

2021 ANNUAL 2022 REPORT

**ANNUAL REPORT OF THE JOINT
EXECUTIVE COUNCIL (JEC) OF GRAIN
AND GENERAL SERVICES UNION
(ILWU CANADA) – Presented to and
adopted by the Joint Executive
Council at their Annual Meeting on
March 25, 2022**



We welcome the opportunity to report to GSU members about the business of your union and we commit to working with you in pressing for better wages, better working conditions and a better quality of life for all union members.

We also wish to say that we stand with the people of Ukraine in their heroic stand against a brutal war being waged against them by a corrupt regime in Russia.

We do not know what the future will bring as peaceful relations between nations are being upended again by the military might of a big power. Nonetheless, we owe it to those who come after us to fight for peace, and to fight against military aggression wherever it occurs and by whomever it is perpetrated.

GSU Administration and Finances

The Dec. 31, 2021 audited financial statements included with this report show that GSU had an operating surplus of \$16,914 for 2021 fiscal year. Dues revenues for 2021 held steady, while operating expenses were \$60,659 higher overall compared to 2021 as a result of the GSU policy convention held last March and the substantial expenditures on repairing and upgrading GSU's office building in Regina.

We project an operating deficit of \$131,000 for 2022 as reflected in the operating budget estimate adopted by our annual Joint Executive Council meeting on March 25, 2022. Among other items, the budget estimate includes higher expenses for administration, since GSU hired an additional

staff representative for an 18-month term as the union prepares for the departure of general secretary Hugh Wagner. GSU has enough cash saved from prior years to cover the estimated deficit.

GSU is in good financial shape as the Dec. 31, 2021 balance sheet shows. The union's net assets were \$6.1 million at the end of 2021; an improvement of \$500,000 compared to 2020. GSU's financial commitments are all current and there is no external debt other than the nearly liquidated demand loan from Local 2 (Viterra Head Office). GSU has a solid financial foundation.

GSU advertised to fill the vacancy left when staff rep Dale Markling retired at the end of July 2021. As a result of the recruitment process, GSU hired Brian Lark to fill the vacant staff rep position in Saskatoon and also hired Mason Van Luven into a term staff rep position in the Regina office.

GSU is also endeavouring to fill an accounting and payroll administrator position created by the departure of Debbie Head in the beginning of February. We thank Lynn Woods-Nordin for stepping up to ensure the required financial accounting functions are met during the recruitment process.

Over the years, GSU has adjusted and adapted to an ever-changing environment without sacrificing support and assistance to union members. We will continue to adapt to changing circumstances as we pursue GSU's mission to elevate the working lives of union members.

We thank Lynn Woods-Nordin, Steve Torgerson, Donna Driediger, Brian Lark

and Mason Van Luven for their enthusiasm and dedication to serving GSU members.

2022

This will be a year of agreement renewal bargaining as Locals 8 (Advance Tank Production/Advance Tank Centres) and 14 (Richardson International) continue their efforts to bargain renewed collective agreements to replace their expired agreements.

As this report is being written, Local 8 has entered the mandatory conciliation process under the Saskatchewan Employment Act in order to resolve its bargaining impasse with Advance. A conciliation meeting on March 23 has not ended the impasse. Accordingly, on April 12 members of the Local will vote on whether to take strike action in support of their bargaining demand for better wages. Strike action could commence as early as mid-April.

For their part, members of Local 14 are currently in the process of voting on a so called "best offer" from their employer, Richardson International. Once again, the primary issue is wage increases. Local 14 members are expected to complete their balloting the week of March 28.

If the employer's offer is accepted by a majority of voting members a new Local 14 collective agreement will be concluded for a four-year term. If the employer's March 9 offer is rejected by a majority of voters, the management will be invited to return to bargaining. Failing a return to bargaining and/or a substantial change in Richardson's position, a notice of dispute will be filed and conciliation will begin as provided in Part I of the Canada Labour Code.

If Local 14 enters conciliation and the process does not result in a settlement, any strike action would be subject to approval by a majority of Local 14 members participating in a secret ballot vote.

Local 4 (Grain Millers), Local 5 (Western Producer) and Local 6 (Wild West Steelhead) join the bargaining fray in the first half of 2022. They will be followed by Locals 1 and 2 (Viterra), Local 16 (Discovery Co-op), Local 17 (Lake Country Co-op) and Local 18 (Lloydminster Co-op) this coming autumn.

