



# 2016/2017 ANNUAL REPORT of the Joint Executive Council (JEC)

**GRAIN AND GENERAL SERVICES UNION (ILWU • CANADA)**

*Approved by the JEC on March 31, 2017*

We welcome the opportunity to report to GSU members. GSU is your union and it is your right to be informed about its administration.

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## GSU Administration

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The audited financial statements, included with this report, show GSU had an operating surplus of \$29,278 as of December 31, 2016. The surplus was the result of somewhat higher revenues, including one-time items, which offset somewhat higher expenses. GSU eliminated a union staff position in 2016; the full financial impact of which will not be realized until 2017.

GSU continues to be in good financial shape. As the December 31, 2016, balance sheet shows, the union's net assets increased by \$378,000 to \$4,145,000 in 2016. All of GSU's financial commitments are current, there is no external debt, and the union continues to have a solid financial base.

Wage loss for bargaining committee members and other bargaining expenses and will be substantially lower in 2017, as will convention expenses. However, dues revenues will also decline in 2017 as Ag Branch Managers exit the Local 15 (Crop Production Services) bargaining unit. The full impact of their departure will not be felt until 2018.

Legal expenses will rise 2017 compared to 2016 as there will be more grievance arbitrations, and the need for legal services in other areas will also increase. The expenses GSU incurs protecting employees' rights or bargaining improved collective agreements are central to the purpose of the union. GSU will not cut services to union members in order to reduce expenditures. Efficiencies and savings will be found elsewhere.

When everything is considered, careful management of GSU resources will be required in order to avoid a deficit in 2017. To this end, the Joint Executive Council adopted an operating budget estimate at the March 31, 2017 annual meeting.

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## Bargaining and the World Around Us

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In 2016 GSU successfully managed major agreement renewal bargaining challenges with virtually all of the employers party to a collective bargaining relationship with the union. Renewed and improved collective agreements were reached across the board with the only exception being Discovery Co-op in North Battleford, and that dispute seems to be on the verge of being resolved.

Bargaining for decent wages and working conditions is an integral part of the work our union does, and we take pride in doing it well. Administering the collective agreements after they've been bargained is crucial to realizing the full measure of the bargain made with employers. We only have to look at what is happening in the public sector to reinforce the idea that defending collectively bargained rights is essential.

Saskatchewan citizens are confronted by a provincial government intent on transferring all of its budget shortfall onto the backs of the people, including demanding public sector workers agree to wage cuts. Attacking public services and programs might play well to some audiences, but taking more than a billion dollars out of the pockets of the people in the form of tax increases and reduced or eliminated public services makes no economic or public policy sense at all.

Governments should manage the people's money prudently and take responsibility when they've mismanaged finances. In Saskatchewan, there is a growing list of issues our government needs to address in relation to questionable business transactions and tax incentives for allied interests. Bluster and blarney by the premier and his ministers do not advance the public interest one iota.

On International Women's Day, more than 1,500 union members from every sector rallied in front of the Saskatchewan Legislature in support of the integrity of free collective bargaining, protecting our crown corporations and defending public services. Participants at GSU's first union education workshop of 2017 joined the rally to show their support.

As successful as the March 8 rally was, the subsequent provincial budget on March 22 indicates the provincial government won't be easily moved to abandon or significantly modify its bias against unionized workers, good wages, and a strong public sector. As a result, we must organize for more and bigger demonstrations in favour of economic justice for all Saskatchewan workers.

It may seem old school to march and demonstrate, but perhaps the labour movement can be reignited by such actions. Every kind of action to defend working people should be on the table.

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## GSU Defense Fund

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At December 31, 2016, the GSU Defense Fund had assets of \$3.8 million, based on market values. The fund continues to grow as a result of investment gains and the additional dues of \$10 per member per month being paid into the Fund.

In fall 2016, GSU's Executive Committee submitted a motion to annual membership meetings recommending the continuation of the additional dues being paid to the GSU Defense Fund. The motion was voted on and approved by 82.52 percent of the members who voted.

