



2018/2019 ANNUAL REPORT

Of the Joint Executive Council (JEC) of Grain & General Services Union (ILWU•Canada)

We welcome the opportunity to report to GSU members about the business of your union.

GSU Administration

The audited financial statements, included with this report, show that GSU had a modest operating surplus of \$15,340 as of Dec. 31, 2018. The surplus was the result of somewhat higher dues revenues (\$23,000) and lower than budgeted expenses when the delegates met in the 2018 GSU convention.

The most notable improvement over budget was legal expenses, which were \$67,000 lower than the 2018 operating budget estimate. Lower costs were also experienced in relation to salaries and consulting fees which were \$29,000 lower than budget. As a result, GSU was not required to seek any assistance from the Defense Fund.

We expect to operate in the black for 2019 with a surplus in the \$70,000 range, barring any unusual or monumental spike in expenses.

Assistant General Secretary Lynn Woods-Nordin took over the financial accounting and related administrative functions in 2018. We thank Lynn for stepping up to the plate and managing the transition.

We also thank Dale Markling, Steve Torgerson and Donna Driediger for making the necessary adjustments and taking on the responsibilities that enabled GSU to operate with one less staff person for most of 2018 and continuing into 2019.

GSU continues to be in good financial shape as the Dec. 31, 2018, balance sheet shows. The union's net assets stood at \$4,520,000 at the end of 2018, even after the auditor's \$258,000 discount of the market value of investments held for the GSU Defense Fund with RBC

Dominion Securities. All of GSU's financial commitments are current and there is no external debt. GSU has a solid financial foundation.

When everything is considered, careful management of GSU resources is always required, but 2019 does not seem likely to present any significant financial challenges.

Bargaining 2018 and 2019

GSU conducted agreement renewal collective bargaining throughout 2018 and continuing into 2019. New collective agreements were bargained with Wild West Steelhead Fish Farm and Heartland Livestock Services in spring 2018.

In late summer and early fall of 2018, GSU began agreement renewal bargaining with Advance Tank Centres/Advance Tank Production Ltd., Richardson International Ltd., Trouw Nutrition, Viterra Inc., Discovery Co-op, Lake Country Co-op, and Lloydminster Co-op.

Bargaining settlements were reached and approved by affected GSU members with Richardson (Dec. 2, 2018), Trouw (Jan. 7, 2019), Advance (Feb. 14, 2019) and Viterra (April 18, 2019). Improvements to wages and working conditions were made in all instances, however, there was strong sentiment that significantly higher wage increases were justified.

Local 14 members working under a so called pay-for-performance salary system made a modest breakthrough in reforming the system to provide for guaranteed minimum wage increases. This was not to be the case for Local 1 and 2 members working for Viterra, who also work under a "pay for performance system." The comparatively low margin of approval for Viterra's final offer reflected the widespread dissatisfaction of employees with that employer's pay system.

Agreement renewal bargaining on behalf of GSU members working for Grain Millers in Yorkton began Feb. 12. Initial progress raised the prospect of an early settlement, however several snags over wage increases have arisen, and a proposed settlement was rejected by a majority of Local 4 members.

As this report is being written, a so called final offer from the employer will be voted on by Local 4 members on May 22. There is a distinct possibility the bargaining with Grain Millers management will end up with both sides considering a strike/lockout scenario.

Meanwhile, GSU members working at the three co-ops mentioned earlier are also struggling to make decent wage gains as the members of each union Local have soundly rejected final offers and have entered conciliation in an effort to resolve their bargaining impasses. The wage increase proposals in each of the three instances are remarkably similar, and reflect the backroom control exercised by Federated Co-op over the supposedly autonomous local co-ops.

Whether the bargaining disputes with the co-ops will result in strikes or lockouts will be known by early June. If bargaining ends up on the street at any of the co-ops or at Grain Millers in Yorkton, we urge all GSU members to throw their support behind the struggles for decent wage increases.

GSU members working for the Western Producer (Local 5) and Nutrien Ag Solutions (Local 15) will round out GSU's bargaining calendar as they commence agreement renewal bargaining with their employers later this year. The collective agreement with the Western Producer expires July 31 and the agreement with Nutrien expires Dec. 31, 2019. Wage increases will be the primary issue in both sets of bargaining.

The time for real increases to wages for every member of the working class is long overdue. The time has also come for Canada's governments and business leaders to clearly commit to concrete strategies to fix working peoples' stagnating standards of living. It is also high time to provide for major improvements to working conditions, including affordable housing for all Canadians, especially young people and other economically vulnerable groups.

