

A publication of the B.C. General Employees' Union


Provincial

Supportive housing workers organize and win!
p. 4



ATIRA WOMEN'S WORKERS


UNIONIZE!



UNIONIZE!

UNIONIZE!

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Letter From The President

Reflecting on connection and growth in 2023

In my last letter to you at the end of 2022, I talked about how connection is the foundation of solidarity and that unions work best when members work together.

Here we are part way through 2023 and the evidence of that statement could not be stronger.

In April, we held the first ever Local Chairs assembly. An event that was first scheduled in March of 2020 and the first event that was cancelled due to the COVID pandemic. While it took three years for us to be able to come back together, the elected activists of our union have not missed a beat.

Working with, and for, the members of our union, Local chairs came together to brainstorm, share ideas, learn from each other and ultimately go forward in solidarity. It was an opportunity for learning about the activities and campaigns that our union is engaged in and to connect with each other again shoulder to shoulder.

2023 has also been a busy year as even more workers join our union. You will see on the cover story how 500 workers at Atira Women's Resource Society chose to join the BCGEU because they saw the

strength of our connection and want the rights and protections that are part of our collective agreements. That organizing effort would not have been the same without the support of other members, elected activists and the absolute determination of the workers themselves.

As we grow, not just the size of our membership, but also as individuals in the skills and knowledge that we share, I feel excited about the future of our union.

As I write this, it is now June – Pride month – and so I want to leave you with this:

The BCGEU 2023 Pride theme is Family – our right to define.

Families come in all sizes and configurations and for some, their union can be like family. No matter what your definition of family is, let's all work together to fight for everyone's right to define.



In solidarity,

Stephanie Smith
BCGEU president

“No matter what your definition of family is, let's all work together to fight for everyone's right to define.”



Content

Atira Women's Resource Society	4
Vancity	6
Budget 2023	7
Member Profile: Carmelle Jaeggli	8
UBC Okanagan	9
Bargaining Roundup	10
BCGEU Scholarship Endowment Fund	11
Labour Education and Reconciliation	11
Component 12	12
AffordableBC	13
Member Profile: Jessica Humphries	14
Socially Responsible Investing	15
Capital Stewardship Update	16
Financials	17
Convention	40

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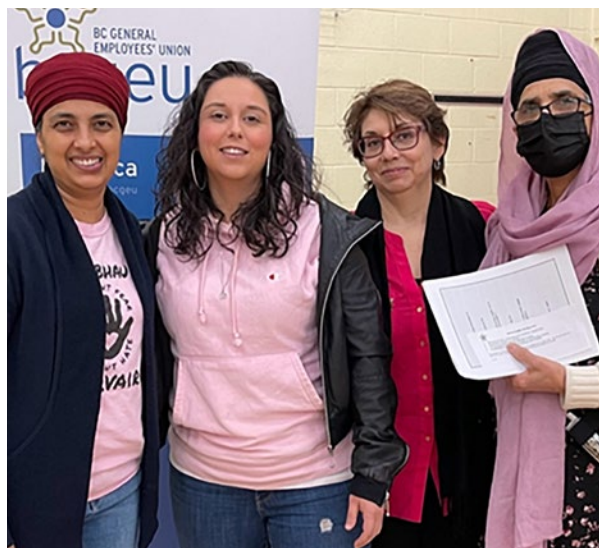
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Organizing for solidarity

In the fall 2021 issue of The Provincial, our union celebrated the certification of the Sikh Academy in Surrey. However, following that celebration, it quickly became clear that members had another fight on their hands: their employer was not actually willing to bargain. This led to our union involving the BC Labour Relations Board several times just to get to the bargaining table, which didn't happen until a full year later.

In the meantime, Sikh Academy members worked with our union's organizing department to build capacity and power while they waited to bargain. Visits from the BCGEU RV to the school's two campuses in May 2022 were instrumental in collecting names and drumming up support for the bargaining committee. Building on this engagement, internal organizing continued throughout the following months, and by the time bargaining intensified there was demonstrated solidarity across classifications and campuses. Workers showed their strength during the ratification vote by organizing a collective action: wearing pink in solidarity with the bargaining committee. Once a tentative agreement was reached, members voted 100 per cent in favour in early March 2023.

"This was the first Sikh school in B.C. to unionize, and it was organized and negotiated entirely by women," said Joanna Lord, vice-president for Component 7. "They all worked so hard at organizing and stayed so strong to make this happen. It was an honour to be there with local 704 chair Trina Whitsitt for this big ratification."





Supportive housing workers organize and win!

The all-women and gender-diverse workers at Atira Women's Resource Society (AWRS) in Vancouver and Surrey know they deserve better, and that's why they've organized to join the BCGEU.

"We just want the same rights, protections and benefits that unionized workers in other supportive housing organizations have."

AWRS Worker





Some of B.C.'s most vulnerable women and their children depend on the shelter and services of Atira's women-only housing. Workers provide a safe place to stay, emotional support and referrals for access to other community services to women facing violence or homelessness. Yet unstable working conditions have made it difficult for AWRS workers to do their jobs in the way they know is needed.

