



Our road well travelled and the curves ahead

2013/2014 ANNUAL REPORT OF THE JOINT EXECUTIVE COUNCIL GRAIN AND GENERAL SERVICES UNION (ILWU • CANADA)

We welcome the opportunity to report to GSU members on the business of your union. We urge members to ask questions you may have regarding GSU's administration, finances and operations. Members are the union.

GSU Constitution and Bylaws

As a result the divestiture of agro and grain handling operations by Glencore/Viterra to Agrium and Richardson International, the Joint Executive Council exercised its authority under section 6 – Changes in Organization Structure of GSU's constitution to establish two new Locals of members of GSU working in the union's Saskatchewan bargaining units of employees of CPS/Agrium Ltd. and Richardson International, respectively.

Constitutional amendments to include the new Locals 14 and 15 and their Sub-Local structures were approved by delegates to GSU's 2014 Policy Convention.

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In addition, delegates to the 2014 GSU Convention approved constitutional amendments to establish new Locals 16, 17, 18 and 19 for union members working for the four cooperative associations that acquired eight Viterra Ag Retail operations in Saskatchewan.

Along with the foregoing constitutional amendments, convention delegates approved amendments realigning representation on GSU's Joint Executive Council (JEC), including a new provision with respect to the election of JEC representatives from small Locals of the union. The JEC is the Board of Directors of GSU.

Amendments to GSU's bylaws were also approved by delegates to the 2014 Policy Convention.

2013 was a year of change for members of GSU, and further changes to GSU's bylaws and constitution may be required as events unfold in 2014.

Copies of the amended Constitution and Bylaws are available on GSU's website at www.gsu.ca.

GSU Administration

GSU continues to be in good financial shape. The audited financial statements which are

included with this report show that GSU had a small operating deficit of \$13,996 as of December 31, 2013. All of GSU's financial commitments are current and the union continues to have a solid financial base as illustrated by the balance sheet in the audited financial statements.

On pages 17 and 18 of this report, the audited financial statements describe the expenses

Notwithstanding the costs associated with protecting employees' bargained rights, the benefits are also significant as illustrated in GSU's arbitration win over Viterra's administration of vacation pay on overtime pay where \$430,000 was recovered for employees by GSU's action.

incurred by GSU during the 2013 fiscal year compared to the expenses incurred in 2012. Overall, GSU's operating expenses were on budget.

In 2013, GSU incurred significant legal expenses as a result of work related to the Glencore/Viterra divestitures, labour relations board applications, and general advice related to members' rights. Given numerous unknowns in the current environment, it is not expected expenses will decline in fiscal 2014.

A single grievance/arbitration affecting the rights and working

conditions of employees in a bargaining unit(s) can result in significant expenditure of union resources in the order of \$20,000 to \$30,000 thousand dollars depending on the complexity of the case and the duration of the arbitration.

Notwithstanding the costs associated with protecting employees' bargained rights, the benefits are also significant

as illustrated in GSU's arbitration win over Viterra's administration of vacation pay on overtime pay where \$430,000 was recovered by GSU's action.

There were other grievance, arbitration and other important representational gains made for GSU members in 2013. But, most important of all was the value provided to employees as a result of collective agreement protections bargained by GSU.

GSU is committed to union education, community involvement, and member recognition. On November 27 and 28,

2013, a second education workshop was held for 25 members from around the union. On February 1, 2014, staff rep Steve Torgerson conducted a shop steward training for members of Local 9 in Chilliwack, BC. Based on the participants' feedback, in both instances the workshops were successful.

GSU's Community Connections initiative is another way for the union to give back to the communities our members live and work in. Building community is essential to the well being of our society. Prosperity is good for those who are able to share in a growing economy, but strong communities are the bedrock of democracy for working people.

With all of the foregoing said, GSU will incur substantial expenses in 2014 as a result of agreement renewal bargaining, building new relationships with new employers, and all of the other good work involved in representing working people.

Our Challenges

In May 2013, the Government of Saskatchewan used its majority in the Legislative Assembly to pass the Saskatchewan

Employment Act, which is a sweeping re-write of 12 pieces of the province's labour legislation, including the Labour Standards and Trade Union Acts.

On April 29, 2014, the Act was proclaimed into law.

Unfortunately, the Saskatchewan Employment Act does not actually improve the quality of labour standards legislation, nor does it improve the ability of working people to bargain collectively or exercise their right to join and be represented by a union of their choosing.

In the lead up to the introduction of the Saskatchewan Employment Act and since then, GSU has worked closely with other unions and the SFL to build a campaign to convince the government to take the time to make certain the Act is at least as good, but preferably better, than the legislation it will replace.

The campaign by unions, but more importantly by union members, did have an impact on the government's thinking and some amendments to the initial legislation were made.

The essential question we have to ask ourselves is whether we have the determination to strive against and overcome laws apparently intended to

erase the positive impact of organized labour on society.

As the debate around the Saskatchewan Employment Act continues, the labour movement nationally is contending with the prospect of Bill C-377 becoming law.

Bill C-377 claims to be about transparency with regard to how union dues are spent. The proposed federal law is not based on any allegations or suggestion of wrong doing on the part of unions.