Accordingly, the additional dues will continue to be paid in 2017, and will be voted on again at the annual meetings in the fall.

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## Union Education

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As referenced above, GSU held its first education workshop on March 7 and 8 in Regina. The workshop was well attended, and we intend to conduct more education activities in 2017 in response to the needs and requests of union members. Educating and spreading the word about the benefits of belonging to a union are key to the long term health of GSU. Money spent on education is money well spent.

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## Organizing

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The traditional sectors in which the majority of GSU members work seem to be in a constant state of flux, with new players entering the market or beefing up their presence. As a result,

*(Below) Joint Executive Council members at their March 31, 2017 meeting.*



employment prospects are looking up. This means there will also be opportunities for organizing and GSU is going to actively follow up on all prospects.

Through affiliation with the International Longshore and Warehouse Union Canada (ILWU Canada), GSU is part of a larger union family and we look forward to working closely with our brothers and sisters on organizing wherever we can. A meeting of ILWU Canada officers and affiliate officers to discuss a coordinated approach to organizing will be held on April 27 in Regina.

We have benefited from the friendship and support of the officers and members of ILWU Canada. We thank them and look forward to continuing our strong relationship for the good of working people.

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. Central to those principles is organizing the unorganized, and we commit to converting words into actions.

Solidarity,

#### **The Joint Executive Council of Grain & General Services Union (ILWU•Canada)**

##### *Members:*

<b>GSU President</b>	Jim Brown
<b>GSU Vice Presidents</b>	Michelle Houlden, Brett North
<b>Local 1</b> (Viterra Ops/Maintenance)	Dave Boulding, Matthew Denomie, Brian Parrott, Mike Swenson
<b>Local 2</b> (Viterra Offices)	Kevin Wagner, [Michelle Hofer – maternity leave]
<b>Local 4</b> (Grain Millers)	Terry Schultz, Perry Fedun
<b>Local 5</b> (Western Producer/GVIC)	Laurie Michalycia
<b>Local 6</b> (Wild West Steelhead)	Riley Breen
<b>Local 7</b> (Heartland)	Heather Mackay
<b>Local 8</b> (Advance Employees Assoc.)	Dion Elliott, Steve Holliday, Doug Murray
<b>Local 9</b> (Hi-Pro Feed Mill)	Kelly Saretzky
<b>Local 14</b> (Richardson Pioneer)	Lindsey Hertlein, Dylan Pilon
<b>Local 15</b> (CPS)	Loren Bojarski, Tina Cojocar, Brian Cowan, Curtis Cousins
<b>Local 13</b> (IATSE Local 295), <b>Local 16</b> (Lake Country Co-op), <b>Local 17</b> (Discovery Co-op), <b>Local 18</b> (Lloydminster Co-op), <b>Local 19</b> (Prairie Co-op), <b>Local 20</b> (CHS Canada) – vacant	

# **GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)**

## **Financial Statements**

**Year Ended December 31, 2016**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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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 Council meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the 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 members by MWC Chartered Professional Accountants LLP, in accordance with Canadian generally accepted auditing standards.



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General Secretary



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President

Regina, Sask  
March 31, 2017





Chartered Professional  
Accountants LLP

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## INDEPENDENT AUDITOR'S REPORT

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### To the Members 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 statement of financial position as at December 31, 2016 and the statements of operations and 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 is sufficient and appropriate to provide a basis for our audit opinion.