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 and we take pride in doing that well, too.

GSU Defense Fund

At Dec. 31, 2018, the market value of GSU Defense Fund assets was \$4.15 million, largely due to a \$258,000 discount in the market value of investments in response to market declines at the end of the calendar year. The first quarter of 2019 was much kinder to investments as the market value of the fund rose to \$4.5 million by the end of March.

Despite market ups and downs, the fund continues to grow steadily as a result of investment gains and the additional dues of \$ 10/member per month being paid into the fund.

The GSU Defense Fund is solid insurance for GSU members and can be a very useful resource in assisting members to successfully pursue their collective bargaining agendas with their employers. Union members working for one of the co-ops, Grain Millers, the Western Producer or Nutrien may well find themselves in line to draw on the Defense Fund later this year.

In fall 2018 GSU's Executive Committee submitted a motion to annual membership meetings recommending continuation of the additional dues being paid to the GSU Defense Fund. The motion was voted on and approved by 90.45 percent of the members who voted. Accordingly, the additional dues are continuing to be paid in 2019 and will be voted on again at the annual meeting in the fall.

Organizing and Education

Corporate mergers, consolidation and technological change have taken their toll on jobs in in the agricultural services, crop processing and grain handling sectors over the last two decades. GSU's membership numbers reflect these trends.

More recently, there's been somewhat of a reversal in employment numbers as new grain handling companies have entered the market in Western Canada. In addition, established players such as Grain Millers have expanded operations and hired more workers. The potential to grow the union is out there.

It's been quite some time since GSU has engaged in an organizing drive and it is time to get back to the work of actively recruiting new members. To this end, it is GSU's plan to develop a new outreach effort to educate current and prospective members about the union advantage in general, and the GSU advantage in particular.

We also have to make a better effort to offer union education to current members who are interested in playing a more active role in the union. We have a good message to deliver and we commit to investing resources to get the job done.

The ILWU Canada Family

As an affiliate of the International Longshore and Warehouse Union Canada, GSU is part of a larger union family that includes the Retail, Wholesale and Department Store Union in Saskatchewan and the Grain Workers Union as well as the Retail Wholesale Union in British Columbia. Together, we constitute larger union organization of progressives with a strong commitment to economic and social justice. We look forward to continuing to work with our brothers and sisters in the ILWU Canada family to advance the cause of the working class and our communities.

Solidarity,

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

GSU President Jim Brown

GSU Vice Presidents Michelle Houlden, Brett North

Local 1 (Viterra Ops/Maintenance) Dave Barrett, Travis Brewer, Gaylyn Kennedy, Vacant

Local 2 (Viterra Offices) Sheila Tran, Howard Wilson

Local 4 (Grain Millers) Alex McKay, Tyler Chorneyko

Local 5 (Western Producer/GVIC) Laurie Michalycia

Local 6 (Wild West Steelhead) Amber Pearson

Local 7 (Heartland) Heather Mackay

Local 8 (Advance Employees Association) Dion Elliott, Steve Holliday, Doug Murray

Local 9 (Trouw Nutrition) Kelly Saretzky

Local 13 (IATSE Local 295), Local 16 (Lake Country Co-op), Local 17

(Discovery Co-op), Local 18 (Lloydminster Co-op), Local 19 (Prairie Co-op) vacant

Local 14 (Richardson Pioneer) Justin Shauf, vacant

Local 15 (Nutrien) Curtis Cousins, Brian Cowan, Brent Pelechaty, vacant

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Financial Statements

Year Ended December 31, 2018

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.

General Secretary

President

Regina, Sask
May 15, 2019



Chartered Professional
Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Grain and General Services Union (ILWU. Canada)

Opinion

We have audited the financial statements of Grain and General Services Union (ILWU. Canada) (the Union), which comprise the statement of financial position as at December 31, 2018, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Union as at December 31, 2018 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Union or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Union's financial reporting process.