Bill C-377 is only on the agenda because some politicians, pundits, and pro-business lobbyists are promoting the idea that it is wrong for unions to advocate publicly for their members.

Unions in Canada, including GSU, publish their audited financial statements, and union members have the right to raise any questions they may have regarding revenues, expenditures, and union resources. GSU has always encouraged its members to inquire about the expenditure of their union dues, and when they ask questions the answers are provided.

Bill C-377, on the other hand, would require unions to submit to extraordinary disclosure to the Canada Revenue Agency and to the public, by extension, for every

significant expenditure. These proposed new rules will not apply to businesses, political parties or other institutions.

Should the government tell you how your union dues are accounted for and spent? Should governments pass freeloader laws and/or restrictive regulations when it comes to union dues?

Would it be better if governments acted more transparently themselves instead of trying to tell you how to run your union?

More recently, another anti-union piece of legislation has emerged from the government caucus in the House of Commons.

Disguised as yet another “private member’s” initiative, Bill C-525 attacks the long established Rand formula whereby all employees in a union bargaining unit pay dues even if they choose not to join the union. Bill C-525 proposes to radically alter the Rand formula by allowing for freeloaders and proposes restrictive new rules for the Canada Labour Code in connection with workers’ rights to choose union representation.

All of these legislative moves against unionization are nothing more than another anti-democratic effort by the

right wing political elite to stifle the ability of working people to demand fairness in a system already overloaded in favour of the one percent of society.

In addition to challenges posed by anti-union legislation and policies, like other unions, GSU is confronting employer policies that seem to be devoid of compassion, fairness or sense of community responsibility. All we have to do is consider the fallout from Glencore’s takeover of Viterra and the disruption caused to peoples’ lives as well as the damage done to the livelihood of many people.

If anyone thought that the Glencore takeover was good for anyone other than the small handful of senior executives at the top of Viterra, then the passage of time and the unfolding of events proved

Would it be better if governments acted more transparently themselves instead of trying to tell you how to run your union?

once again that corporate mergers and acquisitions are about money, power and control. There is no room or consideration for humanity.

The Glencore takeover of Viterra with the spin-offs to Richardson International and Agrium/CPS has proven to be a job destroyer and promise

breaker. Notwithstanding the denials by Agrium/CPS management, most of the 100 or so in-and-out-of-scope Regina office positions transferred from Viterra will be eliminated by the end of September, 2014.

It seems corporate executives are quite willing to say one thing when soliciting approval for their takeover designs, only to do something quite destructive when they get their mitts on the prize. It also seems that government leaders are ever so willing to blindly accept the platitudes of their corporate friends only to go into hiding when the promises to maintain jobs aren’t kept.

Members in Local 8 are also experiencing the downside of corporate takeover dynamics as the hedge fund owners of Advance Engineered

Products are engaged in constant gyrations designed to extract more money out of inconsistent and flawed business plans. Most recently, the problems at Advance found their way to the bargaining tables of both the Regina and Saskatoon units.

In February, a solid majority of members

working in Saskatoon rejected a so-called final offer from the employer and voted to take strike action if management didn't return to the bargaining table with a mind to settle the negotiations.

Likewise, on March 6, Local 8 members working for Advance in Regina resoundingly rejected a so-called final offer presented by the employer on February 27. Management was asked to return to the bargaining table to get things done.

After more ups and downs, including layoff notices and plant closure (Saskatoon), bargaining eventually produced settlements in both locations on May 8. The settlements were approved by the members and the highlights can be found by searching AEA on GSU's website.

GSU Defense Fund

At December 31, 2013, the GSU Defense Fund had overall assets of \$3,100,000 based on market values.

In the fall of 2011, GSU borrowed \$75,000 at six percent interest to pay for renovations to the union office building in Regina. Repayment of the loan began on October 1, 2011 and is on schedule to be repaid in 2014.

In autumn 2013, GSU's Executive Committee submitted a motion to annual membership meetings recommending that the additional dues being paid to the GSU Defense Fund continue. The motion was voted on and approved by 83 percent of the members who voted.

Accordingly, the additional dues will continue to be paid in 2014 and will be voted on again at the annual meeting in the fall.

Union Communication, Education and Information

As mentioned earlier in this report, a proactive education program for union members, elected officers and stewards continues to be a GSU priority. Devoting the effort and resources to union education is essential to a vital and vibrant union.

Internal union communication is a constantly evolving part of the GSU's functioning. We continue to publish a hard copy newsletter, periodic electronic information supplements and a topical web site. We have also begun limited experimental use of text messaging to report to union members.

Are there other ways

GSU can keep you better informed? Let us know.

This spring, GSU will again conduct a survey of members to determine what is wanted, expected, valued, not valued, and how the day-to-day operation of the union can be made more relevant to members.

One of the most effective ways to stimulate thinking and awareness about current issues occurs when you discuss these issues with one another and your neighbours. Getting people to talk with one another about the issues is essential for continued growth and improvement.

Awareness and discussion in relation to public policy are essential building blocks of active citizenship. Similarly, awareness and discussion about what is going on in your union is essential to an active and representative union.

GSU is committed to implementing the policies members have identified as crucial to their identification with their union.