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*An asset to our clients, not an expense*

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Independent Auditor's Report to the Members of Grain and General Services Union (ILWU. Canada)  
(continued)

**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, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*MWC* LLP

Chartered Professional Accountants

Regina, Saskatchewan  
March 31, 2017



# GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

## Statement of Financial Position

December 31, 2016

	Operating Fund	Solidarity Fund	Defense Fund	Certification Protection Fund	2016	2015
<b>ASSETS</b>						
<b>CURRENT</b>						
Cash	\$ 99,786	\$ 4,653	\$ 298,705	\$ 6,682	\$ 409,826	\$ 496,485
Dues receivable	59,257	330	3,520	-	63,107	86,511
Prepaid expenses	3,170	-	-	-	3,170	10,934
Interfund (Note 8)	70,433	28,445	(92,196)	(6,682)	-	-
	232,646	33,428	210,029	-	476,103	593,930
<b>CAPITAL ASSETS</b> (Note 3)	186,680	-	-	-	186,680	194,911
<b>INTANGIBLE ASSETS</b> (Note 4)	-	-	-	-	-	2,119
<b>INVESTMENTS</b> (Note 5)	-	-	3,634,947	-	3,634,947	3,095,337
	\$ 419,326	\$ 33,428	\$ 3,844,976	\$ -	\$ 4,297,730	\$ 3,886,297
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT</b>						
Accounts payable (Note 6)	\$ 112,573	\$ -	\$ -	\$ -	\$ 112,573	\$ 79,096
<b>INTERFUND LOAN</b> (Note 8)	535	-	(535)	-	-	-
<b>LONG-TERM DEBT</b> (Note 7)	40,000	-	-	-	40,000	40,000
	153,108	-	(535)	-	152,573	119,096
<b>NET ASSETS</b>	266,218	33,428	3,845,511	-	4,145,157	3,767,201
	\$ 419,326	\$ 33,428	\$ 3,844,976	\$ -	\$ 4,297,730	\$ 3,886,297

### LEASE COMMITMENTS (Note 9)

Approved by the Council:

\_\_\_\_\_ Officer \_\_\_\_\_ Officer

See accompanying notes

# GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

## Statement of Operations and Net Assets

Year Ended December 31, 2016

	Operating Fund	Solidarity Fund	Defense Fund	Certification Protection Fund	2016	2015
<b>REVENUES</b>						
Membership dues (Note 10)	\$ 1,209,375	\$ 7,864	\$ 158,175	\$ -	\$ 1,375,414	\$ 1,350,617
Other income	25,238	600	-	-	25,838	2,863
Investment income (loss)	(1,524)	2	129,822	-	128,300	132,182
Realized gains (losses)	-	-	70,981	-	70,981	11,437
Unrealized gains (losses)	-	-	113,006	-	113,006	(87,830)
	1,233,089	8,466	471,984	-	1,713,539	1,409,269
<b>EXPENSES (Schedules 1 &amp; 2)</b>						
Meetings	146,351	-	2,051	64,417	212,819	156,818
Administration	941,881	92	53,912	-	995,885	998,637
Affiliation and organization	76,521	11,750	-	-	88,271	84,450
Building	38,608	-	-	-	38,608	37,476
	1,203,361	11,842	55,963	64,417	1,335,583	1,277,381
<b>EXCESS OF REVENUES (EXPENSES)</b>	29,728	(3,376)	416,021	(64,417)	377,956	131,888
<b>NET ASSETS - BEGINNING OF YEAR</b>	136,490	36,804	3,637,545	(43,638)	3,767,201	3,635,313
	166,218	33,428	4,053,566	(108,055)	4,145,157	3,767,201
<b>TRANSFERS (Note 8)</b>	100,000	-	(208,055)	108,055	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 266,218	\$ 33,428	\$ 3,845,511	\$ -	\$ 4,145,157	\$ 3,767,201

