

2022/2023 ANNUAL 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 24, 2023**



We welcome the opportunity to report to GSU members on the business of your union and thank you for your continued support of our collective work to make a better quality of life for all union members and our communities.

Delegates from GSU's Locals attended the union's 2023 biennial policy convention held in Moose Jaw, SK, from March 23 to 25. In addition to adopting this annual report, the assembled delegates considered the current circumstances of the union and reviewed union administration and finances while setting the policy direction of the union for the next two years.

Delegates to the 2023 convention also said farewell to Hugh Wagner, who has retired after 48 years of service.

This will be a year of economic challenges, as rising prices and higher interest rates continue to raise the cost of living for most Canadians. GSU will continue to press for improved wages and working conditions, regardless of whether members of the union are in the midst of a collective agreement or striving to bargain a renewed agreement with their employer.

GSU Administration and Finances

The Dec. 31, 2022 audited financial statements included with this report show that GSU had an operating deficit of \$129,000 for 2022 fiscal year, which is consistent with the budget estimate approved by the Joint Executive Council (JEC) at their March 2022 annual meeting.

Dues revenues for 2022 held steady, while operating expenses were higher overall compared to 2021 as a result of an increase in bargaining, meeting and administrative expenses, including the transition to a new General Secretary.

We project an operating deficit of \$111,000 for 2023 as reflected in the operating budget estimate adopted by the delegates to the 2023 GSU convention. Among other items, the budget estimate includes a one-time expense in the form of Wagner's retirement allowance. GSU has enough cash reserves saved from prior years to cover the estimated deficit, but we cannot rely on cash reserves perennially.

GSU is in good financial shape as the Dec. 31, 2022 balance sheet shows. The union's net assets were \$5.6 million at the end of 2022. 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's financial foundation is solid.

On March 24, 2023 Steve Torgerson became GSU's fifth general secretary. Torgerson was selected for the position following an advertisement and recruitment process conducted by the Executive Committee. His appointment as general secretary was and approved by the Joint Executive Council at their October 25, 2022 meeting and ratified by delegates to GSU's 2023 policy convention.

Torgerson has completed 16 years of service to GSU and we have every confidence that he will provide strong leadership as GSU's general secretary. Congratulations and best wishes to Steve on his promotion. We look forward to working with him on behalf of GSU members.

GSU also hired Rebecca Forness to fill its accounting and payroll administrator position at the beginning of July 2022. We are extremely happy to report that Rebecca has quickly taken to the job and is a valued contributor on the GSU staff team.

Over the years, GSU has adjusted and adapted to an ever-changing environment without sacrificing support and assistance to union members. Our mission will continue

and we will adapt to changing circumstances as we pursue the cause of elevating the working lives of GSU members.

We also acknowledge and thank Lynn Woods-Nordin, Donna Driediger, Brian Lark and Mason Van Luven for their continued good service to GSU members.

We are confident that our staff team will provide the high-quality service and leadership that make GSU stand out in the ranks of the labour movement.

Bargaining in 2023

Agreement renewal collective bargaining figures prominently on GSU's agenda in 2023.

Locals 1 and 2 continue bargaining with Viterra in an effort to tackle significant wage issues, brutal hours of work and other undesirable working condition matters. This struggle is occurring amidst steady staff turnover at Viterra and fierce competition for labour in the agri-business sector.

Needless to say, recognition by Viterra management that all is not well in the workplace is key to finding solutions that respect employees.

Local 5 members have also run into employer obstinacy as it struggles to bargain a new collective agreement to replace theirs with the Western Producer that expired on July 31, 2022.

Local 5's situation was further complicated by employer interference in the bargaining unit, as management attempted to bargain over the head of the union bargaining committee by presenting and attempting to sell a so-called final offer during a staff meeting in mid-February and again in March.