The impact of the COVID-19 pandemic, the recent easing of public health measures, and rising price inflation point to very serious gaps in our political economic system. These contradictions are exacerbated by Russia's war on Ukraine and the resulting fallout. Nonetheless, these chaotic times will not stop GSU from continuing to do its best to organize and deliver for union members.

Collective bargaining success flows directly from the involvement and support of union members. Staying on top of the issues and openly supporting their bargaining agenda is the best thing union members can do to move the process forward to a beneficial outcome.

The clash between two sets of interests at the bargaining table will test the resolve of affected members. GSU's leadership commits to supporting Locals who find themselves in a fight with their employer. We have the financial resources to do the job. We just have to match those resources with the courage to stand our ground.

The time for real increases to the wages of every member of the Canadian

working class is long overdue. It is time to begin the hard work of tackling growing economic inequality in Canada. This means challenging the political and business elites to dig deep to improve working people's standards of living and community welfare in support of a more equitable society.

Our aim is to build on the platform built for us by our predecessors. Our mission is to set the stage for a better world for those who come after us. What we have for ourselves, we want for all others.

GSU Defense Fund

At Dec. 31, 2021, the market value of GSU Defense Fund assets was \$5.7 million as our investment strategy of preserving capital while seeking steady positive returns continues to pay off. The Fund's investments are structured to ride out market volatility and this year has already shown considerable volatility as the market gyrates between euphoria and doom.

The GSU Defense Fund is administered by a Board of Directors elected by the delegates to biennial policy conventions of the union. Between conventions, vacancies on the board are filled by candidacies submitted to the Joint Executive Council (JEC).

In order to maintain an arm's length relationship between GSU's day-to-day operating finances and the Defense Fund, members serving as directors of the Fund cannot also sit on the union's JEC.

Currently Wilfred Harris (Local 1), Sharlene Lark (Local 5), Doug Kampman (Local 8) and Lynn Shaw (Local 15) make up the board of directors. There is one vacancy to be filled on

an interim basis and all five seats are up for election at the March 2023 GSU convention.

In addition to investment returns, the Fund continues to grow steadily through the additional dues of \$10 per member per month being paid into the Fund.

In autumn 2021, GSU members participating in annual local and sub-local meetings voted once again on a motion to continue the additional dues being paid into the GSU Defense Fund. And, once again, the motion to continue the additional dues was approved by a 73.3 percent majority of those who voted.

The GSU Defense Fund is solid insurance for GSU members and a very important resource in assisting members with their collective bargaining agendas. For the first time in a long while, GSU members are on the verge of drawing on the Fund as members of Local 8 (Advance) are entering the strike or lockout phase of the bargaining impasse with their employer. They may be followed by members of Local 14, and perhaps others, as GSU's busy 2022 bargaining calendar unfolds.

Strike or lockout pay is set by the Board of Directors of the GSU Defense Fund and is not subject to income tax. Strike/lockout pay currently stands at 75 percent of members' regular wage/salary plus payment of benefits plan premiums, provided they participate directly in authorized action in a collective bargaining dispute involving their GSU Local.

Succession Planning and Transition

Following debate at the 2021 policy convention, GSU's constitution was

amended to end election of the general secretary in favour of a recruitment and hiring process. And, since Hugh Wagner has informed the JEC of his intention to step down following the 2023 GSU convention, the Executive Committee will commence the process of recruiting for the position.

In the latter part of the summer, an advertisement of the job will be published and potential candidates will be invited to apply. Following Labour Day, the Executive Committee will begin interviewing with the objective of selecting a candidate by the final quarter of the year.

Union Education

GSU provides in-house targeted workshop/seminar opportunities covering shop steward training and local leadership/representation as well as introductions to labour law and collective bargaining.

Our internal efforts have been hampered in the last two years by the pandemic. However, on February 24 we marked a new beginning as an online educational on the roles of a local officer and union steward was held for 11 participants. Planning is also underway for an in-person forum before the summer break followed by a further session in the fall.

In addition to internally designed and delivered union education, GSU sponsors up to three opportunities for elected members to attend the CLC/SFL Spring School and the Prairie School for Union Women. GSU will do more to expand and promote participation in those programs.