2014 Policy Convention

In March 2014, GSU held its eleventh Biennial Policy Convention and delegates from around the union gathered to review and develop the union's policies and strategic plans.

The policy convention is only one important event in GSU's 2014 agenda and we urge members to make Local meetings and other union activities a priority.

The world is a constantly -changing place and it is essential for unions to adapt and change while continuing to promote the core values of collective action, community, equality, and unity.

Collective Bargaining

Collective bargaining is one of the primary functions of GSU and in 2014, bargaining the renewal and settlement of collective agreements will again be top and foremost on the union's agenda.

We will report to you and engage you around and in connection with collective bargaining issues in each of GSU's Locals.

Just as importantly, we will inform, consult and advise you with respect to developments and issues that affect you at work, even when you already have a binding collective agreement.

Thanks to the hard work and dedication of the union staff, together with the many committed members and elected officers, GSU continues to provide top-notch assistance and service to

workers in the union's bargaining units.

Without their collective and individual contributions, GSU would not function at the high-quality level we've all come to expect.

Reliability

It seems these days that the political economic climate for organized labour or civil society is increasingly unfavorable.

A concerted right-wing assault on civil rights, labour rights and trade union rights is testing just how far we can be pushed before we push back. The most reliable and enduring defenders of our society are the union movement, environmentalists, and our allies.

The union movement was founded on the principles that what we have we want for all others and an injury to one is an injury to all. We can't possibly sustain our good fortune or improve on it if others around us are experiencing the destruction of their rights and welfare as citizens of this country.

If we sacrifice our environment and our freedom in the name of perceived security or material success, we will ultimately be left with nothing.

Organizing

Organizing new groups of workers is a daunting but rewarding and vital task. At present, GSU does not have any active organizing campaigns underway and that is something we should change.

GSU aims to be an agent of positive change in a less than ideal working environment. We do our best to protect workers from harassment and unfair treatment. We strive to work with employers to provide systems which recognize merit rather than favoritism, and we do our best to bring awareness and solutions to injustice.

We are also able to provide resources – such as advice, legal information, and professional representation – that our members may not have access to on their own. And we firmly believe that a union is the strongest advocate for workers in any workplace.

Organizing requires acting on our beliefs and it requires us to educate others about the positive power of being unionized. We do it because we should and not because it's easy. If GSU's founders had been deterred by misfortune and hostility, there would be no GSU today.

Early last summer, Richardson International

applied to the Canada Industrial Relations Board to sweep GSU members at the ten unionized locations in Saskatchewan into a larger province-wide bargaining unit of all country operations and maintenance employees. Richardson was also seeking a representation vote in the proposed new bargaining unit and seemed to be betting that the larger group of non-union employees would vote to remain non-union, thereby swamping GSU members and extinguishing their union representation.

GSU opposed Richardson's application to the CIRB in defense of current members' union representation and collective bargaining rights. Written submissions were filed with the CIRB.

On April 19, 2014, the CIRB issued a decision upholding the continuation of collective bargaining rights, bargaining unit and GSU representation of employees working for Richardson Pioneer at the ten unionized Saskatchewan locations. GSU looks forward to continuing to represent the employees at these locations and invites employees at non-union locations to examine the benefits of being unionized.

GSU is also actively engaged in talking to employees at the 20 or so non-union CPS operations in Saskatchewan about joining GSU and becoming part of the bargaining unit. We've received a considerable number of inquiries about the prospect of being represented by GSU and expect that the situation will begin to gel in the next few months.

Election of Officers

As mentioned earlier in this report, GSU's biennial policy convention was held from March 20 to 22 inclusive. In addition to approving amendments to the Union's bylaws and constitution, convention delegates reviewed and approved the annual audited financial statements as well as adopting policies to govern the direction of GSU going forward. Elections of officers were also conducted at the convention and the following members were elected:

President:
Carolyn Illerbrun - Local 15

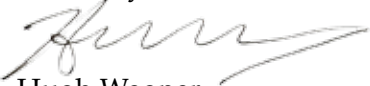
Vice-presidents:
Jim Brown - Local 1
Michelle Houlden - Local 5

General Secretary:
Hugh Wagner

Board of Directors - GSU Defense Fund:
Mike Carlin - Local 15
Ron Gerlock - Local 8
Mel McCormick - Local 1
Karen Morrison - Local 5
Dennis Piasta - Local 14

In this annual report, we have reported on your union's business. We look forward to continuing to work with you and we encourage you to get involved to initiate the changes you want to see for your union in 2014 and beyond.