Western Producer management's tactics were a colossal bust as a subsequent secret ballot vote by union members resulted in

95.83 percent voting to reject the employer's final offer. The situation then worsened when the employer challenged GSU's standing as the employees' sole and exclusive bargaining agent. GSU refuted the employer's claims and bargaining hit an impasse. Notice of impasse was served with the Ministry of Labour Relations and Workplace Safety, dates for mediation have not yet been set. Local 5 members have consistent in their demands and they look forward to mediation and working toward a possible settlement.

Not to be outdone in the unfair labour practice department, the management of Heartland Livestock/Northern Livestock Sales decided to meddle in the administration of GSU by questioning the composition of the Local 7 bargaining committee and proposing to take the very same bargaining unit positions out-of-scope.

GSU responded to the employer's antics with a swift and firm stance that GSU would not allow this intrusion into members' rights. This calmed the situation considerably and, with considerable work by the bargaining committee, a memorandum of settlement was agreed upon. When taken to the membership for a vote, 90 percent of the members voting were in favour of acceptance of the proposed settlement. Standing up for your rights may be tough and uncomfortable, but the outcomes are worth it. Local 7 members have proved they are ready for the challenge.

In a tribute to normalcy, Local 16 (Discovery Co-op) and Local 17 (Lake Country Co-op) have bargained and ratified new collective agreements while Local 18 (Lloydminster Co-op) is teeing up to commence bargaining with their employer in late March.

The Local 16 and 17 settlements were both overwhelmingly approved by their members and stand as evidence of what can be done when clear objectives are set and actual attention to bargaining is present at the table.

A common thread running through all GSU's agreement renewal bargaining is wage increases as union members seek to protect and improve on their standard of living in the face of rising prices and a tight labour market.

Collective bargaining success depends directly on the involvement and support of union members. Staying on top of the issues and openly supporting the union bargaining agenda is the best thing members can do to move the needle toward a positive outcome.

The struggle to win decent wage increases and gains in working conditions will test the mettle of GSU members, and you can be assured that the union's leadership is committed to supporting every Local that finds themselves in a fight with their employer. We have the financial resources to do the job and the expertise to bolster members in their push for change.

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 deeper to improve working people's standards of living. Prosperity should be matched by wage equity.

GSU Defense Fund

At Dec. 31, 2022, the market value of GSU Defense Fund assets was \$5.2 million, a sizeable decline in value compared to the 2021 year-end number of \$5.7 million. The drop in market value was the result of a retreat across all sectors and most asset classes. Nonetheless, the Fund's investments are structured to ride out market volatility, and 2023 is showing signs of a recovery.

Your Defense Fund is well positioned to assist any group of members engaged in a collective bargaining dispute that evolves into strike or lockout action.

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.

We thank Wilfred Harris (Local 1), Sharlene Lark (Local 5), Doug Kampman (Local 8) and Lynn Shaw (Local 15) for their service on the board of directors for the past two years. We welcome Wilfred Harris (Local 1 - Viterra), Doug Kampman (Local 8 - AEA/Advance), Craig Reiman (Local 14 (Richardson)), Lynn Shaw (Local 15 - Nutrien) and Barry Zimmer (Local 1 - Viterra) who were all elected to two-year terms of office by delegates to the 2023 GSU policy 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 2022, 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. The motion was approved by an 84.7 percent majority of those members who attended and voted at their annual union meeting.

The GSU Defense Fund is solid insurance for GSU members and a very important resource in assisting members with their collective bargaining agendas.

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 the authorized action in a collective bargaining dispute involving their GSU Local.

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.

In February 2022, GSU hosted an online educational session focusing on the roles of a local officer and union steward. In mid-June 2022, delegates from Locals 1 (Viterra Country Operations & Maintenance), 2 (Viterra Head Office) and 14 (Richardson) participated in GSU's return to in-person union education as upwards of 30 local union delegates convened in Regina for education focused on engaging members and connecting them with the union.

On March 1, GSU hosted a one-day online shop steward course as the first educational entry for 2023. This was a very successful effort as it attracted 24 participants, many of whom were first-timers.

GSU also sponsors members who wish to attend the CLC/SFL Spring School, where a wide variety of union-focused classes are offered each year. Plans are also in the works for additional GSU-hosted seminars or workshops later this year.