See accompanying notes

# GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

## Statement of Cash Flows Year Ended December 31, 2016

	Operating Fund	Solidarity Fund	Defense Fund	Certification Protection Fund	2016	2015
<b>OPERATING ACTIVITIES</b>						
Excess of revenues (expenses)	\$ 29,728	\$ (3,376)	\$ 416,021	\$ (64,417)	\$ 377,956	\$ 131,888
Items not affecting cash:						
Realized (gains) losses on sale of investments	-	-	(70,981)	-	(70,981)	(11,437)
Unrealized (gains) losses on market value adjustment	-	-	(113,006)	-	(113,006)	87,830
Amortization	10,677	92	-	-	10,769	11,553
	40,405	(3,284)	232,034	(64,417)	204,738	219,834
Changes in non-cash working capital	59,389	176	5,081	-	64,646	41,959
Net cash from investing activities	99,794	(3,108)	237,115	(64,417)	269,384	261,793
<b>INVESTING ACTIVITIES</b>						
Purchase of capital assets	(420)	-	-	-	(420)	(44,645)
Proceeds on disposal of investments	-	-	1,327,604	-	1,327,604	860,984
Purchase of investments	-	-	(1,683,227)	-	(1,683,227)	(942,682)
Cash flow from investing activities	(420)	-	(355,623)	-	(356,043)	(126,343)
<b>FINANCING ACTIVITIES</b>						
Interfund transfers	(50,554)	(2,284)	(11,583)	64,421	-	-
Repayment of interfund loan	(45,864)	-	45,864	-	-	-
Net cash from financing activities	(96,418)	(2,284)	34,281	64,421	-	-
<b>NET CHANGE IN CASH FLOW</b>	2,956	(5,392)	(84,227)	4	(86,659)	135,450
<b>CASH - BEGINNING OF YEAR</b>	96,830	10,045	382,932	6,678	496,485	361,035
<b>CASH - END OF YEAR</b>	\$ 99,786	\$ 4,653	\$ 298,705	\$ 6,682	\$ 409,826	\$ 496,485

See accompanying notes

# GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

## Notes to Financial Statements

Year Ended December 31, 2016

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### 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 - Viterro (operations and maintenance)  
Local 2 - Viterro (head office)  
Local 4 - Grain Millers Canada Corp.  
Local 5 - Western Producer Publications (GVIC)  
Local 6 - Wild West Steelhead  
Local 7 - Heartland Livestock Services  
Local 8 - Advance Employees' Assoc.  
Local 9 - Hi-Pro Feeds  
Local 13 - IATSE #295  
Local 14 - Richardson Pioneer  
Local 15 - Agrium/Crop Production Services  
Local 16 - Prince Albert Co-operative Assoc.  
Local 17 - Discovery Co-op  
Local 18 - Lloydminster and District Co-operative Assoc.  
Local 19 - Prairie Co-operative Ltd.  
Local 20 - CHS

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

#### Revenue recognition

Membership dues are recognized in the period in which they are withheld from the member by the bargaining unit. Other revenue is recorded as income upon receipt.

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# GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

## Notes to Financial Statements

Year Ended December 31, 2016

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

#### 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.

The Union follows the restricted fund method of accounting for contributions.

The Operating Fund records the day to day operations of the Union.

The Solidarity Fund is to assist international and local development projects at the discretion of the Joint Executive Council.

The Defense Fund receives local strike assessments and supports members in the event of a dispute.

The Certification Protection Fund was set-up to compensate members who were off the job while being trained to manage decertification 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 Viterro by Glencore PLC and the subsequent divestiture of Viterro operations; and to pay the first agreement bargaining expenses of Local 9. As this fund has served its purpose a transfer has been made to close this fund in the year.

#### 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:

Buildings	5%	declining balance method
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. A full year's amortization is taken in the year of acquisition.

#### Intangible assets

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

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# GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

## Notes to Financial Statements

Year Ended December 31, 2016

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Foreign currency translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the average rates of exchange during the year, except for amortization, which has been translated at the same rate as the related assets.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

#### Financial instruments policy

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 investments in debt instruments at fair market value rather than amortized cost.

Financial assets including cash and accounts receivable are reported at amortized cost. All investments are reported at fair market value.

Financial liabilities including accounts payable and accrued liabilities, and long-term debt are reported at amortized cost.