Workers say that for years they've been facing staff shortages that have meant working alone or multiple shifts in a row, racism and violence, and an ongoing lack of job security. All of this adds up to stress, burnout, and too many workers having to quit even though they regret leaving their co-workers and the women in the programs behind.

It's hard to support others when you're not getting support yourself and that's why they are fighting to make their worksites better. As one worker put it, "unionization will help our clients – by supporting workers, you are supporting the women."

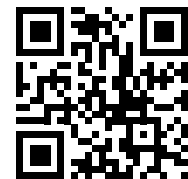
AWRS workers also know that their counterparts in supportive housing at other places like Raincity Housing and Support Society and Lookout Housing and Health Society are already unionized, and that their working conditions are more stable. In fact, the BCGEU already represents over 3,500 members working in the sector across B.C. "We just want the same rights, protections and benefits that unionized workers in other supportive housing organizations have," said another worker.

On May 29th, 2023, over 500 AWRS workers won this fight and were certified as a unionized worksite with the BCGEU. "Organizing takes strength and courage," said Kari Michaels, EVP "and these workers have really stepped up for each other because they know it's worth it. We are so pleased to be welcoming them as members so we can work together to improve conditions for all that work and live in AWRS housing."

"These workers have really stepped up for each other because they know it's worth it."

Kari Michaels
Executive Vice-President

Read more about the organizing drive at atira.bcgeu.ca



“Navigating the last three years as financial front-line workers has been a challenge.”

Samantha Moskie

BCGEU takes a stand for Vancity workers

This spring, a team of BCGEU members fanned out across the Lower Mainland, canvassing outside Vancity branches to put pressure on the credit union to treat its workers with respect.



“The Vancity members I talked with were surprised,” said Florentina Kelly, a community health worker who participated in the outreach. “A few people said they thought Vancity was good to their employees. Most people are very happy and grateful the BCGEU is doing this, and most of them sign the petition.”

BCGEU launched the petition in response to concerns from the 800-plus BCGEU members who work at the credit union.

“Navigating the last three years as financial front-line workers has been a challenge,” said Samantha Moskie, a BCGEU member who works as an account manager with Vancity. “We’re facing impossible workloads and increasing verbal and physical violence. I’ve heard of Vancity members spitting on the plexiglass or trying to lunge over it to get at staff. The effect on staff health is immeasurable, yet palpable. Now, the headlines associated with our industry read layoffs, restructuring, or collapses, so the pressure to perform in short amounts of time is higher than ever.”

The BCGEU heard from Vancity workers that, in their opinion, Vancity management did not do enough to address these serious concerns. To make matters worse, the credit union did not proceed with creating a jointly trusteed pension plan that Vancity and the BCGEU agreed to pursue three years ago.

BCGEU members at Vancity are fighting their employer on all fronts. Our union is suing over the pension issue. Member activists are working through labour management and occupational health and safety committees, while preparing for an important next round of bargaining.

Engaging with Vancity’s membership is another powerful way to turn up the pressure. That’s because the credit union is governed by a board of directors who are elected by Vancity members. If enough Vancity members demand better treatment for workers, they can force the board to listen – and vote them out if they don’t.



Budget 2023: historic investments in key programs and services

In February, the BC NDP government introduced its first provincial budget under new premier David Eby. While there are no new major initiatives announced, Budget 2023 nonetheless continues to strengthen services and makes significant new investments in improving the lives of B.C. residents. Key funding increases announced in this budget include:

- **\$6.4 billion** over three years to strengthen public health care, including \$1 billion for mental-health and addictions services
- **\$1 billion** for local infrastructure and amenities
- **\$500 million** towards BC Ferries fare affordability
- **\$119 million** to make prescription contraception free in B.C.
- **\$1 billion** toward a health workforce strategy
- **\$462 million** for public safety and justice services
- **\$4.2 billion** for affordable housing, including \$1.5 billion for supports to reduce homelessness
- **\$388 million** for income and disability assistance, and for supporting clients served by Community Living BC
- An increase of **\$125 per month** to the shelter rate for people receiving income and disability assistance

In addition, Budget 2023 outlines a record \$48.5 billion in capital spending, that is buildings and infrastructure. These investments will help build or upgrade important public assets such as schools, hospitals, housing, roads, transit and other infrastructure. Key capital investments include:

- **\$13.3 billion** for transit and transportation
- **\$11.2 billion** on health sector infrastructure
- **\$5.5 billion** for post-secondary institutions
- **\$2.2 billion** to build provincially owned social housing

While Budget 2023 makes progress on many key priorities, our union will continue to push for action in areas that need more attention, including:

- New investment in seniors' care
- Removing for-profit providers from seniors' care
- Improving tax fairness and reducing economic inequality
- Recruitment and retention of early childhood educators
- Bigger direct investments in affordable housing

Our union's full analysis of Budget 2023 can be found at bcgeu.ca/bc_budget_analysis



New members

Pacifica Housing Advisory Association

Supportive housing
↑ Victoria

Independence Networking Services Inc.