Solidarity,



Hugh Wagner
General Secretary
On behalf of the
Joint Executive Council of
Grain & General Services
Union (ILWU•Canada)

PRESIDENT
Carolyn Illerbrun - Local 15

VICE-PRESIDENTS
Jim Brown - Local 1
Michelle Houlden - Local 5

LOCAL 1
VITERRA OPERATIONS &
MAINTENANCE
Dave Boulding
Jim Brown
Ken Clemence
Willy Harris
Brian Lark
Brett North
Brian Sansom

LOCAL 2
VITERRA HEAD OFFICE
Robin Taylor
Kevin Wagner

LOCAL 3
UNISOURCE CANADA
David Ficzel

LOCAL 4
GRAIN MILLERS
Terry Schultz

LOCAL 5
WESTERN PRODUCER

Michelle Houlden

LOCAL 6
WILD WEST STEELHEAD
Gord Grande

LOCAL 7
HEARTLAND
Heather Mackay

LOCAL 8
ADVANCE EMPLOYEES ASSOC.
Doug Murray
Wayne Best
Steve Holliday
Brad Millard

LOCAL 9
Hi-PRO FEEDS
Kelvin Saretzky

LOCAL 11
PRINTWEST
Perry Switzer

LOCAL 12
HILLCREST
Gordon Thoms

LOCAL 13
IATSE LOCAL 295
To be elected

LOCAL 14
RICHARDSON PIONEER
To be elected

LOCAL 15
AGRIUM/CPS
Carolyn Illerbrun

LOCAL 16
CO-OP - PRINCE ALBERT
To be elected

LOCAL 17
CO-OP BATTLEFORDS
To be elected

LOCAL 18
CO-OP LLOYDMINSTER
To be elected

Do you receive GSU meeting notices, newsletter and updates?

Make sure your current contact information is correct or you could be missing out on information which is important to you.

Change your mailing address by filling out our online form on our web page at www.gsu.ca | [Contact Us](#), or by emailing gsu.regina@sasktel.net.

Scan our QR code below and sign up for our Tuesday Morning Memo and other email bulletins.



Grain and General Services Union (ILWU • Canada)

Financial Statements - Year Ended December 31, 2013

Management's Responsibility for Financial Reporting

The financial statements of Grain and General Services Union (ILWU • Canada) have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Grain and General Services Union (ILWU • Canada)'s reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Joint Executive Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Joint Executive Council meets periodically with management and auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Joint Executive Council reports to the members prior to their approval of the financial statements. The Council also considers, for review and approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the Union members by Mintz & Wallace Chartered Accountants LLP, in accordance with Canadian generally accepted auditing standards.

President Carolyn Illerbrun

Vice Presidents Jim Brown & Michelle Houlden

Regina, Saskatchewan
March 24, 2014

Independent Auditor's Report

To the Joint Executive Council of: Grain and General Services Union (ILWU • Canada)

We have audited the accompanying financial statements of Grain and General Services Union (ILWU • Canada), which comprise the statements of financial position as at December 31, 2013, and the statements of operations, changes in net assets and cash flows for the year then ended and 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 in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Grain and General Services Union (ILWU. Canada) as at December 31, 2013, and the results of its operations and its cash flows for the year ended December 31, 2013 in accordance with Canadian Accounting standards for Not-for-Profit Organizations.

REGINA, Saskatchewan
March 24, 2014

Mintz & Wallace
Chartered Accountants LLP

Statement of Financial Position

As at December 31, 2013

	<u>Operating Fund</u>	<u>Solidarity Fund</u>	<u>Defense Fund</u>	<u>Certification Protection Fund</u>	<u>2013 Total</u>	<u>2012 Total</u>
ASSETS						
CURRENT						
Cash						
- Unrestricted	\$ 62,560	\$ -	\$ -	\$ -	\$ 62,560	\$ 154,360
- Restricted	-	10,323	415,637	6,674	432,634	465,360
Accounts receivable	102,651	720	14,519	-	117,890	26,541
Interest receivable	-	-	5,197	-	5,197	3,624
Prepaid expenses	12,359	-	-	-	12,359	7,946
Interfund (Note 6)	30,014	15,221	(43,277)	(1,958)	-	-
	<u>207,584</u>	<u>26,264</u>	<u>392,076</u>	<u>4,716</u>	<u>630,640</u>	<u>657,831</u>
CAPITAL ASSETS (Note 3)	160,174	144	-	-	160,318	165,914
INTANGIBLE ASSETS (Note 4)	6,358	-	-	-	6,358	8,477
INVESTMENTS (Note 5)	-	-	2,684,505	-	2,684,505	2,379,685
	<u>\$ 374,116</u>	<u>\$ 26,408</u>	<u>\$ 3,076,581</u>	<u>\$ 4,716</u>	<u>\$ 3,481,821</u>	<u>\$ 3,211,907</u>

LIABILITIES AND NET ASSETS

CURRENT

Accounts payable and accrued liabilities	\$ 69,678	\$ -	\$ -	\$ -	\$ 69,678	\$ 71,266
Interest payable	<u>1,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,200</u>	<u>1,200</u>
	70,878	-	-	-	70,878	72,466

LONG-TERM LIABILITIES

Long-term interfund loan (Note 6)	16,709	-	(16,709)	-	-	-
Long-term debt (Note 7)	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>40,000</u>
	<u>127,587</u>	<u>-</u>	<u>(16,709)</u>	<u>-</u>	<u>110,878</u>	<u>112,466</u>

NET ASSETS

Unrestricted	246,529	-	-	-	254,848	260,525
Restricted	<u>-</u>	<u>26,408</u>	<u>3,093,290</u>	<u>4,716</u>	<u>3,116,095</u>	<u>2,838,916</u>
	<u>246,529</u>	<u>26,408</u>	<u>3,093,290</u>	<u>4,716</u>	<u>3,370,943</u>	<u>3,099,441</u>
	\$ <u>374,116</u>	\$ <u>26,408</u>	\$ <u>3,076,581</u>	\$ <u>4,716</u>	\$ <u>3,481,821</u>	\$ <u>3,211,907</u>

