



JOINT EXECUTIVE COUNCIL

# Annual Report 2014-2015

## We welcome the opportunity to report to GSU members.

Please ask all the questions you have regarding GSU's administration, finances and operations. GSU is your union and it is your right to be informed about its administration.

### GSU Constitution and Bylaws

As a result of the additional divestiture of agro operations flowing from the Viterra/Agrium transactions, on October 31, 2014, the Joint Executive Council (JEC) exercised its authority under section 6 – Changes in Organization Structure of GSU's constitution – to establish a new Local 20, comprising members working for CHS CanAgra.

Members will be asked to approve the amendment to GSU's constitution at membership meetings held in fall 2015.

### GSU Administration

The audited financial statements included with this report show that GSU had an operating deficit of \$120,676 as of December 31, 2014. The deficit was budgeted for, and was primarily the result of lower dues revenues and higher legal expenses in 2014.

GSU operations borrowed \$100,000 from the GSU Defense Fund to cover the operating deficit. This loan is being paid down in monthly installments of \$3,950 at six percent (6%) interest.

Notwithstanding the 2014 operating deficit, GSU continues to be in good financial shape as the December 31, 2014, balance sheet shows net assets increased by \$263,000 to \$3,745,339 in the fiscal year. All of GSU's financial commitments are current, and the union continues to have a solid financial base.

In 2014, GSU again incurred significant

legal and other expenses defending members' rights. Looking forward and considering the dramatic increase in the number of bargaining units and potential for legal disputes under the Saskatchewan Employment Act, it is not expected GSU's total expenses will decline by very much in 2015, if at all.

Wage loss for bargaining committee members and other bargaining expenses will multiply significantly in 2015 compared to recent years. In addition, the arbitration of a single grievance can result in significant expenditure of union resources. Arbitration costs of \$20,000 to \$30,000 per case are not unusual. The main variables are the complexity and duration of the case, as well as whether legal counsel is retained.

The expenses incurred in protecting employees' rights, bargaining improved collective agreements, and representing the interests of union members are simply the cost of doing business.

GSU's administration always looks for savings wherever they can be found, but your union will not be turned away from the commitment to serve members because money has to be spent.

### Our Challenges

In January 2015, the Supreme Court of Canada (SCC) issued two very important and dramatic decisions. In the first decision, known as *MPAO v. Government of Canada*, a majority of the Court found that the prohibition against members of the RCMP from associating to bargain collectively is a violation of the freedom of association guaranteed by Canada's Charter of Rights and Freedoms.

In the second SCC decision issued on January 30, 2015, the SCC upheld the appeal of the Saskatchewan Federation of Labour et al., and struck down the Saskatchewan Government's 2008 Public Services Essential Services Act (PSESA), which effectively prohibited many public employees from engaging in their right to strike.

The SCC decisions are important legal victories for the labour movement, as they thoroughly cloak the right to bargain collectively and the right to strike with the protection of freedom of association guaranteed by the Charter.

The challenge to GSU, and to all other members of the labour movement in Canada, is to build on these milestone legal victories by translating collective rights into gains in the workplace, at the bargaining table, in the community, in public policy and through progressive labour legislation.

Part and parcel of meeting our challenge is pressing for the repeal of regressive labour legislation that we've seen all too much of over the last two decades. We must demand that our governments serve working people and not only respect but also promote the right to unionize and bargaining collectively.

As we pursue realization of our rights, we must also remember that bargaining for decent wages to put food on the table is an integral part of the work our union does. This economic work is always affected by upswings and down drafts of the so-called market economy.

We are facing an economic down draft as a result dramatic drops in the price of oil and other resource commodities. Nobody knows this better than members working in manufacturing for Advance Engineered Products Ltd. in Regina, where 135 members were informed on April 10 that their employment was being terminated. This action stemmed from the company's application to the court of Queen's Bench to seek protection from its creditors under the provisions of the Companies' Creditors Arrangements Act (CCAA) while it reorganizes its finances.