Educating members about their rights, their role, collective bargaining and the importance of their union is key to maintaining a vibrant and dynamic organization. Hats off to Steve and the GSU team for bringing union education to the forefront of union activities.

Organizing

It's been quite some time since GSU has engaged in an organizing drive, and it is

time to get back into actively recruiting new members. Most importantly, rather than talking about organizing, we must engage and commit resources. Organizing doesn't happen by itself.

This is achieved by first organizing our members in their own workplaces to be the examples of what member-lead unions can provide to the working class. Then we all must make a concerted effort to organize other workers. This cannot be achieved overnight and must be done with a solid plan that includes building relationships and talking to workers about what they need and deserve.

It is critical to identify and act on the best methods for reaching and connecting with prospective union members. Along with collective bargaining, the job of organizing is essential to the long-term strength of the organization.

Employers are well organized when it comes to labour issues and labour standards. Workers need to be better organized if we expect to overcome the obstacles to improving standards of living and achieving more equitable workplaces. It's 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 15,000 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 interests of the working class and our communities.

This report was prepared for GSU members by former general secretary Hugh Wagner and incumbent general secretary Steve Torgerson.

Solidarity,

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



Steve Torgerson
General Secretary

GSU President Jim Brown

GSU Vice Presidents

Michelle Houlden, Sheila Tran

Local 1 (Viterra Ops/Maintenance)

Dave Barrett (Local 1 president)
Colton Buck (Local 1 vice president)
Travis Brewer
Chris Yeo

Local 2 (Viterra Offices)

Howard Wilso
Kaylee Kruger

Local 4 (Grain Millers)

Brandon Allin
Ryan McNabb

Local 8 (Advance Employees Association)

Dion Elliott
Doug Murray
Scott Weisenberger

Local 9 (Trouw Nutrition)

Jordan Jefferson

Local 14 (Richardson Pioneer)

Curtis Shiels
Jerid Clark

Local 15 (Nutrien)

Brian Cowan
David Jones

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Financial Statements

Year Ended December 31, 2022

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, SK
March 24, 2023



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, 2022, 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, 2022, 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
March 24, 2023

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Statement of Financial Position

December 31, 2022

	Operating Fund	Solidarity Fund	Defense Fund	2022	2021
ASSETS					
CURRENT					
Cash	\$ 206,212	\$ 22,190	\$ 642,403	\$ 870,805	\$ 845,798
Dues and other receivable	42,450	335	6,620	49,405	65,379
Prepaid expenses	4,432	-	-	4,432	5,607
Interfund (Note 7)	(1,040)	(1,503)	2,543	-	-
	252,054	21,022	651,566	924,642	916,784
TANGIBLE CAPITAL ASSETS (Note 3)	156,850	-	-	156,850	162,837
INVESTMENTS (Note 4)	-	-	4,529,953	4,529,953	5,159,672
	\$ 408,904	\$ 21,022	\$ 5,181,519	\$ 5,611,445	\$ 6,239,293
LIABILITIES AND NET ASSETS					
CURRENT					
Accounts payable (Note 5)	\$ 105,590	\$ -	\$ -	\$ 105,590	\$ 110,379
Current portion of long term debt (Note 6)	5,000	-	-	5,000	5,000
	110,590	-	-	110,590	115,379
LONG-TERM DEBT (Note 6)	8,922	-	-	8,922	10,204
	119,512	-	-	119,512	125,583
NET ASSETS	289,392	21,022	5,181,519	5,491,933	6,113,710
	\$ 408,904	\$ 21,022	\$ 5,181,519	\$ 5,611,445	\$ 6,239,293

Approved by the Council:

Officer

Officer

See notes to financial statements

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Statement of Operations Year Ended December 31, 2022