See accompanying notes

Statement of Operations and Net Assets

Year Ended December 31, 2013

	<u>Operating Fund</u>	<u>Solidarity Fund</u>	<u>Defense Fund</u>	<u>Certification Protection Fund</u>	<u>2013 Total</u>	<u>2012 Total</u>
REVENUE						
Membership dues (Note 8)	\$ 1,320,785	\$ 10,533	\$ 185,960	\$ -	\$ 1,517,278	\$ 1,501,661
Miscellaneous income	5,277	-	-	-	5,277	3,156
Investment income (loss)	(2,105)	6	312,365	-	310,266	57,493
Unrealized gains (losses)	<u>-</u>	<u>-</u>	<u>(159,484)</u>	<u>-</u>	<u>(159,484)</u>	<u>66,431</u>
	<u>1,323,957</u>	<u>10,539</u>	<u>338,841</u>	<u>-</u>	<u>1,673,337</u>	<u>1,628,741</u>
EXPENDITURES (Schedules 1 & 2)						
Meetings	188,422	-	-	4,372	192,794	250,926
Administration	1,030,149	36	41,059	-	1,071,244	898,791
Affiliation and organization	91,609	7,350	-	11,065	110,024	116,612
Building	<u>27,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,773</u>	<u>43,691</u>
	<u>1,337,953</u>	<u>7,386</u>	<u>41,059</u>	<u>15,437</u>	<u>1,401,835</u>	<u>1,310,020</u>
EXCESS OF (EXPENDITURES) REVENUES	(13,996)	3,153	297,782	(15,437)	271,502	318,721
NET ASSETS - beginning of year	<u>260,525</u>	<u>23,255</u>	<u>2,795,508</u>	<u>20,153</u>	<u>3,099,441</u>	<u>2,780,720</u>
NET ASSETS - end of year	\$ <u>254,848</u>	\$ <u>26,408</u>	\$ <u>3,093,290</u>	\$ <u>(3,603)</u>	\$ <u>3,370,943</u>	\$ <u>3,099,441</u>

Statement of Cash Flow

Year Ended December 31, 2013

	<u>Operating Fund</u>	<u>Solidarity Fund</u>	<u>Defense Fund</u>	<u>Certification Protection Fund</u>	<u>2013 Total</u>	<u>2012 Total</u>
OPERATING ACTIVITIES						
Excess of revenues	\$ (13,996)	\$ 3,153	\$ 297,782	\$ (15,437)	\$ 271,502	\$ 318,721
Plus items which do not require cash outlay:						
- realized (gains) losses on sale of investments	-	-	(225,045)	-	(225,045)	(8,450)
- unrealized (gains) losses on market value adjustment	-	-	159,484	-	159,484	(66,431)
- amortization	9,464	36	-	-	9,500	9,961
	<u>(4,532)</u>	<u>3,189</u>	<u>232,221</u>	<u>(15,437)</u>	<u>215,441</u>	<u>253,801</u>
Net change in non-cash current assets and liabilities						
Accounts receivable	(81,710)	(490)	(9,148)	-	(91,348)	89,180
Interest receivable	-	-	(1,573)	-	(1,573)	63
Prepaid expenses	(4,413)	-	-	-	(4,413)	468
Accounts payable and accrued liabilities	<u>(1,588)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,588)</u>	<u>54,041</u>
Net cash from (used in) operating activities	<u>(83,924)</u>	<u>2,699</u>	<u>221,500</u>	<u>(23,756)</u>	<u>116,519</u>	<u>397,553</u>
FINANCING ACTIVITIES						
Interfund transfers (Note 6)	28,552	(9,376)	(986)	(18,190)	-	-
Repayment of interfund loan	<u>(34,641)</u>	<u>-</u>	<u>34,641</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash from financing activities	<u>(6,089)</u>	<u>(9,376)</u>	<u>33,655</u>	<u>(18,190)</u>	<u>-</u>	<u>-</u>
INVESTING ACTIVITIES						
Purchase of investments	-	-	(3,587,764)	-	(3,587,764)	(294,943)
Proceeds on sale of investments	-	-	3,348,506	-	3,348,506	267,219
Purchase of capital assets	(1,787)	-	-	-	(1,787)	(34,775)
Purchase of intangible assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,596)</u>
Net cash from investing activities	<u>(1,787)</u>	<u>-</u>	<u>(239,258)</u>	<u>-</u>	<u>(241,045)</u>	<u>(73,095)</u>
(DECREASE) INCREASE IN CASH						
RESOURCES	(91,800)	(6,677)	15,897	(41,946)	(124,526)	324,458
CASH - beginning of year	<u>154,360</u>	<u>17,000</u>	<u>399,740</u>	<u>48,620</u>	<u>619,720</u>	<u>295,262</u>
CASH - end of year	<u>\$ 62,560</u>	<u>\$ 10,323</u>	<u>\$ 415,637</u>	<u>\$ 6,674</u>	<u>\$ 495,194</u>	<u>\$ 619,720</u>
Cash consists of the following:						
Unrestricted	\$ 62,560	\$ -	\$ -	\$ -	\$ 62,560	\$ 154,360
Restricted	<u>-</u>	<u>10,323</u>	<u>415,637</u>	<u>6,674</u>	<u>432,634</u>	<u>465,360</u>
	<u>\$ 62,560</u>	<u>\$ 10,323</u>	<u>\$ 415,637</u>	<u>\$ 6,674</u>	<u>\$ 495,194</u>	<u>\$ 619,720</u>