This is a devastating turn of events for the affected employees who do not know at the moment whether they will be paid vacation pay, pay in lieu of notice of layoff or severance pay. Nor is it known whether Advance will successfully reorganize its finances, continue as a going concern and

eventually recall employees. For the time being, Advance has been granted a stay of all claims and proceedings against the company until at least May 8.

While 17 employees have been retained in manufacturing at the Regina plant and another 33 in the service department, the situation going forward in fraught with uncertainty. It is our understanding that similar circumstances played out at all other Advance manufacturing operations in Canada.

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**GSU's administration always looks for savings wherever they can be found, but your union will not be turned away from the commitment to serve members because money has to be spent.**

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GSU has retained legal counsel to monitor the CCAA process involving Advance and to intervene on behalf of the affected workers where required. About the only thing that is certain in this environment is GSU's commitment to do whatever can be done to assist and get a better shake for AEA/GSU Local 8 members.

Considering that layoffs and employment terminations resulting from business distress and cutbacks are becoming more frequent in Saskatchewan, it is not difficult to predict that the general malaise in resource extraction and dependent sectors will reduce the demand for labour while causing wage increases to plateau.

When significant retrenchment in government spending and employment policies is added to the equation, it is not unreasonable to say that we're in for some tougher times and more difficult agreement renewal bargaining. That said, bargaining has never been easy.

GSU has major work to do in repairing and improving the collective agreements with Agrium/CPS, Richardson Pioneer,

Viterra, the Co-ops and CHS. In that connection, preparations for agreement renewal bargaining began last fall at annual union meetings with the circulation of bargaining priority forms, which members were asked to complete and return.

This work was followed by a very successful meeting of elected delegates representing Locals 1, 2, 14, and 15, held in Regina on February 5 and 6, 2015. Delegates reviewed and debated the several hundred ideas for bargaining priorities identified by GSU members. The next task is to report back to members in order to develop a concrete list of bargaining proposals to present to the employers this fall.

Although there are transportation problems and cost price squeezes affecting the agricultural sector, on the whole the situation is significantly better than in other sectors. GSU members would be well served by an examination of the opportunities to apply bargaining pressure.

Even though the number of bargaining tables has mushroomed as a result of the Viterra divestitures, the prospects for bargaining leverage have actually improved quite dramatically.

GSU's challenges in 2015 also include the efforts of Locals 6 (Wild West Steelhead), Local 7 (Heartland Livestock) and Local 11 (Print West) to bargain renewed and improved collective agreements. GSU commits to supporting each Local in their quest to improve their standing and standards.

## **GSU Defense Fund**

At December 31, 2014, the GSU Defense Fund had overall assets just short of \$3.5 million, based on market values.

As mentioned earlier in this report, in the fall of 2014 GSU borrowed \$100,000 at six percent interest to pay for the impending 2014 budget deficit. This loan is being paid down in monthly instalments.

Also in fall 2014, GSU's Executive Committee submitted a motion to annual

membership meetings recommending the additional dues being paid to the GSU Defense Fund continue. The motion was voted on and approved by 81.93 percent of the members who voted.

Accordingly, the additional dues will continue to be paid in 2015 and will be voted on again at the annual meeting in the fall.

## **Federal and Provincial Elections**

Canadians are scheduled to go to the polls this October to elect a national government. And in March 2016, Saskatchewan voters will have an opportunity to elect a provincial government.

GSU does not endorse any particular political party at either the national or provincial levels, but your leadership also believes it is essential for working people to be actively engaged in the political process. Elections matter and governments matter. Democracy makes a difference and the political parties are not all the same.

We urge every GSU member to get involved in the upcoming elections and to vote for the candidate of the party that has supported your rights as a worker. You are best placed to decide who that is.

One of the most effective ways to stimulate thinking and awareness about current issues occurs when these issues are discussed with one another and our neighbours. Getting people to talk 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.