Although there are currently no staff vacancies, members interested in becoming a GSU staff representative should consider stepping up to be a local union delegate, or serve on a Local executive committee member or bargaining committee, or serve as a Local representative on the JEC. This experience is definitely an asset when GSU hiring committees are reviewing applications for union staff positions.

Organizing

It's been quite some time since GSU has engaged in an organizing drive and it is time to get back to actively recruiting new members. Most importantly, rather than talking about organizing, we have to engage in active organizing. In order to get this kick-started GSU is planning to hold an organizing forum this fall in conjunction with the semi-annual meeting of the Joint Executive Council.

Employers are organized when it comes to labour issues and workers also need to be organized if we expect to overcome the obstacles to better standards of living and more equitable workplaces. It is time for action.

The ILWU Canada Family

GSU's affiliation to ILWU Canada means we are part of a larger union family that includes Retail Wholesale Department Store Union (RWDSU) Saskatchewan, Retail Wholesale Union (BC) and Grain Workers Union Local 333. Together we constitute an organization of more than 16,000 progressive trade unionists who share a strong commitment to economic

and social justice. We look forward to continuing our work with the ILWU Canada family to advance the welfare of the working class and our communities.

Solidarity,

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



Hugh Wagner
General Secretary

GSU President Jim Brown

GSU Vice President Michelle Houlden
GSU Vice President Sheila Tran

Local 1 (Viterra Ops/Maintenance)
Dave Barrett, Travis Brewer, Matt Denomie,
Glenn Outram

Local 2 (Viterra Offices)
Howard Wilson, Kaylee Kruger

Local 4 (Grain Millers)
Glen Wlasichuk, Ryan McNabb

Local 5 (Western Producer/GVIC)

Local 6 (Wild West Steelhead)

Local 7 (Heartland)
Heather Mackay

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

Local 9 (Trouw Nutrition)
Jordan Jefferson

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)

Ben Scott

Local 14 (Richardson Pioneer)

Jerid Clark, Craig Reiman

Local 15 (Nutrien) representatives

Brian Cowan, David Jones

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Financial Statements

Year Ended December 31, 2021

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 (ASNPO). 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, SK
April 07, 2022



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, 2021, 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, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 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 these 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 ASNPO, 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 related 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
April 7, 2022

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Statement of Financial Position

December 31, 2021

	Operating Fund	Solidarity Fund	Defense Fund	2021	2020
ASSETS					
CURRENT					
Cash	\$ 242,350	\$ 26,419	\$ 577,029	\$ 845,798	\$ 704,785
Dues and other receivable	58,073	336	6,969	65,378	63,285
Prepaid expenses	5,607	-	-	5,607	13,333
Interfund (Note 7)	75,098	9,584	(84,682)	-	-
	381,128	36,339	499,316	916,783	781,403
	162,837	-	-	162,837	166,189
	-	-	5,159,672	5,159,672	4,761,315
TANGIBLE CAPITAL ASSETS (Note 3)					
INVESTMENTS (Note 4)					
	\$ 543,965	\$ 36,339	\$ 5,658,988	\$ 6,239,292	\$ 5,708,907
LIABILITIES AND NET ASSETS					
CURRENT					
Accounts payable (Note 5)	\$ 110,379	\$ -	\$ -	\$ 110,379	\$ 126,688
Current portion of long term debt (Note 6)	5,000	-	-	5,000	5,000
	115,379	-	-	115,379	131,688
	10,204	-	-	10,204	15,340
LONG-TERM DEBT (Note 6)					
	125,583	-	-	125,583	147,028
	418,382	36,339	5,658,988	6,113,709	5,561,879
NET ASSETS					
	\$ 543,965	\$ 36,339	\$ 5,658,988	\$ 6,239,292	\$ 5,708,907

Approved by the Council:

Howard Wilson

Officer

Sheila Tran

Officer

See accompanying notes to financial statements

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Statement of Operations Year Ended December 31, 2021