	Operating Fund	Solidarity Fund	Defense Fund	2022	2021
REVENUES					
Membership dues (<i>Schedule 1</i>)	\$ 1,165,458	\$ 7,141	\$ 135,739	\$ 1,308,338	\$ 1,336,641
Rental income	7,200	-	-	7,200	20,400
Other revenue	1,505	-	-	1,505	1,784
Investment income	14	242	151,022	151,278	122,096
Realized gains (losses)	-	-	(33,910)	(33,910)	116,816
Unrealized gains (losses) on adjustment to fair market value of investments	-	-	(649,792)	(649,792)	232,611
	<u>1,174,177</u>	<u>7,383</u>	<u>(396,941)</u>	<u>784,619</u>	<u>1,830,348</u>
EXPENSES (<i>Schedules 2 & 3</i>)					
Meetings	257,267	-	820	258,087	104,713
Administration	947,270	-	79,708	1,026,978	947,654
Affiliation and organization	63,646	22,700	-	86,346	79,269
Building	34,985	-	-	34,985	146,881
	<u>1,303,168</u>	<u>22,700</u>	<u>80,528</u>	<u>1,406,396</u>	<u>1,278,517</u>
EXCESS OF REVENUES (EXPENSES)	<u>\$ (128,991)</u>	<u>\$ (15,317)</u>	<u>\$ (477,469)</u>	<u>\$ (621,777)</u>	<u>\$ 551,831</u>

Statement of Changes in Net Assets Year Ended December 31, 2022

	Operating Fund	Solidarity Fund	Defense Fund	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 418,383	\$ 36,339	\$ 5,658,988	\$ 6,113,710	\$ 5,561,879
Excess of revenues (expenses)	<u>(128,991)</u>	<u>(15,317)</u>	<u>(477,469)</u>	<u>(621,777)</u>	<u>551,831</u>
NET ASSETS - END OF YEAR	<u>\$ 289,392</u>	<u>\$ 21,022</u>	<u>\$ 5,181,519</u>	<u>\$ 5,491,933</u>	<u>\$ 6,113,710</u>

See notes to financial statements

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Statement of Cash Flows Year Ended December 31, 2022

	Operating Fund	Solidarity Fund	Defense Fund	2022	2021
OPERATING ACTIVITIES					
Excess of revenues (expenses)	\$ (128,991)	\$ (15,317)	\$ (477,469)	\$ (621,777)	\$ 551,831
Items not affecting cash:					
Realized losses (gains)	-	-	33,910	33,910	(116,816)
Unrealized losses (gains) on adjustment to fair market value of investments	-	-	649,792	649,792	(232,611)
Amortization	6,420	-	-	6,420	8,212
	(122,571)	(15,317)	206,233	68,345	210,616
Changes in non-cash working capital:					
Dues and other receivable	15,624	1	348	15,973	(2,094)
Accounts payable	(4,789)	-	-	(4,789)	(16,309)
Prepaid expenses	1,175	-	-	1,175	7,726
Interfund	76,138	11,087	(87,225)	-	-
	88,148	11,088	(86,877)	12,359	(10,677)
Cash flow from (used by) operating activities	(34,423)	(4,229)	119,356	80,704	199,939
INVESTING ACTIVITIES					
Purchase of tangible capital assets	(433)	-	-	(433)	(4,859)
Investments - purchases and reinvestment of earnings	-	-	(53,982)	(53,982)	(48,931)
Cash flow from (used by) investing activities	(433)	-	(53,982)	(54,415)	(53,790)
FINANCING ACTIVITY					
Repayment of long term debt	(1,282)	-	-	(1,282)	(5,136)
Cash flow from (used by) financing activity	(1,282)	-	-	(1,282)	(5,136)
INCREASE (DECREASE) IN CASH FLOW	(36,138)	(4,229)	65,374	25,007	141,013
CASH - BEGINNING OF YEAR	242,350	26,419	577,029	845,798	704,785
CASH - END OF YEAR	\$ 206,212	\$ 22,190	\$ 642,403	\$ 870,805	\$ 845,798

See notes to financial statements

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Notes to Financial Statements Year Ended December 31, 2022

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 - Trow 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, 2022