## **2016 Policy Convention**

In March 2016, GSU will hold its twelfth biennial policy convention. We plan to again gather delegates from around the union to

review and develop the union's policies and administration.

The policy convention is a very important event in GSU's ongoing work, as the elected officers responsible for administering the union for a two-year term are elected and their policy platform is determined by the convention delegates. We urge members to plan ahead to make sure they are represented at GSU's 2016 Policy Convention.

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.

In June 2016, GSU will also mark the union's 80th anniversary and we are committed to continuing to be an adaptable and progressive union.

### Reliability

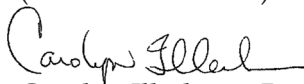
In the coming days we will be tested as we pursue the goal of a better working life for ourselves and those of the next generations. Let us never forget that the most reliable and endurable defenders of our democratic society are the union movement, social activists and our allies.

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, habitat, and welfare.

If we sacrifice our freedom for the false promise of security, ultimately we will have neither.

Solidarity,

JOINT EXECUTIVE COUNCIL OF  
GRAIN & GENERAL SERVICES UNION  
(ILWU•CANADA)



Carolyn Illerbrun, President  
Grain & General Services Union (ILWU Canada)

## 2015 Joint Executive Council officers

**PRESIDENT** Carolyn Illerbrun  
**VICE PRESIDENT** Michelle Houlden  
**VICE PRESIDENT** Jim Brown

### LOCAL 1 - VITERRA

Travis Brewer  
Jim Brown  
Brett North  
Wilfred Harris

### LOCAL 2 - VITERRA OFFICE

Michelle Hofer  
Kevin Wagner

### LOCAL 4 - GRAIN MILLERS

Ray Allen  
Terry Schultz

### LOCAL 5 - WESTERN PRODUCER

Kim Quintin

### LOCAL 6 - WILD WEST STEELHEAD

James Jones

### LOCAL 7 - HEARTLAND LIVESTOCK

Heather Mackay

### LOCAL 8 - ADVANCE EMPLOYEES

Steve Holliday  
Doug Murray

### LOCAL 9 - HI-PRO FEEDS

Kelvin Saretzky

### LOCAL 14 - RICHARDSON

Lindsey Hertlein  
Leon Martineau  
Dennis Piasta

### LOCAL 15 - CPS/AGRIUM

Brian Cowan  
Carolyn Illerbrun  
Brent Pelechaty  
Dean Sauter

# GRAIN AND GENERAL SERVICES UNION (ILWU•CANADA)

## Financial Statements - Year Ended December 31, 2014

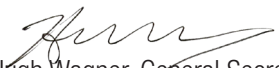
### MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING


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 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.

  
Hugh Wagner, General Secretary

  
Carolyn Illerbrun, President

Regina, Sask  
April 17, 2015

### MWC Chartered Professional Accountants LLP 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 statement of financial position as at December 31, 2014 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.

### 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, 2014 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  
April 17, 2015

### Statement of Financial Position December 31, 2014

	Operating Fund	Solidarity Fund	Defense Fund	Certification Protection Fund	2014	2013
<b>ASSETS</b>						
<b>CURRENT</b>						
Cash	\$ 19,922	\$ 1,765	\$ 332,673	\$ 6,675	\$ 361,035	495,192
Dues receivable	102,770	683	18,426	-	121,879	117,889
Source deductions receivable	1,189	-	-	-	1,189	113
Prepaid expenses	7,268	-	-	-	7,268	12,359
Interfund (Note 8)	38,822	26,463	(52,271)	(13,014)	-	-
	169,971	28,911	298,828	(6,339)	491,371	625,553
<b>CAPITAL ASSETS (Note 3)</b>	159,585	116	-	-	159,701	160,318
<b>INTANGIBLE ASSETS (Note 4)</b>	4,238	-	-	-	4,238	6,358
<b>INVESTMENTS (Note 5)</b>	-	-	3,090,029	-	3,090,029	2,689,702
	\$ 333,794	\$ 29,027	\$ 3,388,857	\$ (6,339)	\$ 3,745,339	3,481,931
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT</b>						
Accounts payable (Note 6)	\$ 70,024	\$ -	\$ -	\$ -	\$ 70,024	70,990
<b>INTERFUND LOAN (Note 8)</b>	89,598	-	(89,598)	-	-	-
<b>LONG-TERM DEBT (Note 7)</b>	40,000	-	-	-	40,000	40,000
	199,622	-	(89,598)	-	110,024	110,990
<b>NET ASSETS</b>	134,172	29,027	3,478,455	(6,339)	3,635,315	3,370,941
	\$ 333,794	\$ 29,027	\$ 3,388,857	\$ (6,339)	\$ 3,745,339	3,481,931