### 3. CAPITAL ASSETS

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Land	\$ 75,000	\$ -	\$ 75,000	\$ 75,000
Buildings	180,690	83,900	96,790	101,465
Equipment and furniture	157,572	147,853	9,718	12,240
Land improvements	10,343	5,171	5,172	6,206
	<u>\$ 423,605</u>	<u>\$ 236,924</u>	<u>\$ 186,680</u>	<u>\$ 194,911</u>

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

# GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

## Notes to Financial Statements Year Ended December 31, 2016

### 4. INTANGIBLE ASSETS

	2016	2015
Database system software	\$ 10,596	\$ 10,596
Accumulated amortization	(10,596)	(8,477)
	<u>\$ -</u>	<u>\$ 2,119</u>

### 5. INVESTMENTS

	2016	2015
Equity investments	\$ 1,440,877	\$ 1,165,769
Preferred shares	345,500	240,474
RBC mutual funds	447,794	366,485
Fixed income bonds	1,400,776	1,322,609
	<u>\$ 3,634,947</u>	<u>\$ 3,095,337</u>

Fixed income bonds have interest rates between 1.742% and 6.50% (2015 - 1.70% to 6.50%) and mature between March 2018 and June 2037 (2015 - February 2017 and December 2016).

### 6. ACCOUNTS PAYABLE

Included in accounts payable are the following balances:

	2016	2015
Trade payable	\$ 35,349	\$ 47,173
Vacation payable	21,146	24,324
Wages payable	19,892	-
Retirement benefit payable	35,106	-
Source deductions payable	-	6,483
Interest payable	1,080	1,116
	<u>\$ 112,573</u>	<u>\$ 79,096</u>

### 7. LONG-TERM DEBT

Loan payable to Local 2 has no specific repayment terms and bears interest at 2.70%. The loan is unsecured.



# GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

## Notes to Financial Statements

Year Ended December 31, 2016

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### 8. INTERFUND TRANSFERS AND BALANCE

During 2016, the operating fund administered funds on behalf of the Defense, Certification Protection, and Solidarity Funds. These interfund balances are temporary and change throughout the year.

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 \$3,950. The loan is secured by a promissory note.

In accordance with the Board decision noted in the August 2016 minutes, these statements permanently transfer \$100,000 from the Defense Fund equity to the Operating Fund equity.

For the last few years, the Certification Protection Fund has been used to compensate members who were off the job while being trained to manage decertification 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; and to pay the first agreement bargaining expenses of Local 9. This fund had no specific funding source and the cost of its activities was funded by the Defense Fund. This fund has fulfilled its intended purpose and has been closed out in the year so an amount equal to the fund's deficiency (\$108,555) has been permanently transferred from the Defense Fund.

### 9. LEASE COMMITMENTS

The Union has long-term leases with respect to its office equipment. Future minimum lease payments as at December 31, 2016 are as follows:

2017	\$	8,379
2018		6,561
2019		2,880

# GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

## Notes to Financial Statements

Year Ended December 31, 2016

### 10. MEMBERSHIP DUES

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

	2016	2015
Local 1 - Viterra operations and maintenance	\$ 385,871	\$ 371,823
Local 2 - Viterra (head office)	84,234	75,378
Local 3 - Unisource Canada Inc.	-	105
Local 4 - Grain Millers Canada Corp.	107,457	79,837
Local 5 - Western Producer Publications (GVIC)	44,287	50,944
Local 6 - Wild West Steelhead	11,573	9,884
Local 7 - Heartland Livestock Services	10,988	12,106
Local 8 - Advance Employees' Assoc.	14,583	23,928
Local 9 - Hi-Pro Feeds	31,222	28,914
Local 11 - PrintWest Communications	-	4,815
Local 12 - Hillcrest Farms	-	371
Local 13 - IATSE #295	683	583
Local 14 - Richardson Pioneer	92,145	90,867
Local 15 - Agrium/Crop Production Services	393,780	406,258
Local 16 - Prince Albert Co-operative Assoc.	10,520	7,865
Local 17 - Discovery Co-op	6,829	5,735
Local 18 - Lloydminster and District Co-operative Assoc.	4,258	3,973
Local 19 - Prairie Co-operative Ltd.	7,799	7,986
Local 20 - CHS	3,146	4,694
	<u>\$ 1,209,375</u>	<u>\$ 1,186,066</u>