	Operating Fund	Solidarity Fund	Defense Fund	2021	2020
REVENUES					
Membership dues (<i>Schedule 1</i>)	\$ 1,186,141	\$ 7,239	\$ 143,261	\$ 1,336,641	\$ 1,353,508
Rental income	20,400	-	-	20,400	17,350
Other revenue	1,784	-	-	1,784	1,261
Investment income	29	43	122,024	122,096	138,371
Realized gains	-	-	116,816	116,816	39,377
Unrealized gains (losses) on adjustment to fair market value of investments	-	-	232,611	232,611	167,243
Government subsidy	-	-	-	-	6,875
	1,208,354	7,282	614,712	1,830,348	1,723,985
EXPENSES(Schedules 2 & 3)					
Meetings	104,713	-	-	104,713	72,610
Administration	866,297	-	81,358	947,655	987,438
Affiliation and organization	74,269	5,000	-	79,269	92,757
Building	146,881	-	-	146,881	50,048
	1,192,160	5,000	81,358	1,278,518	1,202,853
EXCESS OF REVENUES (EXPENSES)	\$ 16,194	\$ 2,282	\$ 533,354	\$ 551,830	\$ 521,132

Statement of Changes in Net Assets Year Ended December 31, 2021

	Operating Fund	Solidarity Fund	Defense Fund	2021	2020
NET ASSETS - BEGINNING OF YEAR					
Excess of revenues (expenses)	\$ 402,188	\$ 34,057	\$ 5,125,634	\$ 5,561,879	\$ 5,040,747
	16,194	2,282	533,354	551,830	521,132
NET ASSETS - END OF YEAR	\$ 418,382	\$ 36,339	\$ 5,658,988	\$ 6,113,709	\$ 5,561,879

See accompanying notes to financial statements

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Statement of Cash Flows Year Ended December 31, 2021

	Operating Fund	Solidarity Fund	Defense Fund	2021	2020
OPERATING ACTIVITIES					
Excess of revenues (expenses)	\$ 16,194	\$ 2,282	\$ 533,354	\$ 551,830	\$ 521,132
Items not affecting cash:					
Realized gains	-	-	(116,816)	(116,816)	(39,377)
Unrealized gains (losses) on adjustment to fair market value of investments	-	-	(232,611)	(232,611)	(167,243)
Amortization	8,212	-	-	8,212	8,013
	24,406	2,282	183,927	210,615	322,525
Changes in non-cash working capital:					
Dues and other receivable	(1,921)	213	(386)	(2,094)	2,799
Accounts payable	(16,309)	-	-	(16,309)	65,790
Prepaid expenses	7,726	-	-	7,726	(10,635)
Interfund	(8,080)	4,870	3,210	-	-
	(18,584)	5,083	2,824	(10,677)	57,954
Cash flow from operating activities	5,822	7,365	186,751	199,938	380,479
INVESTING ACTIVITIES					
Purchase of tangible capital assets	(4,859)	-	-	(4,859)	(4,691)
Investments - purchases and reinvestment of earnings	-	-	(48,930)	(48,930)	(302,129)
Cash flow from (used by) investing activities	(4,859)	-	(48,930)	(53,789)	(306,820)
FINANCING ACTIVITY					
Repayment of long term debt	(5,136)	-	-	(5,136)	(7,964)
Cash flow from (used by) financing activity	(5,136)	-	-	(5,136)	(7,964)
INCREASE (DECREASE) IN CASH FLOW	(4,173)	7,365	137,821	141,013	65,695
CASH - BEGINNING OF YEAR	246,523	19,054	439,208	704,785	639,090
CASH - END OF YEAR	\$ 242,350	\$ 26,419	\$ 577,029	\$ 845,798	\$ 704,785

See accompanying notes to financial statements

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Notes to Financial Statements Year Ended December 31, 2021

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 (country operations and maintenance)
Local 2 - Viterra (Saskatchewan head office)
Local 4 - Grain Millers Canada Corp.
Local 5 - Western Producer Publications
Local 6 - Wild West Steelhead
Local 7 - Heartland Livestock Services
Local 8 - Advance Employees' Association
Local 9 - Trouw Nutrition
Local 13 - IATSE Local #295
Local 14 - Richardson Pioneer
Local 15 - Nutrien Ag Solutions
Local 16 - Lake Country Co-operative Assoc.
Local 17 - Discovery Co-op
Local 18 - Lloydminster and District Co-operative Association
Local 19 - Prairie Co-operative Ltd.

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 (ASNPO).

Revenue recognition

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

Rental income is recognized when earned.

Government subsidies are recognized as revenue when received or receivable if the amount to received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized when earned. Realized gains or losses are recognized in the period the transaction is settled. Unrealized gains and/or losses on adjustment to fair market value of investments held are also reported in the year based on prevailing prices at the fiscal yearend.