**LEASE COMMITMENTS (Note 10)**

**Statement of Operations and Net Assets**  
**Year Ended December 31, 2014**

	Operating Fund	Solidarity Fund	Defense Fund	Certification Protection Fund	2014	2013
<b>REVENUES</b>						
Membership dues (Note 9)	\$ 1,229,249	\$ 9,946	\$ 176,062	-	\$ 1,415,257	1,517,278
Other income	4,333	-	426	-	4,759	5,279
Investment income (loss)	(1,709)	2	154,227	-	152,520	310,266
Unrealized gains (losses)	-	-	104,550	-	104,550	(159,484)
	<u>1,231,873</u>	<u>9,948</u>	<u>435,265</u>	<u>-</u>	<u>1,677,086</u>	<u>1,673,339</u>
<b>EXPENSES (Schedules 1 &amp; 2)</b>						
Meetings	\$ 161,601	\$ -	\$ 3,057	\$ 2,600	\$ 167,258	192,794
Administration	1,060,349	29	47,043	-	1,107,421	1,071,246
Affiliation and organization	93,744	7,300	-	134	101,178	110,024
Building	36,855	-	-	-	36,855	27,773
	<u>1,352,549</u>	<u>7,329</u>	<u>50,100</u>	<u>2,734</u>	<u>1,412,712</u>	<u>1,401,837</u>
<b>EXCESS OF REVENUES (EXPENSES)</b>	(120,676)	2,619	385,165	(2,734)	264,374	271,502
<b>NET ASSETS - BEGINNING OF YEAR</b>	254,848	26,408	3,093,290	(3,605)	3,370,941	3,099,439
<b>NET ASSETS - END OF YEAR</b>	\$ 134,172	\$ 29,027	\$ 3,478,455	\$ (6,339)	\$ 3,635,315	3,370,941

**Statement of Cash Flows**  
**Year Ended December 31, 2014**

	Operating Fund	Solidarity Fund	Defense Fund	Certification Protection Fund	2014	2013
<b>OPERATING ACTIVITIES</b>						
Excess of revenues (expenses)	\$ (120,676)	\$ 2,619	\$ 385,165	\$ (2,734)	\$ 264,374	271,502
Items not affecting cash:						
Realized (gains) losses on sale of investments	-	-	(50,119)	-	(50,119)	(225,045)
Unrealized (gains) losses on market value adjustment	-	-	(104,550)	-	(104,550)	159,484
Amortization	10,222	29	-	-	10,251	9,500
	<u>(110,454)</u>	<u>2,648</u>	<u>230,496</u>	<u>(2,734)</u>	<u>119,956</u>	<u>215,441</u>
Changes in non-cash working capital	2,926	36	(3,901)	-	(939)	(97,349)
Net cash from operating activities	<u>(107,528)</u>	<u>2,684</u>	<u>226,595</u>	<u>(2,734)</u>	<u>119,017</u>	<u>118,092</u>
<b>INVESTING ACTIVITIES</b>						
Purchase of capital assets	(7,514)	-	-	-	(7,514)	(1,788)
Net change in investments	-	-	(245,660)	-	(245,660)	(240,831)
Net cash from investing activities	<u>(7,514)</u>	<u>-</u>	<u>(245,660)</u>	<u>-</u>	<u>(253,174)</u>	<u>(242,619)</u>
<b>FINANCING ACTIVITIES</b>						
Interfund transfers	(485)	(11,242)	8,990	2,737	-	-
Repayment of interfund loan	72,889	-	(72,889)	-	-	-
Net cash from financing activities	<u>72,404</u>	<u>(11,242)</u>	<u>(63,899)</u>	<u>2,737</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN CASHFLOW</b>	(42,638)	(8,558)	(82,964)	3	(134,157)	(124,527)
<b>CASH - BEGINNING OF YEAR</b>	62,560	10,323	415,637	6,672	495,192	619,719
<b>CASH - END OF YEAR</b>	\$ 19,922	\$ 1,765	\$ 332,673	\$ 6,675	\$ 361,035	495,192



