over 1984 dropped by roughly 1/2. Note: In 1986 to date they've virtually dropped to nothing.

Professional fees actually increased slightly over 1984 but have virtually disappeared in 1986.

Paid out in real terms roughly \$109,000 to CUPE.

Increase in dues (\$105,000) should have more than offset the net payment to CUPE (\$109,000) less the reduction in arbitration and professional fees (\$12,000).

At same time in 1985 the financial matters were made somewhat worse by an increase in course fees, rent, etc., and salaries and benefits. The bookkeeping system in effect at that time would not have allowed the Executive to see the immediate effect of these increases. The system did not lend itself to timely financial controls.

Plus point: Executive and committee expenses dropped approximately \$9,000 due to meetings held outside UBC office hours. UBC did not have to be reimbursed. This offset the increase in course fees and the increase in salary and benefits.

Management Letter

Item #1: Accounting Records and System

Double-entry bookkeeping system will be implemented from September 1, 1986.

Accrual accounting will be implemented from September 1, 1986.

General Ledger will be kept from September 1, 1986 for all assets and liabilities as well as the revenue and expenses.

The office computer will be utilized to handle the accounting. Dunwoody & Company has been engaged in regards to the installation of the ACCPAC software program, General Ledger module, implementation of the new accounting system, and training required in this regard.

The filing system is being improved for invoices and other accounting information.

The cheque registry is being reintroduced.

Financial statements will be provided monthly to the Executive.

Cheque signing has been tightened up - Treasurer signs all cheques with supporting documentation being provided to signing authorities.

The budget will be prepared annually and on time for Executive and Membership.

Audits will be done annually and on time for Executive and Membership.

Complete minutes of all meetings will be kept and distributed in a timely fashion.

Item #2: Petty Cash

Petty cash has been put on the imprest basis, with proper documentation, and under lock and key in the office in a safe place.

Item #6: Legal Status

The services of Mr. Ian Donald of Rankin & Company were engaged to clarify in writing the status of the union as a legal entity and to ensure that all proper registrations have been made with the Labour Relations Board and/or any other relevant authority as may be necessary in order to keep the union in good legal standing.

- "OPINION: 1. The union enjoys the status of a trade union.
2. It is a legal entity.
3. The LRB has issued Orders pursuant to the Labour Code which serve as formal proof of the organization as a trade union. The union is not required to register or file anything else with the Board to stay in good standing."

Item #7: Opening Difference

"Because of the incomplete accounting records . . . an opening difference of approximately \$1,236 was noted". This unidentified amount has been charged into 1985 to balance things. (The figures from bank accounts, accounts receivable, investments, and accounts payable when put all together did not agree with surplus shown on balance sheet for end December 1984.)

Item #8: Overtime and Salary Advances

Dealt with by the Executive by a ban. No salary advances except in extraordinary circumstances - only one person was doing this. Overtime was banned as approval from Executive for payment was not obtained in one instance which brought into question the procedure of how overtime was paid. Banned until some system of control devised.

Item #10: CUPE Dues

"As of 31 August 1986 the per capita dues due to CUPE had been unpaid for the previous six months."

This matter was rectified in September 1986. Penalties and interest that can result were waived by the National Secretary-Treasurer in a letter to current Treasurer.

Item #11: Percentage Dues

As you know, the percentage dues structure was implemented by the University effective September 1, 1986 rather than July 1, 1986.

Motion carried at Membership Meeting, May 8, 1986:

"That we amend the bylaws so that CUE members will pay dues based on that percentage of their income that will give the union the same revenue it currently receives. This change will come into effect on July 1, 1986."

NOTICE OF MOTION: To change effective date in Bylaw K1 to September 1, 1986.

Note: The September 1986 Dues Checkoff is currently being worked through and the revenue now received will be compared with amount of revenue previously received to see what percentage generates the same revenue.

Item #9: Strike Fund and Strike Fund Contributions

Actual funds currently invested in TCU Plan 24 and CM Oliver be retained in the Strike Fund. That the entire Strike Fund be reviewed between now and February 1987 (end of service contract with CUPE - decision to make about joining CUPE as a chartered local).

Funds which should be segregated and accounted for in the Strike Fund arise mostly from:

(a) Bylaw K3: \$5 per member annual assessment

Note: 1986 \$5 per member annual assessment has been deposited to Plan 24, TCU.

1985 \$5 per member annual assessment to be transferred from General Fund to Strike Fund (Plan 24, TCU).