See accompanying notes

Notes to the Financial Statements

December 31, 2013

1. NATURE OF OPERATIONS

Grain and General Services Union (ILWU. Canada) (the Union) is a not-for-profit organization and as such, it is exempt from income taxes. Its sole purpose is to represent employees of:

Local 1 - Viterra (operations and maintenance)	Local 9 - Hi-Pro Feeds
Local 2 - Viterra (head office)	Local 11 - PrintWest Communications
Local 3 - Unisource Canada Inc.	Local 12 - Hillcrest Farms
Local 4 - Grain Millers Canada Corp.	Local 13 - IATSE #295
Local 5 - Western Producer Publications (GVIC)	Local 14 - Richardson Pioneer
Local 6 - Wild West Steelhead	Local 15 - Agrium/Crop Production Services
Local 7 - Heartland Livestock Services	Local 16 - Federated Co-op
Local 8 - Advance Employees Assoc.	

The Union is certified to represent these employees by the Canada Labour Code and the appropriate Provincial Labour Relations Acts. The Union also provides administrative, arbitration, bargaining and research services.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements are presented in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Revenue recognition

Membership dues are recognized in the period in which they are withheld from the member by the bargaining unit.

Fund accounting

A portion of the monies received by the Union may only be used for specific purposes and accordingly are accounted for in separate funds. Temporary transfers of monies between these funds are recorded as interfund receivables/payables. Permanent transfers are recorded as transfers in the net asset accounts.

Funds included in these statements are:

- Operating - records the day to day operations of the Union.
- Defense - receives local strike assessments and supports members in the event of a dispute.
- Solidarity - to assist international and local development projects at the discretion of the Joint Executive Council.
- Certification Protection
 - to compensate members who are off the job while being trained to manage de-certification situations.

- to pay the collective bargaining expenses and legal expenses of Locals 1 and 2 associated with maintaining GSU collective agreements and union members' union representation rights during the takeover of Viterra by Glencore PLC and the subsequent divestiture of Viterra operations.
- to pay the first agreement bargaining expenses of Local 9.

Capital assets

Capital assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Building	5%	declining balance method
Office equipment and furniture	20%	declining balance method
Land improvements	10 years	straight line method

The Union regularly reviews its capital assets to eliminate obsolete items.

Intangible assets

The database is being amortized on a straight-line basis over its estimated useful life of five years.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale or issue of financial instruments are expensed when incurred.

The Union has elected to value all debt instruments at fair market value rather than amortized cost.

Financial assets consist of cash, accounts receivable and interest receivable all reported at amortized cost. All investments are reported at fair market value.

Financial liabilities consist of accounts payable and accrued liabilities, interest payable and long-term debt reported at amortized cost.

3. CAPITAL ASSETS

	-----2013-----			---2012---
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 75,000	\$ -	\$ 75,000	\$ 75,000
Building	135,625	70,194	65,431	68,876
Office equipment and furniture	150,058	138,445	11,613	12,730
Land improvements	<u>10,343</u>	<u>2,069</u>	<u>8,274</u>	<u>9,308</u>
	<u>\$ 371,026</u>	<u>\$ 210,708</u>	<u>\$ 160,318</u>	<u>\$ 165,914</u>

As a requirement of owning real property, the Union holds beneficial title to the assets through a bare trustee Grain Services Holdings Inc.

4. INTANGIBLE ASSETS

	<u>2013</u>	<u>2012</u>
Database system software	\$ 10,596	\$ 10,596
Accumulated amortization	<u>(4,238)</u>	<u>(2,119)</u>
	<u>\$ 6,358</u>	<u>\$ 8,477</u>

5. INVESTMENTS

	<u>2013</u>	<u>2012</u>
Equity investments	\$ 1,027,520	\$ 679,976
Preferred shares	256,514	-
RBC mutual funds	272,423	1,188,829
Affinity Credit Union term investment	-	50,000
Fixed Income Bonds	<u>1,128,048</u>	<u>460,880</u>
	<u>\$ 2,684,505</u>	<u>\$ 2,379,685</u>

Fixed income bonds have interest rates between 1.00% and 6.00% (2012 – 3.15% to 4.50%) and mature between June 2014 and December 2044 (2012 - June 2013 and June 2022).