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, 2022

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	2022 Net book value	2021 Net book value
Land	\$ 75,000	\$ -	\$ 75,000	\$ 75,000
Buildings	180,690	109,540	71,150	74,895
Equipment and furniture	174,005	163,304	10,700	12,942
Land improvements	10,343	10,343	-	-
	\$ 440,038	\$ 283,187	\$ 156,850	\$ 162,837

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

	2022	2021
Equity investments	\$ 2,500,795	\$ 2,854,029
RBC mutual funds	435,162	487,073
Fixed income investments	1,593,996	1,818,570
	\$ 4,529,953	\$ 5,159,672

Fixed income investments have interest rates between 1.75% and 5.85% (2021 - 1.75% to 5.85%) and mature between September 2026 and December 2051 (2021 - September 2023 and December 2051).

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Notes to Financial Statements Year Ended December 31, 2022

5. ACCOUNTS PAYABLE

Included in accounts payable are the following balances:

	<u>2022</u>	<u>2021</u>
Trade payables	\$ 26,194	\$ 28,876
Vacation payable	17,606	35,351
Source deductions payable	13,933	-
Retirement benefit payable	46,914	45,780
Interest payable	943	372
	<u>\$ 105,590</u>	<u>\$ 110,379</u>

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. In the current year no payments were made against the loan principal, however adjustments for inter organization expenses were made giving the union credit of \$1,282 against the balance owing.

The loan also bears interest at the average prime rate of 4.10% (2021 - 2.45%). The loan is unsecured.

7. INTERFUND BALANCE

During 2022, 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>2022</u>	<u>2021</u>
Local 1 and 2 (Viterra)	38%	38%
Local 4 (Grain Millers)	17%	14%
Local 15 (Nutrien Ag Solutions)	26%	26%

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Notes to Financial Statements Year Ended December 31, 2022

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, 2022.

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. The assets and liabilities have been translated at the year end rate of 1.3538.

	<u>2022</u>	<u>2021</u>
Cash	\$ 109,933	\$ 64,757
Investments	1,309,503	1,548,457
Foreign exchange gain (losses)	5,205	(1,574)

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

(continues)

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Notes to Financial Statements
Year Ended December 31, 2022

9. FINANCIAL INSTRUMENTS *(continued)*

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 its 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.

Unless otherwise noted, it is management's opinion that the Union is not exposed to significant other price risks arising from these financial instruments.

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Membership dues

(Schedule 1)

Year Ended December 31, 2022

	Operating Fund	Solidarity Fund	Defense Fund	2022	2021
Local 1 - Viterra (country operations and maintenance)	\$ 369,860	\$ 2,068	\$ 40,288	\$ 412,216	\$ 444,651
Local 2 - Viterra (Saskatchewan head office)	71,527	396	7,766	79,689	66,097
Local 4 - Grain Millers Canada Corp.	197,172	1,092	20,070	218,334	200,769
Local 5 - Western Producer Publications	35,744	191	3,819	39,754	40,600
Local 6 - Wild West Steelhead	10,936	94	2,333	13,363	12,464
Local 7 - Heartland Livestock Services	9,192	90	1,193	10,475	10,900
Local 8 - Advance Employees' Association	16,551	359	7,180	24,090	25,785
Local 9 - Trouw Nutrition	23,850	141	2,693	26,684	32,601
Local 13 - IATSE Local #295	780	6	140	926	903
Local 14 - Richardson Pioneer	86,423	503	9,860	96,786	107,226
Local 15 - Nutrien Ag Solutions	304,154	1,978	35,947	342,079	351,535
Local 16 - Lake Country Co-operative Assoc.	16,575	90	1,800	18,465	17,830
Local 17 - Discovery Co-op	8,875	46	910	9,831	8,969
Local 18 - Lloydminster and District Co-operative Assoc.	3,185	18	360	3,563	3,445
Local 19 - Prairie Co-operative Ltd.	10,634	69	1,380	12,083	12,866
	\$ 1,165,458	\$ 7,141	\$ 135,739	\$ 1,308,338	\$ 1,336,641

See notes to financial statements

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Schedule of Meeting Expenses