Amount: \$6,555 + \$496 = \$7,051. (Principal + Interest 8% for period November 21/85 - October 31/86).

(b) Bylaw K4: 10% of monthly dues collected from members

- 1) "Union management has considered it impractical to investigate the balance prior to the 1984 fiscal year." Decision by Executive to be ratified by Membership.
- 2) As shown by financial statements prepared by Dunwoody & Co., at end of 1984 there is an outstanding amount of \$4,857.
- 3) Non-transfer of monies from General Fund to Strike Fund for January/February 1985 (service contract commenced March 1, 1985).
- 4) Non-transfer of monies during the currency of the service contract (March 1, 1985 to date).

Note: It was never intended that we would pay per capita taxes to CUPE and still transfer money to our Strike Fund (part of taxes paid to CUPE are allocated to CUPE Defense Fund).

Increase in union dues to undertake the service contract was not sufficiently high to allow us to both pay the taxes and make the transfer, hence we cannot afford to do so now.

Need to make right the dual irregularity that has been caused by insufficiently good accounting procedures plus the effect of paying into CUPE rather than own Strike Fund.

Problem is bylaw which cannot be complied with under circumstances which did not exist when bylaw was passed, but which since has come into existence and which new circumstances have not been matched by either an appropriate change or waiver of the bylaw!

NOTICE OF MOTIONS:

1. That the requirement under Bylaw K4 that 10% of monthly dues be allocated into strike fund be waived in regard to all unpaid interfund amounts for period up to and including February 1985.
2. Shall be waived altogether for the period of the service contract.

MARKET VALUE RE CASH & INVESTMENTS AS AT AUGUST 31, 1986 AND AS AT DECEMBER 31, 1986 INSERTED IN BRACKETS IN FINANCIAL STATEMENTS.

STRIKE FUND, END OF AUGUST 1986:

CM Oliver	2108,745
TCU Svcs. Acct.	11,861
Cash & Investments at cost	2120,606
outstanding interfund balance	+ 62,592
	<u>2183,204</u>

Note: Did not actually have 2120,606. Had 211,257 market value if had a strike and sold.

STRIKE FUND, END OF DECEMBER 1985:

CM Oliver	\$100,000
TCU	10,000
Cash & Investments at cost	210,000
outstanding interfund balance	+ 40,210
	<u>210,210</u>

Note: Had 211,124 market value if had a strike and sold.

AUGUST 31, 1986, INVESTMENT EARNINGS:

CM Oliver	213,208
TCU Svcs. Acct.	1,081
Interest & Dividends	210,608
Interest on interfund balances	2,600
	<u>213,208</u>

INVESTMENTS

Preference is Treasury Bills -- highest rate and one of the more secure marketable values

Term Deposits -- safe, safe, safe.

Mutual Funds - concern re need for strike money.

- may want to consider rolling over mutual fund money into Term Deposits and Treasury Bills (money market fund).

Funds at CM Oliver in two funds:

1. Industrial Dividend Fund:

- mutual fund; fluctuates daily.

- what affects the industrial dividend fund is change in interest rates, e.g., if interest rates go up, the value goes down and vice versa.

- monies in mutual funds will be required if we have a strike.

2. AGF (Money Market Fund):

- always at par (dollar value)

- cost/market value same when selling.

MARKET VALUE RE CASH & INVESTMENTS AS AT AUGUST 31, 1986 and AS AT DECEMBER 31, 1986 INSERTED IN BRACKETS IN FINANCIAL STATEMENTS.

STRIKE FUND, END OF AUGUST 1986:

\$108,745	CM Oliver
11,861	TCU Svgs. Acct.
<u>\$120,606</u>	Cash & Investments <u>at cost.</u>
+ 62,595	outstanding interfund balance
<u>\$183,201</u>	

Note: Did not actually have \$120,606. Had \$117,257 market value if had a strike and sold.

STRIKE FUND, END OF DECEMBER 1985:

\$100,000	CM Oliver
10,000	TCU
<u>\$110,000</u>	Cash & Investments <u>at cost.</u>
+ 40,510	outstanding interfund balance
<u>\$150,510</u>	

Note: Had \$111,154 market value if had a strike and sold.

AUGUST 31, 1986, INVESTMENT EARNINGS:

\$13,206	comprised of:	\$8,745	CM Oliver
		1,861	TCU Svgs. Acct.
		<u>\$10,606</u>	Interest & Dividends
		2,600	Interest on interfund balances
		<u>\$13,206</u>	

INVESTMENTS (continued):

CLOSE YESTERDAY, MARKET VALUE - DIVIDEND FUND:

Paid dividends are retained and turned into additional units.