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An asset to our clients, not an expense

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants

Regina, Saskatchewan
May 15, 2019

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Statement of Financial Position

December 31, 2018

	Operating Fund	Solidarity Fund	Defense Fund	2018	2017
ASSETS					
CURRENT					
Cash	\$ 147,285	\$ 12,857	\$ 338,581	\$ 498,723	\$ 357,826
Dues receivable	57,436	374	7,702	65,512	65,173
Prepaid expenses	315	-	-	315	4,606
Interfund (Note 7)	43,704	18,654	(62,358)	-	-
	248,740	31,885	283,925	564,550	427,605
CAPITAL ASSETS (Note 3)	173,548	-	-	173,548	180,382
INVESTMENTS (Note 4)	-	-	3,887,855	3,887,855	4,010,379
	\$ 422,288	\$ 31,885	\$ 4,171,780	\$ 4,625,953	\$ 4,618,366
LIABILITIES AND NET ASSETS					
CURRENT					
Accounts payable (Note 5)	\$ 63,422	\$ -	\$ -	\$ 63,422	\$ 87,293
Deferred income	2,200	-	-	2,200	-
	65,622	-	-	65,622	87,293
LONG-TERM DEBT (Note 6)	40,000	-	-	40,000	40,000
	105,622	-	-	105,622	127,293
NET ASSETS	316,666	31,885	4,171,780	4,520,331	4,491,073
	\$ 422,288	\$ 31,885	\$ 4,171,780	\$ 4,625,953	\$ 4,618,366

Approved by the Council:

_____ Officer

_____ Officer

See accompanying notes

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Statement of Operations

Year Ended December 31, 2018

	Operating Fund	Solidarity Fund	Defense Fund	2018	2017
REVENUES					
Membership dues (Note 9)	\$ 1,131,876	\$ 7,103	\$ 143,399	\$ 1,282,378	\$ 1,316,638
Rental income	21,400	-	-	21,400	14,700
Other revenue	916	-	-	916	3,910
Investment income (loss)	-	-	135,318	135,318	134,602
Realized gains (losses)	-	-	60,207	60,207	60,496
Unrealized gains (losses) on adjustment to fair market value	-	-	(258,134)	(258,134)	31,927
	1,154,192	7,103	80,790	1,242,085	1,562,273
EXPENSES (Schedules 1 & 2)					
Meetings	188,812	-	1,965	190,777	112,734
Administration	826,332	-	66,551	892,883	962,221
Affiliation and organization	70,612	4,858	601	76,071	100,223
Building	53,096	-	-	53,096	41,180
	1,138,852	4,858	69,117	1,212,827	1,216,358
EXCESS OF REVENUES (EXPENSES)	\$ 15,340	\$ 2,245	\$ 11,673	\$ 29,258	\$ 345,915

Statement of Changes in Net Assets

Year Ended December 31, 2018

	Operating Fund	Solidarity Fund	Defense Fund	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ 301,326	\$ 29,640	\$ 4,160,107	\$ 4,491,073	\$ 4,145,159
Excess of revenues (expenses)	15,340	2,245	11,673	29,258	345,914
NET ASSETS - END OF YEAR	\$ 316,666	\$ 31,885	\$ 4,171,780	\$ 4,520,331	\$ 4,491,073

See accompanying notes

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Statement of Cash Flows

Year Ended December 31, 2018

	Operating Fund	Solidarity Fund	Defense Fund	2018	2017
OPERATING ACTIVITIES					
Excess of revenues (expenses)	\$ 15,340	\$ 2,245	\$ 11,673	\$ 29,258	\$ 345,915
Items not affecting cash:					
Realized gains (losses)	-	-	(60,207)	(60,207)	(60,496)
Unrealized (gains) losses	-	-	258,134	258,134	(31,927)
Amortization	7,655	-	-	7,655	8,198
	22,995	2,245	209,600	234,840	261,690
Changes in non-cash working capital	6,794	3,229	(27,742)	(17,719)	(28,782)
Cash flow from operating activities	29,789	5,474	181,858	217,121	232,908
INVESTING ACTIVITIES					
Purchase of capital assets	(821)	-	-	(821)	(1,899)
Proceeds on disposal of investments	-	-	1,789,390	1,789,390	840,058
Purchases of investments	-	-	(1,864,793)	(1,864,793)	(1,123,067)
Cash flow from investing activities	(821)	-	(75,403)	(76,224)	(284,908)
INCREASE (DECREASE) IN CASH FLOW	28,968	5,474	106,455	140,897	(52,000)
CASH - BEGINNING OF YEAR	118,317	7,383	232,126	357,826	409,826
CASH - END OF YEAR	\$ 147,285	\$ 12,857	\$ 338,581	\$ 498,723	\$ 357,826

See accompanying notes

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Notes to Financial Statements

Year Ended December 31, 2018

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 2 - Viterra (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 - Nutrien Ag Solutions (formerly Crop Production Services)
Local 16 - Lake Country 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.

Rental income is recognized when earned.

Investment income is recognized when earned. Realized gains or losses are recognized in the period the transaction is settled.

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GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Notes to Financial Statements

Year Ended December 31, 2018

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.

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.

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.