Funds received by the Defense Fund (excluding interest):

Local 1- Viterra (operations and maintenance)	\$ 46,743	\$ 44,059
Local 2 - Viterra head office	9,822	9,148
Local 4 - Grain Millers Canada Corp.	13,798	9,622
Local 5 - Western Producer Publications (GVIC)	4,204	5,926
Local 6 - Wild West Steelhead	2,792	2,167
Local 7 - Heartland Livestock Services	3,212	2,030
Local 8 - Advance Employees' Assoc.	6,070	12,980
Local 9 - Hi-Pro Feeds	3,816	3,852
Local 12 - Hillcrest Farms	-	227
Local 13 - IATSE #295	120	120
Local 14 - Richardson Pioneer	11,225	11,205
Local 15 - Agrium/Crop Production Services	51,013	49,566
Local 16 - Prince Albert Co-operative Assoc.	1,120	802
Local 17 - Discovery Co-op	1,503	690
Local 18 - Lloydminster and District Co-operative Assoc.	809	661
Local 19 - Prairie Co-operative Ltd.	1,548	572
Local 20 - CHS	380	575
	<u>\$ 158,175</u>	<u>\$ 154,202</u>

# GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

## Notes to Financial Statements

Year Ended December 31, 2016

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### 11. FINANCIAL INSTRUMENTS

The Union is exposed to various risks through its financial instruments and management is responsible to monitor, evaluate and manage these risks. The following analysis provides information about the Union's risk exposure and concentration as of December 31, 2016.

#### **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.

#### **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.

#### **Market risk**

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Union is mainly exposed to currency rate risk and interest rate risk.

#### **Currency risk**

Currency risk is the risk to the Union's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Union is exposed to foreign currency exchange risk on investments held in U.S. dollars. The Union does not use derivative instruments to reduce its dollar denominated exposure to foreign currency risk. At yearend, the Union has \$372,695 (2015 \$415,775) CDN of US investments. Net income includes \$329 (2015 - \$1,160) of foreign exchange gains.

#### **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.

# GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

## Notes to Financial Statements

Year Ended December 31, 2016

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### 12. ECONOMIC DEPENDENCE

A significant portion of union membership is concentrated in 3 large locals. If there were large declines in one or more of these locals, the Union could not continue to operate in the same way it does currently.

	<u>2016</u>	<u>2015</u>
Local 1 and 2 (Viterra)	37%	37%
Local 15 (Agrium/Crop Production Services)	32%	34%

# GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

## Schedule of Meeting Expenses

(Schedule 1)

Year Ended December 31, 2016

	Operating Fund	Solidarity Fund	Defense Fund	Certification Protection Fund	2016	2015
Joint Executive Council meetings	\$ 15,033	\$ -	\$ -	\$ -	\$ 15,033	\$ 20,163
Dues rebate	1,342	-	-	-	1,342	2,615
Convention and education seminars	8,741	-	-	39,696	48,437	24,827
Board of Directors meetings	-	-	2,051	-	2,051	2,782
GSU Biennial Convention	44,406	-	-	-	44,406	347
Board of Delegates	-	-	-	-	-	17,459
<u>Executive and bargaining</u>						
Local 1	16,462	-	-	10,352	26,814	29,785
Local 2	2,550	-	-	-	2,550	2,754
Local 4	14,898	-	-	-	14,898	1,668
Local 5	967	-	-	-	967	39
Local 6	1,299	-	-	-	1,299	2,849
Local 7	4,186	-	-	-	4,186	9,115
Local 8	6	-	-	-	6	127
Local 9	-	-	-	14,369	14,369	6,431
Local 11	-	-	-	-	-	406
Local 12	-	-	-	-	-	192
Local 13	-	-	-	-	-	52
Local 14	4,146	-	-	-	4,146	16,973
Local 15	22,996	-	-	-	22,996	15,065
Local 16	1,745	-	-	-	1,745	852
Local 17	3,154	-	-	-	3,154	332
Local 18	2,048	-	-	-	2,048	406
Local 19	2,290	-	-	-	2,290	1,437
Local 20	82	-	-	-	82	142
	<b>\$ 146,351</b>	<b>\$ -</b>	<b>\$ 2,051</b>	<b>\$ 64,417</b>	<b>\$ 212,819</b>	<b>\$ 156,818</b>