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, 2021

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.

- a) Operating Fund reports the day to day operations of the Union.
- b) Solidarity Fund is to support other unions who are on strike or locked out and to support community projects or organizations deemed to be worthy at the discretion of the Joint Executive Council.
- c) Defense Fund receives local strike assessments and supports members in the event of a dispute.

Tangible capital assets

Tangible 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 tangible 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, 2021

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.

Financial assets including cash and dues receivable are reported at amortized cost. The Union reports investments, including debt instruments, at fair market value.

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

3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Land	\$ 75,000	\$ -	\$ 75,000	\$ 75,000
Buildings	180,690	105,795	74,895	78,836
Equipment and furniture	173,572	160,629	12,942	11,318
Land improvements	10,343	10,343	-	1,035
	<u>\$ 439,605</u>	<u>\$ 276,767</u>	<u>\$ 162,837</u>	<u>\$ 166,189</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. INVESTMENTS

	2021	2020
Equity investments	\$ 2,854,029	\$ 2,468,915
RBC mutual funds	487,073	799,028
Fixed income investments	1,818,570	1,493,372
	<u>\$ 5,159,672</u>	<u>\$ 4,761,315</u>

Fixed income investments have interest rates between 1.75% and 5.85% (2020 - 1.75% to 5.85%) and mature between September 2023 and December 2051 (2020 - December 2022 and December 2048).

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Notes to Financial Statements Year Ended December 31, 2021

5. ACCOUNTS PAYABLE

Included in accounts payable are the following balances:

	2021	2020
Trade payables	\$ 28,876	\$ 26,643
Vacation payable	35,351	25,346
Source deductions payable	-	11,094
Retirement benefit payable	45,780	63,042
Interest payable	372	563
	\$ 110,379	\$ 126,688

6. LONG-TERM DEBT

Effective May 15, 2019, the loan payable to Local 2 calls for minimum principal repayments of \$5,000 per year but additional payments may be made from time to time. The loan also bears interest at the average prime rate of 2.45% (2020 - 2.78%). The loan is unsecured.

7. INTERFUND BALANCE

During 2021, 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.

	2021	2020
Local 1 and 2 (Viterra)	38%	40%
Local 4 (Grain Millers)	14%	12%
Local 15 (Nutrien Ag Solutions)	26%	27%

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Notes to Financial Statements Year Ended December 31, 2021

9. 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, 2021.

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.

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 \$1,613,214 (2020 - \$1,368,394) CDN of US investments. Net income includes \$1,574 (2020 - \$3,837) 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)

Notes to Financial Statements Year Ended December 31, 2021

10. UNCERTAINTY OF IMPACT OF COVID-19

In early 2020, the federal and provincial governments in Canada implemented measures intended to reduce the impact of the Covid-19 pandemic on individuals and organizations. These regulations have effected organizations in different ways, however, as of the report date no significant financial loss has been incurred by the Corporation. However, the ongoing impact of the continued government measures subsequently remain uncertain.

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Membership dues (Schedule 1)

Year Ended December 31, 2021

	Grain and General Services Union (ILWU. Canada)	Solidarity Fund	Defense Fund	2021	2020
Local 1 - Viterra (country operations and maintenance)	\$ 398,672	\$ 2,133	\$ 43,846	\$ 444,651	\$ 458,011
Local 2 - Viterra (Saskatchewan head office)	57,602	480	8,015	66,097	70,654
Local 4 - Grain Millers Canada Corp.	179,979	1,036	19,754	200,769	179,023
Local 5 - Western Producer Publications	36,537	195	3,868	40,600	38,536
Local 6 - Wild West Steelhead	10,156	95	2,213	12,464	14,344
Local 7 - Heartland Livestock Services	9,451	91	1,358	10,900	12,559
Local 8 - Advance Employees' Association	17,553	392	7,840	25,785	29,280
Local 9 - Trouw Nutrition	29,187	167	3,247	32,601	34,528
Local 13 - IATSE Local #295	756	7	140	903	828
Local 14 - Richardson Pioneer	95,613	563	11,050	107,226	107,396
Local 15 - Nutrien Ag Solutions	312,178	1,857	37,500	351,535	365,666
Local 16 - Lake Country Co-operative Assoc.	15,961	89	1,780	17,830	16,192
Local 17 - Discovery Co-op	8,076	43	850	8,969	9,918
Local 18 - Lloydminster and District Co-operative Assoc.	3,066	19	360	3,445	3,550
Local 19 - Prairie Co-operative Ltd.	11,354	72	1,440	12,866	13,023
	\$ 1,186,141	\$ 7,239	\$ 143,261	\$ 1,336,641	\$ 1,353,508