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GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Notes to Financial Statements

Year Ended December 31, 2018

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

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 dues receivable are reported at amortized cost.

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

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Land	\$ 75,000	\$ -	\$ 75,000	\$ 75,000
Buildings	180,690	93,337	87,353	91,951
Equipment and furniture	160,292	152,199	8,092	9,294
Land improvements	10,343	7,240	3,103	4,137
	\$ 426,325	\$ 252,776	\$ 173,548	\$ 180,382

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

4. INVESTMENTS

	2018	2017
Equity investments	\$ 1,919,409	\$ 1,946,939
RBC mutual funds	694,702	466,862
Fixed income investments	1,273,744	1,596,578
	\$ 3,887,855	\$ 4,010,379

Fixed income investments have interest rates between 1.742% and 5.85% (2017 - 1.742% to 6.40%) and mature between March 2020 and June 2041 (2017 - January 2020 and June 2041).

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Notes to Financial Statements

Year Ended December 31, 2018

5. ACCOUNTS PAYABLE

Included in accounts payable are the following balances:

	<u>2018</u>	<u>2017</u>
Accounts Payable	\$ 24,636	\$ 18,707
Vacation payable	21,920	31,619
Retirement benefit payable	15,438	35,807
Interest payable	1,428	1,160
	<u>\$ 63,422</u>	<u>\$ 87,293</u>

6. LONG-TERM DEBT

Loan payable to Local 2 has no specific repayment terms and bears interest at 3.57%. The loan is unsecured.

7. INTERFUND BALANCE

During 2018, the operating fund administered funds on behalf of the Defense and Solidarity Funds. These interfund balances are temporary, change throughout the year and bear no interest.

8. 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>2018</u>	<u>2017</u>
Local 1 and 2 (Viterra)	39%	41%
Local 15 (Nutrien Ag Solutions)	28%	28%

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Notes to Financial Statements

Year Ended December 31, 2018

9. MEMBERSHIP DUES

	2018	2017
Operating Fund:		
Local 1 - Viterra (operations and maintenance)	\$ 349,029	\$ 395,590
Local 2 - Viterra (head office)	96,999	84,943
Local 4 - Grain Millers Canada Corp.	118,366	105,257
Local 5 - Western Producer Publications (GVIC)	38,706	45,140
Local 6 - Wild West Steelhead	12,049	12,689
Local 7 - Heartland Livestock Services	11,758	11,315
Local 8 - Advance Employees' Assoc.	18,638	14,201
Local 9 - Hi-Pro Feeds	33,426	35,124
Local 13 - IATSE #295	807	656
Local 14 - Richardson Pioneer	98,378	93,940
Local 15 - Nutrien Ag Solutions	322,356	329,270
Local 16 - Lake Country Co-operative Assoc.	12,563	12,017
Local 17 - Discovery Co-op	8,150	7,758
Local 18 - Lloydminster and District Co-operative Assoc.	3,287	4,029
Local 19 - Prairie Co-operative Ltd.	7,364	5,223
Local 20 - CHS	-	3,126
	\$ 1,131,876	\$ 1,160,278
Defense Fund:		
Local 1- Viterra (operations and maintenance)	\$ 40,217	\$ 46,305
Local 2 - Viterra head office	10,124	9,683
Local 4 - Grain Millers Canada Corp.	14,438	13,272
Local 5 - Western Producer Publications (GVIC)	4,293	4,890
Local 6 - Wild West Steelhead	2,683	2,989
Local 7 - Heartland Livestock Services	915	1,927
Local 8 - Advance Employees' Assoc.	8,150	7,299
Local 9 - Hi-Pro Feeds	4,157	4,074
Local 13 - IATSE #295	120	120
Local 14 - Richardson Pioneer	11,755	11,515
Local 15 - Nutrien Ag Solutions	42,467	42,783
Local 16 - Lake Country Co-operative Assoc.	1,680	1,320
Local 17 - Discovery Co-op	910	970
Local 18 - Lloydminster and District Co-operative Assoc.	390	520
Local 19 - Prairie Co-operative Ltd.	1,100	870
Local 20 - CHS	-	363
	\$ 143,399	\$ 148,900

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Notes to Financial Statements

Year Ended December 31, 2018

10. 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, 2018.

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 US dollars. The Union does not use derivative instruments to reduce its dollar denominated exposure to foreign currency risk. At yearend, the Union has \$848,707 (2017 - \$497,407) CDN of US investments. Net income includes \$1,874 (2017 - \$646 foreign exchange gain) of foreign exchange loss.