(Schedule 2)

Year Ended December 31, 2022

	Operating Fund	Solidarity Fund	Defense Fund	2022	2021
Joint Executive Council meetings	\$ 21,788	\$ -	\$ -	\$ 21,788	\$ 8,076
Dues rebate	10,637	-	-	10,637	7,190
Convention and education seminars	36,514	-	-	36,514	2,754
Board of Directors meetings	-	-	820	820	-
GSU biennial convention	-	-	-	-	44,154
Member/officer training	8,365	-	-	8,365	500
Executive and bargaining					
Local 1	56,565	-	-	56,565	13,469
Local 2	3,142	-	-	3,142	800
Local 4	39,496	-	-	39,496	2,560
Local 5	4,234	-	-	4,234	1,901
Local 6	8,756	-	-	8,756	2,572
Local 7	5,729	-	-	5,729	365
Local 8	3,034	-	-	3,034	324
Local 9	11,252	-	-	11,252	699
Local 14	31,458	-	-	31,458	7,190
Local 15	9,754	-	-	9,754	11,487
Local 16	1,506	-	-	1,506	198
Local 17	3,233	-	-	3,233	309
Local 18	904	-	-	904	165
Local 19	900	-	-	900	-
	\$ 257,267	\$ -	\$ 820	\$ 258,087	\$ 104,713

See notes to financial statements

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Schedule of Expenses

(Schedule 3)

Year Ended December 31, 2022

	Operating Fund	Solidarity Fund	Defense Fund	2022	2021
Administration					
Salaries and consulting fees	\$ 767,008	\$ -	\$ -	\$ 767,008	\$ 673,144
Employee benefits	86,661	-	-	86,661	79,765
Investment council fees	-	-	73,884	73,884	81,358
Office rent	15,600	-	-	15,600	15,600
Printing and office supplies	15,390	-	-	15,390	9,764
Telephone	14,843	-	-	14,843	15,754
Travel and per diems	12,691	-	-	12,691	15,214
Furniture and computer equipment	10,039	-	-	10,039	9,636
Audit	9,990	-	-	9,990	9,990
Supplies	-	-	5,824	5,824	-
Miscellaneous	4,197	-	-	4,197	2,362
Advertising	2,999	-	-	2,999	3,597
Amortization of equipment	2,675	-	-	2,675	4,270
Promotional	2,306	-	-	2,306	21,213
Arbitration boards	1,096	-	-	1,096	1,049
Memberships	960	-	-	960	257
Interest	571	-	-	571	371
Postage	244	-	-	244	791
Legal fees and costs	-	-	-	-	3,519
	947,270	-	79,708	1,026,978	947,654

(continues)

See notes to financial statements

GRAIN AND GENERAL SERVICES UNION (ILWU. CANADA)

Schedule of Expenses *(continued)*

(Schedule 3)

Year Ended December 31, 2022

	Operating Fund	Solidarity Fund	Defense Fund	2022	2021
Affiliation and Organization					
Saskatchewan Federation of Labour	16,269	-	-	16,269	16,548
Scholarship	14,000	-	-	14,000	12,000
ILWU	13,959	-	-	13,959	14,478
Canadian Labour Congress	11,029	-	-	11,029	10,859
Other affiliate expense	6,235	-	-	6,235	6,103
Donations and contributions	2,154	22,700	-	24,854	19,281
	<u>63,646</u>	<u>22,700</u>	<u>-</u>	<u>86,346</u>	<u>79,269</u>
Building					
Repairs and maintenance	12,891	-	-	12,891	125,291
Taxes	8,284	-	-	8,284	9,178
Utilities	5,934	-	-	5,934	5,007
Amortization of building	3,745	-	-	3,745	3,942
Insurance	3,177	-	-	3,177	2,496
Interest	954	-	-	954	967
	<u>\$ 34,985</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,985</u>	<u>\$ 146,881</u>

See notes to financial statements

The role of GSU is to help our members.

Don't hesitate to contact us if you have questions or are experiencing problems in the workplace.



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