## Notes to Financial Statements Year Ended December 31, 2014

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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 - Viterra (operations and maintenance)	Local 12 - Hillcrest Farms
Local 2 - Viterra (head office)	Local 13 - IATSE #295
Local 3 - Unisource Canada Inc.	Local 14 - Richardson Pioneer
Local 4 - Grain Millers Canada Corp.	Local 15 - Agrium/Crop Production Services
Local 5 - Western Producer Publications (GVIC)	Local 16 - Prince Albert Co-operative Assoc.
Local 6 - Wild West Steelhead	Local 17 - Battlefords & District Co-operative Ltd.
Local 7 - Heartland Livestock Services	Local 18 - Lloydminster & District Co-op. Assoc.
Local 8 - Advance Employees Assoc.	Local 19 - Prairie Co-operative Ltd.
Local 9 - Hi-Pro Feeds	Local 20 - CHS
Local 11 - PrintWest Communications	

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 (ASNFPPO).

#### **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.

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 is to compensate members who are 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.

### 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.

### 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 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	2014 Net book value	2013 Net book value
Land	\$ 75,000	\$ -	\$ 75,000	75,000
Buildings	135,625	73,465	62,160	65,431
Equipment and furniture	157,572	142,270	15,301	11,613
Land improvements	10,343	3,103	7,240	8,274
	<u>\$ 378,540</u>	<u>\$ 218,838</u>	<u>\$ 159,701</u>	<u>\$ 160,318</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>2014</u>	<u>2013</u>
Database system software	\$ 10,596	\$ 10,596
Accumulated amortization	(6,358)	(4,238)
	<u>\$ 4,238</u>	<u>\$ 6,358</u>

#### 5. INVESTMENTS

	<u>2014</u>	<u>2013</u>
Equity investments	\$ 1,130,969	\$ 1,027,520
Preferred shares	286,116	256,514
RBC mutual funds	381,441	272,423
Fixed income bonds	1,291,503	1,133,245
	<u>\$ 3,090,029</u>	<u>\$ 2,689,702</u>

Fixed income bonds have interest rates between 1.70% and 6.50% (2013 - 1.00% to 6.00%) and mature between December 2017 and December 2106 (2013 - June 2014 and December 2044).

#### 6. ACCOUNTS PAYABLE

Included in accounts payable are the following balances:

	<u>2014</u>	<u>2013</u>
Trade payable	\$ 37,586	\$ 47,641
Vacation payable	31,238	22,149
Interest payable	1,200	1,200
	<u>\$ 70,024</u>	<u>\$ 70,990</u>

#### 7. LONG-TERM DEBT

	<u>2014</u>	<u>2013</u>
Term loan payable to Local 2 with no specific repayment terms and currently paying interest at 3.00%. The loan is unsecured.	\$ 40,000	\$ 40,000

#### 8. INTERFUND TRANSFERS AND BALANCE

During 2014, the operating fund administered funds on behalf of the Defense, Certification Protection, and Solidarity Funds, which resulted in the following payable (receivable):

	<u>2014</u>	<u>2013</u>
Solidarity Fund	\$ 26,463	\$ 15,221
Certification Protection Fund	(13,014)	(10,277)
Defense Fund - non-interest bearing	(52,271)	(43,277)
Operating Fund	(38,822)	(38,333)
Defense Fund - interest bearing	89,598	16,709
	<u>\$ 50,776</u>	<u>\$ (21,624)</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 \$3,950. The loan is secured by a promissory note.