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 4.

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.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or it's issuer, or factors affecting all similar financial instruments traded in the market. The Union is exposed to other price risk through its investment in quoted shares.

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Schedule of Meeting Expenses

(Schedule 1)

Year Ended December 31, 2018

	Operating Fund	Solidarity Fund	Defense Fund	2018	2017
Joint Executive Council meetings	\$ 8,410	\$ -	\$ -	\$ 8,410	\$ 20,815
Dues rebate	4,203	-	-	4,203	3,074
Convention and education seminars	59,877	-	-	59,877	43,069
Board of Directors meetings	593	-	1,965	2,558	7
GSU biennial convention	43,229	-	-	43,229	1,713
Board of Delegates	14,158	-	-	14,158	274
<u>Executive and bargaining</u>					
Local 1	13,782	-	-	13,782	18,312
Local 2	4,984	-	-	4,984	714
Local 4	1,712	-	-	1,712	2,666
Local 5	1,077	-	-	1,077	129
Local 6	3,188	-	-	3,188	1,498
Local 7	2,980	-	-	2,980	2,093
Local 8	563	-	-	563	-
Local 9	8,282	-	-	8,282	2,581
Local 14	13,687	-	-	13,687	2,802
Local 15	5,295	-	-	5,295	9,653
Local 16	1,615	-	-	1,615	1,004
Local 17	369	-	-	369	1,650
Local 18	317	-	-	317	680
Local 19	491	-	-	491	-
	\$ 188,812	\$ -	\$ 1,965	\$ 190,777	\$ 112,734

See accompanying notes

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Schedule of Expenses

(Schedule 2)

Year Ended December 31, 2018

	Operating Fund	Solidarity Fund	Defense Fund	2018	2017
Administration					
Accounting	\$ 1,667	\$ -	\$ -	\$ 1,667	\$ 1,041
Advertising	1,735	-	-	1,735	693
Amortization of equipment	2,023	-	-	2,023	2,324
Arbitration boards	32,228	-	-	32,228	45,706
Audit	9,990	-	-	9,990	9,768
Educational	-	-	-	-	23,339
Employee benefits	55,235	-	-	55,235	58,818
Interest	1,428	-	-	1,428	1,160
Investment council fees	-	-	66,551	66,551	61,331
Legal fees and costs	928	-	-	928	5,402
Miscellaneous	45	-	-	45	107
Office rent	17,669	-	-	17,669	15,600
Postage	208	-	-	208	3,415
Printing and office supplies	28,242	-	-	28,242	32,418
Promotional	8,394	-	-	8,394	2,512
Salaries and consulting fees	593,532	-	-	593,532	633,659
Telephone	10,179	-	-	10,179	13,648
Travel	62,829	-	-	62,829	51,280
	826,332	-	66,551	892,883	962,221

(continues)

See accompanying notes

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Schedule of Expenses *(continued)*

(Schedule 2)

Year Ended December 31, 2018

	Operating Fund	Solidarity Fund	Defense Fund	2018	2017
Affiliation and Organization					
Canadian Labour Congress	10,744	-	-	10,744	10,936
Donations and contributions	12,920	4,858	-	17,778	34,500
ILWU	14,325	-	-	14,325	14,583
Other affiliate expense	5,742	-	-	5,742	10,600
Saskatchewan Federation of Labour	14,881	-	-	14,881	15,604
Scholarship	12,000	-	-	12,000	14,000
Organizing	-	-	601	601	-
	<u>70,612</u>	<u>4,858</u>	<u>601</u>	<u>76,071</u>	<u>100,223</u>
Building					
Amortization of building	5,632	-	-	5,632	5,874
Insurance	2,257	-	-	2,257	2,226
Interest	724	-	-	724	988
Repairs and maintenance	27,543	-	-	27,543	17,201
Taxes	9,646	-	-	9,646	9,236
Utilities	7,294	-	-	7,294	5,655
	<u>\$ 53,096</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,096</u>	<u>\$ 41,180</u>

See accompanying notes

Notes



Don't hesitate to contact a member of the Joint Executive Council
or GSU staff with questions or comments

GSU – Regina Office

2334 McIntyre Street, Regina, SK S4P 2S2
Toll-free: 1.866.522.6686
Phone 306.522.6686
Fax 306.565.3430

GSU- Saskatoon Office

2154 Airport Drive, Saskatoon, SK S7L 6M6
Toll-free: 1.855.384.7314
Phone 306.384.7314
Fax 306.384.1006

GSU email gsu@gsu.ca
GSU web page gsu.ca