End of August 1986:	\$9.51 per unit
Now:	\$9.49 per unit
Down:	\$0.02 per unit

Market value down nominally.

Don't have updated figure for number of units but should have a few more units, therefore, same as at end of August 1986.

10.28.86.

APPENDIX II

Thoughts on Management
Letter dated 6 October 1986
Re: Patricia House

The following are the major criticisms and recommendations raised in the management letter received from Dunwoody & Company, which relate (both directly and indirectly) to the functions and/or duties that were within the area of responsibility of Patricia House while she was the secretary-treasurer of CUE:

1. In general, the management letter states that our "present accounting records and system could be described as rudimentary at best" (point 1 at p. 1), that "much work is required to improve the system" (point 1 at p. 4), and that we could consider "having the accountant attend an introductory accounting course" (point 1(a) at p. 2).
2. "[T]he monthly financial statements do not necessarily include all transactions" (point 1(a) at p. 1), rather than as they should do, and Dunwoody & Company recommend that "double-entry bookkeeping should be implemented" (point 1(a) at p. 2).
3. "Generally [CUE] revenue and expenses are recorded on a cash basis whereas [CUE] assets and liabilities are recorded on an accrual basis" (point 1(b) at p. 1), resulting in further difficulties, and Dunwoody & Company recommend that "accrual accounting should be implemented" (point 1(b) at p. 2).
4. "[T]he monthly transactions as recorded in the accounting record book are not summarized in any way except as totals to each monthly financial statement" (point 1(c) at p. 1), rather than as they should be, and Dunwoody & Company recommend, among other things, that "a general ledger should be kept which summarizes all transactions and keeps a running total of the balance of all accounts" (point 1(c) at p. 3). However, Dunwoody & Company "do not recommend developing a format using Lotus 1-2-3" (point 1(c) at p. 3).
5. "[T]here were not invoices to support all expenditure items" (point 1(d) at p. 2), rather than as there should be, and Dunwoody & Company recommend that "all payments must be adequately supported where there is no invoice for a payment" (point 1(d) at p. 3).
6. "[D]isbursement listings were not provided to the Executive on a timely basis" (point 1(e) at p. 2), rather than as they should be, and Dunwoody & Company recommend, among other things, that "[i]deally, the cheques [should] not be issued until passed by the Executive" (point 1(e) at p. 3).
7. "[M]onthly financial statements were not provided to the Executive" (point 1(f) at p. 2), rather than as they should be.

8. The management letter goes on to state that "filing of records appears to be done in a haphazard manner" (point 1(h) at p. 2), that "[m]uch of the older information is simply dumped in a box and is not organized in any way" (point 1(h) at p. 3), and that "certain minutes could not be located" (point 5 at p. 5).

9. "Cheques are being written to petty cash without explanation or support" (point 2 at p. 4), rather than as they should be, and Dunwoody & Company recommend, among other things, that "petty cash should be kept at the office in a safe place and not [be] kept on the person of the custodian [and that] IOU's to petty cash should not be allowed" (point 2(b) at p. 4).

10. "Because of the incomplete accounting records . . . an opening difference of approximately \$1,236 was noted" (point 7 at p. 5).

11. Dunwoody & Company "recommend that salary advances be allowed only in the most extreme situations and only with the approval of the Executive" (point 8 at p. 5).

12. "[T]he Union has not kept accurate records of the Strike Fund. . . . The result of this situation is that the Union has been financing its general operations with monies inadvertently 'borrowed' from the Strike Fund" (point 9 at p. 6). Dunwoody & Company recommend that "[f]unds which should be segregated and accounted for in the Strike Fund . . . should be booked directly to the Strike Fund when they arise" (points 9(a) to 9(d) at p. 6), and that "[i]n order to eradicate the deficit in the General Fund as a result of the 'borrowing' from the Strike Fund . . . [a] motion should be appropriately approved by the members" (points 9(a) to 9(b) at pp. 6-7).

13. "[A]s of 31 August 1986 the per capita dues due to C.U.P.E. had been unpaid for the previous six months", rather than as they should be, and Dunwoody & Company "recommend that per capita dues be paid promptly" (point 10 at p. 7).

Mary R. Vorvis
October 14, 1986