See accompanying notes to financial statements

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

(Schedule 2)

Schedule of Meeting Expenses

Year Ended December 31, 2021

	Operating Fund	Solidarity Fund	Defense Fund	2021	2020
Joint Executive Council meetings					
Dues rebate	\$ 8,076	\$ -	\$ -	\$ 8,076	\$ 14,267
Convention and education seminars	7,190	-	-	7,190	9,349
Board of Directors meetings	2,754	-	-	2,754	870
GСУ biennial convention	-	-	-	-	985
Member/officer training	44,154	-	-	44,154	2,328
	500	-	-	500	-
Executive and bargaining					
Local 1	13,469	-	-	13,469	4,690
Local 2	800	-	-	800	696
Local 4	2,560	-	-	2,560	743
Local 5	1,901	-	-	1,901	3,055
Local 6	2,572	-	-	2,572	3,491
Local 7	365	-	-	365	2,198
Local 8	324	-	-	324	-
Local 9	699	-	-	699	1,147
Local 14	7,190	-	-	7,190	2,393
Local 15	11,487	-	-	11,487	24,594
Local 16	198	-	-	198	154
Local 17	309	-	-	309	280
Local 18	165	-	-	165	192
Local 19	-	-	-	-	1,178
	\$ 104,713	\$ -	\$ -	\$ 104,713	\$ 72,610

See accompanying notes to financial statements

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

(Schedule 3)

Schedule of Expenses

Year Ended December 31, 2021

	Operating Fund	Solidarity Fund	Defense Fund	2021	2020
Administration					
Advertising	\$ 3,597	\$ -	\$ -	\$ 3,597	\$ 3,404
Amortization of equipment	4,270	-	-	4,270	3,864
Arbitration boards	1,049	-	-	1,049	22,452
Audit	9,990	-	-	9,990	11,655
Employee benefits	79,765	-	-	79,765	69,588
Furniture and computer equipment	9,636	-	-	9,636	7,655
Interest	372	-	-	372	564
Investment council fees	-	-	81,358	81,358	71,352
Legal fees and costs	3,519	-	-	3,519	10,700
Memberships	257	-	-	257	696
Miscellaneous	2,362	-	-	2,362	211
Office rent	15,600	-	-	15,600	15,600
Postage	791	-	-	791	747
Printing and office supplies	9,764	-	-	9,764	13,221
Promotional	21,213	-	-	21,213	31,125
Salaries and consulting fees	673,144	-	-	673,144	700,583
Telephone	15,754	-	-	15,754	14,421
Travel and per diems	15,214	-	-	15,214	9,600
	866,297	-	81,358	947,655	987,438

(continues)

See accompanying notes to financial statements

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

(Schedule 3)

Schedule of Expenses (continued)

Year Ended December 31, 2021

	Operating Fund	Solidarity Fund	Defense Fund	2021	2020
Affiliation and Organization					
Canadian Labour Congress	10,859	-	-	10,859	11,192
Donations and contributions	14,282	5,000	-	19,282	29,450
ILWU	14,478	-	-	14,478	14,922
Other affiliate expense	6,103	-	-	6,103	6,155
Saskatchewan Federation of Labour	16,547	-	-	16,547	17,038
Scholarship	12,000	-	-	12,000	14,000
	74,269	5,000	-	79,269	92,757
Building					
Amortization of building	3,942	-	-	3,942	4,149
Insurance	2,496	-	-	2,496	2,254
Interest	967	-	-	967	931
Repairs and maintenance	125,291	-	-	125,291	27,058
Taxes	9,178	-	-	9,178	10,272
Utilities	5,007	-	-	5,007	5,384
	\$ 146,881	\$ -	\$ -	\$ 146,881	\$ 50,048

See accompanying notes to financial statements



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Don't hesitate to contact your GSU staff representative or any member of the Joint Executive Council if you have questions about this report.