## 9. MEMBERSHIP DUES

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

	<b>2014</b>	<b>2013</b>
Local 1 (Viterra)	\$ 364,069	\$ 763,981
Local 2 (Viterra)	80,204	133,505
Local 3 (Unisource Canada Inc.)	208	520
Local 4 (Grain Millers Canada Corp.)	79,408	68,190
Local 5 (Western Producer)	52,871	52,251
Local 6 (Wild West Steelhead)	8,224	8,805
Local 7 (Heartland Livestock)	13,654	14,465
Local 8 (Advance Employees Assoc.)	59,793	77,126
Local 9 (Hi-Pro Feeds)	25,556	15,722
Local 11 (PrintWest Communications)	7,311	8,163
Local 12 (Hillcrest Farms)	531	508
Local 13 (IATSE #295)	755	1,095
Local 14 (Richardson Pioneer)	102,722	64,394
Local 15 ( Agrium/Crop Production Services)	407,632	108,683
Local 16 (Prince Albert Co-op)	8,861	3,378
Local 17 (Battlefords and District Co-op)	5,743	-
Local 18 (Lloydminster and District Co-op)	4,475	-
Local 19 (Prairie Co-op)	6,699	-
Local 20 (CHS)	533	-
	<b>\$ 1,229,249</b>	<b>\$ 1,320,786</b>

Funds received by the Defense Fund (excluding interest):

Local 1 (Viterra)	\$ 43,514	\$ 90,783
Local 2 (Viterra)	9,222	16,296
Local 4 (Grain Millers Canada Corp.)	10,723	9,798
Local 5 (Western Producer)	6,708	6,689
Local 6 (Wild West Steelhead)	2,234	2,336
Local 7 (Heartland Livestock)	2,430	3,977
Local 8 (Advance Employees Assoc.)	27,140	32,325
Local 9 (Hi-Pro Feeds)	3,367	2,225
Local 12 (Hillcrest Farms)	120	120
Local 13 (IATSE #295)	145	120
Local 14 (Richardson Pioneer)	12,975	8,890
Local 15 (Agrium/Crop Production Services)	54,139	12,400
Local 16 (Prince Albert Co-op)	1,130	-
Local 17 (Battlefords and District Co-op)	660	-
Local 18 (Lloydminster and District Co-op)	480	-
Local 19 (Prairie Co-op)	1,030	-
Local 20 (CHS)	45	-
	<b>\$ 176,062</b>	<b>\$ 185,959</b>

## 10. LEASE COMMITMENTS

The Union has long-term leases with respect to its office equipment. Future minimum lease payments as at December 31, 2014 are as follows:

2015	\$	11,593
2016		11,593
2017		8,379
2018		6,561
2019		2,880

## 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, 2014.

### 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 company does not use derivative instruments to reduce its exposure to foreign currency risk. At yearend the Union has \$318,173 CDN of US investments.

### 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.

## 12. ECONOMIC DEPENDENCE

The Union is dependent on collecting dues from a few of the locals. Listed below are the locals and their percentage (%) of total membership revenues in the year.