6. INTERFUND TRANSFERS AND BALANCE

During 2013, the operating fund administered funds on behalf of the Defense, Certification Protection, and Solidarity Funds, which resulted in the following payable (receivable):

	<u>2013</u>	<u>2012</u>
Solidarity Fund	\$ 15,221	\$ 5,845
Certification Protection	(10,277)	(28,467)
Defense Fund - non-interest bearing	<u>(43,277)</u>	<u>(44,263)</u>
	(38,333)	(66,885)
Defense Fund - interest bearing	<u>16,709</u>	<u>51,351</u>
	<u>\$ (21,624)</u>	<u>\$ (15,534)</u>

A portion of the funds advanced to the Operating Fund are treated as a term loan with monthly repayments and an interest rate of 6.00% per annum and is repayable in monthly blended payments of \$3,065. The loan is secured by a promissory note.

7. LONG-TERM DEBT - Operating Fund

	<u>2013</u>	<u>2012</u>
Term loan payable to Local 2 with no specific repayment terms and currently paying interest at 3.00%.	\$ <u>40,000</u>	\$ <u>40,000</u>

8. MEMBERSHIP DUES

Funds received by the Operating Fund related to membership dues were:

	<u>2013</u>	<u>2012</u>
Local 1 (Viterra)	\$ 763,980	\$ 923,220
Local 2 (Viterra)	133,505	164,374
Local 3 (Unisource Canada Inc.)	520	499
Local 4 (Grain Millers Canada Corp.)	68,190	60,320
Local 5 (Western Producer)	52,251	53,652
Local 6 (Wild West Steelhead)	8,805	9,325
Local 7 (Heartland Livestock)	14,465	14,554
Local 8 (Advance Employees Assoc.)	77,126	69,876
Local 9 (Hi-Pro Feeds)	15,722	-
Local 11 (PrintWest Communications)	8,163	6,896
Local 12 (Hillcrest Farms)	508	531
Local 13 (IATSE #295)	1,095	1,418
Local 14 (Richardson Pioneer)	64,394	-
Local 15 (Agrium/Crop Production Services)	108,683	-
Local 16 (Federated Co-op)	<u>3,378</u>	<u>-</u>
	<u>\$ 1,320,785</u>	<u>\$ 1,304,665</u>

Funds received by the Defense Fund (excluding interest):

	<u>2013</u>	<u>2012</u>
Local 1 (Viterra)	\$ 90,783	\$ 113,526
Local 2 (Viterra)	16,297	20,680
Local 4 (Grain Millers Canada Corp.)	9,798	9,223
Local 5 (Western Producer)	6,689	6,095
Local 6 (Wild West Steelhead)	2,336	2,447
Local 7 (Heartland Livestock)	3,977	3,162
Local 8 (Advance Employees Assoc.)	32,325	32,080
Local 9 (Hi-Pro Feeds)	2,225	-
Local 12 (Hillcrest Farms)	120	295
Local 13 (IATSE #295)	120	180
Local 14 (Richardson Pioneer)	8,890	-
Local 15 (Agrium/Crop Production Services)	<u>12,400</u>	<u>-</u>
	<u>\$ 185,960</u>	<u>\$ 187,688</u>

9. LEASE COMMITMENTS

The Union has long-term leases with respect to its office equipment. Future minimum lease payments as at December 31, 2013, are as follows:

2014 - \$	14,089
2015 - \$	7,273
2016 - \$	7,273
2017 - \$	4,059
2018 - \$	2,241

10. FINANCIAL INSTRUMENTS

The Union is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Union's risk exposure and concentration as of December 31, 2013.

Business risk

As a result of the nature of the Union's operations, it may be exposed to various forms of risk. Those forms of risk include credit risk, interest rate risk, and liquidity risk.

Credit risk

Credit risk is the risk of financial loss resulting from default of financial obligations by a debtor to the Union. These obligations are primarily dues withheld from employees that are due to the Union and it is management's opinion this risk is low since dues are remitted promptly.

Interest rate risk

The Union's interest rate risk is nominal. While interest rate fluctuations affect the return on investments, this can be managed.

Due to the nature of investments and their susceptibility to changes in market value, interest rate risk is reflected in the market value of the investments, as reported in Note 5.

While the Union does have some long term debt, the interest is at market rate and the term loan is owed to a related partner union and as a consequence the risk is nominal.

Liquidity risk

Liquidity risk is the risk of financial loss in the event that the Union will not be able to fund obligations as they become due. Liquidity risk is not considered significant because the Union has historically been able to access resources of the defense fund. In the event of a prolonged strike with a larger local this risk would increase.

11. ECONOMIC DEPENDENCE

The dues revenue from members of the bargaining units of Locals 1 and 2 accounts for 66% of the total membership revenue in the current year (84% in 2012).