See accompanying notes

# GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

## Schedule of Expenses

(Schedule 2)

Year Ended December 31, 2016

	Operating Fund	Solidarity Fund	Defense Fund	Certification Protection Fund	2016	2015
<b>Administration</b>						
Accounting	\$ 275	\$ -	\$ -	\$ -	\$ 275	\$ 275
Advertising	693	-	-	-	693	2,543
Amortization of capital assets	2,430	92	-	-	2,522	3,060
Amortization of intangible assets	2,119	-	-	-	2,119	2,119
Arbitration boards	3,299	-	-	-	3,299	50,701
Audit	9,460	-	-	-	9,460	9,240
Employee benefits	59,824	-	-	-	59,824	63,161
Interest	1,080	-	-	-	1,080	1,116
Investment council fees	-	-	53,912	-	53,912	52,319
Labour boards	-	-	-	-	-	160
Legal fees and costs	21,034	-	-	-	21,034	49,275
Miscellaneous	146	-	-	-	146	500
Office rent	15,600	-	-	-	15,600	15,600
Postage	5,799	-	-	-	5,799	8,221
Printing and office supplies	43,109	-	-	-	43,109	23,692
Promotional	11,977	-	-	-	11,977	6,681
Salaries and consulting fees	702,314	-	-	-	702,314	652,641
Telephone	13,682	-	-	-	13,682	13,899
Travel	49,040	-	-	-	49,040	43,434
	941,881	92	53,912	-	995,885	998,637

(continues)

See accompanying notes

# GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

## Schedule of Expenses *(continued)*

*(Schedule 2)*

Year Ended December 31, 2016

	Operating Fund	Solidarity Fund	Defense Fund	Certification Protection Fund	2016	2015
<b>Affiliation and Organization</b>						
British Columbia Federation of						
Labour	84	-	-	-	<b>84</b>	325
Canadian Labour Congress	11,159	-	-	-	<b>11,159</b>	11,830
Donations and contributions	13,994	11,750	-	-	<b>25,744</b>	14,778
ILWU	14,879	-	-	-	<b>14,879</b>	15,771
Other affiliate expense	12,493	-	-	-	<b>12,493</b>	13,832
Saskatchewan Federation of						
Labour	15,912	-	-	-	<b>15,912</b>	16,487
Scholarship	8,000	-	-	-	<b>8,000</b>	11,159
Training	-	-	-	-	<b>-</b>	268
	<b>76,521</b>	<b>11,750</b>	<b>-</b>	<b>-</b>	<b>88,271</b>	<b>84,450</b>
<b>Building</b>						
Amortization of capital assets	6,128	-	-	-	<b>6,128</b>	6,374
Insurance	2,075	-	-	-	<b>2,075</b>	2,206
Interest	1,108	-	-	-	<b>1,108</b>	1,175
Office renovations	2,801	-	-	-	<b>2,801</b>	-
Repairs and maintenance	12,983	-	-	-	<b>12,983</b>	14,147
Taxes	8,411	-	-	-	<b>8,411</b>	8,250
Utilities	5,102	-	-	-	<b>5,102</b>	5,324
	<b>\$ 38,608</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 38,608</b>	<b>\$ 37,476</b>

See accompanying notes