	<u>2014</u>	<u>2013</u>
Local 1 and 2 (Viterra)	<b>35</b>	66
Local 15 (Agrium/Crop Production Services)	<b>33</b>	8

**Schedule of Meeting Expenses  
Year Ended December 31, 2014**

	Operating Fund	Defense Fund	Certification Protection Fund	2014	2013
Joint Executive Council Meetings	\$ 5,754	\$ -	\$ -	\$ 5,754	24,142
Dues rebate	5,771	-	-	5,771	7,411
Convention and education seminars	57,289	-	-	57,289	58,767
Board of Directors Meetings	-	3,057	-	3,057	-
GSU Biennial Convention	41,180	-	-	41,180	-
<u>Executive and bargaining</u>					
Local 1	19,514	-	-	19,514	49,138
Local 2	621	-	-	621	2,403
Local 3	443	-	-	443	-
Local 4	5,174	-	-	5,174	33,571
Local 5	2,272	-	-	2,272	597
Local 6	801	-	-	801	950
Local 7	1,254	-	-	1,254	3,300
Local 8	6,898	-	-	6,898	1,096
Local 9	-	-	2,600	2,600	4,372
Local 11	-	-	-	-	84
Local 12	32	-	-	32	508
Local 13	808	-	-	808	-
Local 14	3,381	-	-	3,381	3,217
Local 15	8,203	-	-	8,203	3,238
<u>Bargaining and organization</u>					
Local 16	882	-	-	882	-
Local 17	362	-	-	362	-
Local 18	471	-	-	471	-
Local 19	491	-	-	491	-
	\$ 161,601	\$ 3,057	\$ 2,600	\$ 167,258	192,794

**Schedule of Expenses**  
**Year Ended December 31, 2014**

	Operating Fund	Solidarity Fund	Defense Fund	Certification Protection Fund	2014	2013
<b>Administration</b>						
Advertising	\$ 295	\$ -	\$ -	\$ -	\$ 295	4,816
Amortization of capital assets	4,831	29	-	-	4,860	3,937
Amortization of intangible assets	2,119	-	-	-	2,119	2,119
Arbitration boards	127,656	-	-	-	127,656	20,703
Audit	8,800	-	-	-	8,800	8,800
Educational	-	-	-	-	-	66,381
Employee benefits	58,681	-	-	-	58,681	57,183
Interest	1,200	-	-	-	1,200	1,200
Investment council fees	-	-	47,043	-	47,043	41,059
Labour boards	-	-	-	-	-	338
Legal fees and costs	18,657	-	-	-	18,657	54,596
Miscellaneous	825	-	-	-	825	50
Office rent	15,600	-	-	-	15,600	15,600
Postage	9,111	-	-	-	9,111	11,934
Printing and office supplies	63,860	-	-	-	63,860	73,113
Promotional	11,808	-	-	-	11,808	12,146
Salaries and consulting fees	673,302	-	-	-	673,302	637,686
Telephone	15,422	-	-	-	15,422	16,791
Training	689	-	-	-	689	-
Travel	47,493	-	-	-	47,493	42,794
	1,060,349	29	47,043	-	1,107,421	1,071,246
<b>Affiliation and Organization</b>						
British Columbia Federation of Labour	306	-	-	-	306	167
Canadian Labour Congress	12,312	-	-	-	12,312	13,236
Donations and contributions	22,522	7,300	-	-	29,822	25,385
ILWU	17,588	-	-	-	17,588	18,910
Other affiliate expense	10,600	-	-	-	10,600	9,074
Saskatchewan Federation of Labour	18,416	-	-	-	18,416	20,186
Scholarship	12,000	-	-	-	12,000	12,000
Organizing	-	-	-	134	134	11,066
	93,744	7,300	-	134	101,178	110,024
<b>Building</b>						
Amortization	3,272	-	-	-	3,272	3,444
Insurance	3,584	-	-	-	3,584	1,689
Interest	1,375	-	-	-	1,375	1,870
Repairs and maintenance	16,198	-	-	-	16,198	9,958
Taxes	7,265	-	-	-	7,265	6,191
Utilities	5,161	-	-	-	5,161	4,621
	\$ 36,855	\$ -	\$ -	\$ -	\$ 36,855	27,773

**As a member of GSU, you are never alone in facing changes and challenges.**

No matter where you work, GSU is as close as your telephone or your internet connection.

Don't hesitate to contact us with your questions about this report, your collective agreement, or problems in your workplace.



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