Schedule of Meeting Expenditures

Year Ended December 31, 2013

	<u>Operating Fund</u>	<u>Solidarity Fund</u>	<u>Defense Fund</u>	<u>Certification Protection Fund</u>	<u>2013 Total</u>	<u>2012 Total</u>
Schedule 1						
<u>Meetings</u>						
Defense Fund Board of Directors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,671
Joint Executive Council Meetings	24,142	-	-	-	24,142	4,996
Local 1 (Viterra)						
- Board Special	2,489	-	-	-	2,489	19,872
- Local Executive Board executive and bargaining meetings	8,319	-	-	-	8,319	56,048
- Local meetings	27,112	-	-	-	27,112	33,215
- Executive committee	11,219	-	-	-	11,219	6,647
Local 2 (Viterra)						
- Local Executive Board executive and bargaining meetings	-	-	-	-	-	2,102
- Committee meetings	2,403	-	-	-	2,403	3,162
Local 4 (Grain Millers Canada Corp.)						
- Executive and bargaining meetings	33,571	-	-	-	33,571	4,684
Local 5 (Western Producer/GVIC)						
- Executive and bargaining meetings	597	-	-	-	597	316
Local 6 (Wild West Steelhead)						
- Executive and bargaining meetings	950	-	-	-	950	6,094
Local 7 (Heartland Livestock)						
- Executive and bargaining meetings	3,300	-	-	-	3,300	4,728
Local 8.101 (AEA Regina)						
- Executive and bargaining meetings	346	-	-	-	346	1,167
Local 8.102 (AEA Saskatoon)						
- Executive and bargaining meetings	749	-	-	-	749	350
Local 9 (Hi-Pro Feeds)						
- Bargaining and organization meetings	-	-	-	4,372	4,372	-
Local 11 (Printwest)						
- Executive and bargaining meetings	84	-	-	-	84	136
Local 12 (Hillcrest Farms)						
- Executive and bargaining meetings	508	-	-	-	508	-
Local 14 (Richardson Pioneer)						
- Bargaining and organization meetings	3,217	-	-	-	3,217	-
Local 15 (Agrium/Crop Production Services)						
- Bargaining and organization meetings	3,238	-	-	-	3,238	-
Dues rebate	7,411	-	-	-	7,411	8,541
Convention and education seminars	<u>58,767</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,767</u>	<u>93,197</u>
	\$ <u>188,422</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>4,372</u>	\$ <u>192,794</u>	\$ <u>250,926</u>

Schedule of Expenditures

Year Ended December 31, 2013

Schedule 2

	<u>Operating Fund</u>	<u>Solidarity Fund</u>	<u>Defense Fund</u>	<u>Certification Protection Fund</u>	<u>2013 Total</u>	<u>2012 Total</u>
ADMINISTRATION						
Advertising	\$ 4,816	\$ -	\$ -	\$ -	\$ 4,816	\$ 4,310
Amortization of tangible assets	3,901	36	-	-	3,937	4,217
Amortization of intangible assets	2,119	-	-	-	2,119	2,119
Arbitration boards	20,701	-	-	-	20,701	14,550
Audit	8,800	-	-	-	8,800	8,756
Educational	66,381	-	-	-	66,381	-
Employee benefits	57,183	-	-	-	57,183	56,292
Interest	1,200	-	-	-	1,200	1,200
Investment council fees	-	-	41,059	-	41,059	15,244
Labour boards	338	-	-	-	338	-
Legal fees and costs	54,596	-	-	-	54,596	29,253
Miscellaneous	50	-	-	-	50	50
Office rent	15,600	-	-	-	15,600	14,100
Postage	11,934	-	-	-	11,934	8,234
Printing and office supplies	73,113	-	-	-	73,113	53,091
Promotional	12,146	-	-	-	12,146	7,662
Salaries and consulting fees	637,686	-	-	-	637,686	619,410
Telephone	16,791	-	-	-	16,791	15,399
Travel	42,794	-	-	-	42,794	44,904
	<u>\$ 1,030,149</u>	<u>\$ 36</u>	<u>\$ 41,059</u>	<u>\$ -</u>	<u>\$ 1,071,244</u>	<u>\$ 898,791</u>
AFFILIATION AND ORGANIZATION						
British Columbia						
Federation of Labour	\$ 167	\$ -	\$ -	\$ -	\$ 167	\$ -
Canadian Labour Congress	13,237	-	-	-	13,237	13,315
Donations and contributions	18,035	7,350	-	-	25,385	11,509
ILWU	18,910	-	-	-	18,910	15,154
Other affiliate expense	9,074	-	-	-	9,074	17,456
Saskatchewan						
Federation of Labour	20,186	-	-	-	20,186	20,331
Scholarship Fund	12,000	-	-	-	12,000	12,000
Organizing	-	-	-	11,065	11,065	26,847
	<u>\$ 91,609</u>	<u>\$ 7,350</u>	<u>\$ -</u>	<u>\$ 11,065</u>	<u>\$ 110,024</u>	<u>\$ 116,612</u>
BUILDING						
Amortization	\$ 3,444	\$ -	\$ -	\$ -	\$ 3,444	\$ 3,625
Insurance	1,689	-	-	-	1,689	1,597
Interest	1,870	-	-	-	1,870	2,465
Repairs and maintenance	9,958	-	-	-	9,958	25,635
Taxes	6,191	-	-	-	6,191	5,818
Utilities	4,621	-	-	-	4,621	4,551
	<u>\$ 27,773</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,773</u>	<u>\$ 43,691</u>

GSU's Joint Executive Council formulates policy and oversees the business of the union between policy conventions. And as directed in 5.17 of GSU's constitution, the Joint Executive Council circulates copies of the Auditor's Report to GSU members.

Please review the report when you have an opportunity to do so, and contact GSU general secretary Hugh Wagner or a member of the Joint Executive Council if you have any questions or concerns.



GSU Contact Information

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