Developmental disability support services
↑ Dawson Creek/Chetwynd

Pacific Coast Community Resources Inc and Pacific Coast Childrens Resources

Developmental disability support services
↑ Courtenay
↑ Comox
↑ Campbell River
↑ Black Creek

Options Community Services Society Nichol Place, Blair House, Maple House

Mental health assisted living services
↑ Surrey/White Rock

River Rock Casino

Guest Relations Hosts
↑ Richmond

Sooke Shelter Society

Supportive housing
↑ Sooke

28th Avenue Homes Ltd.

Special needs day programs
↑ Vernon

YMCA Nelson Park

Preschool
↑ New Westminster

LifeLabs BC

↑ Kamloops

Connective Support Services Society

↑ Kamloops

Anspayaxw School Society

↑ Kispiox

Hope & Area Transition Society

↑ Hope





"There are so few resources. And the resources that we do have often have really long waitlists."

Carmelle Jaeggle

Pain Support and Wellness Group Lead
Local 403

Carmelle works at Pain BC, a non-profit that supports people in British Columbia living with chronic pain. She coordinates virtual peer support groups that are facilitated by people who live with pain, and also helps to educate healthcare providers on better ways to serve the one in five British Columbians who live with chronic pain.

"Chronic pain is in a similar realm to mental health," said Carmelle. "There are so few resources. And the resources that we do have often have really long waitlists."

In 2022, Carmelle and her co-workers organized their workplace to join the BCGEU. Carmelle has a background as a social worker and had been a BCGEU member in her previous job. As they negotiate their first collective agreement, Carmelle hopes unionization will mean she and her co-workers can support each other and speak up for what they need.

"As a social worker by background, I see the benefits and value of collaboration, community, the importance of having options, and giving people the freedom to share their points of view," she said. "I feel that being a union member aligns with those values."



UBCO resident advisors: organizing for workplace improvements

The collective voice of student workers at UBC Okanagan (UBCO) has strengthened thanks to 85 residence advisors (RAs) coming together and joining the BCGEU.

RAs are community leaders for students living in university housing. Through event hosting, general maintenance and acting as first responders to incidents like alcohol poisoning and mental health crises, they ensure university residences are safe and positive places to live. Many RAs are also international students and workers of colour.

In 2022, a few RAs began talking with each other about work conditions. They noticed their counterparts at other universities had better rights and compensation – especially around housing, a mandatory condition of RA employment. As they spoke to more RAs, they discovered their concerns were widespread, and decided to form a union to push for change.

The RAs' organizing campaign – Collective Action for Residence Employees (CARE) – was worker-led, steadfast, and creative. Using one-on-one conversations, social events, door knocking, a button-up action to demonstrate solidarity, and even a self-produced zine to communicate what it means to unionize, they developed a campaign that got noticed on campus and garnered media attention.

In April 2022, the RAs made their union official by voting “yes” in their Labour Relations Board election.

When RAs returned to work the following semester, they bargained their first collective agreement



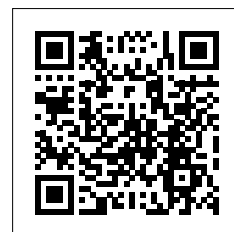
UBCO Okanagan campus by UBC Media Relations (CC BY-NC 2.0)

including great improvements like wage increases, workload protections, rehiring and recall, seniority and housing preferences, a meal plan subsidy, and stipends for specialized positions.

“The organizing campaign launched and won by residence advisors is an inspiration to all union members, not just young workers” said Component 7 vice-president Joanna Lord. “They have demonstrated for us all the impact of collective action and the importance of solidarity in achieving positive change in the workplace.”

Because RAs are students, a unique challenge their union faces is the significant amount of turnover upon graduation. This means activists need to work hard to orient new members and pass along institutional knowledge.

“Through this campaign I’ve learned that no matter what kind of work you do, you deserve a union,” said Nadav Benjamin, former UBCO RA and current PSAC 610 member at Western University. “Making positive change for yourself and your co-workers is within reach so long as you’re willing to organize. Even though I’m no longer at UBCO, these are lessons I continue to share now as a member, a steward and hopeful bargaining team member in my new union.”



If you know a worker who would benefit from a union, email organizing@bcgeu.ca



Bargaining roundup

2022 was a landmark year for BCGEU members working in the public sector. Over 64,000 members were engaged in bargaining. That's over 75 per cent of our membership.

Community Social Services RATIFIED

B.C.'s unionized community social services workers ratified a new collective agreement in late March, ending over one-year of negotiations. The 20,000 members of the Community Social Services Bargaining Association (CSSBA) voted 95 per cent to accept the tentative agreement, which has a three-year term. The BCGEU, representing over 13,000 members, is the lead union in the bargaining association.

The new agreement includes wage increases that follow wage increases of the public sector agreements, low wage redress increases, 100 per cent paid sick leave, improvements to mental health supports, leave provisions, and bullying and harassment language to name a few.

Public Service RATIFIED

In late January, the public service bargaining committee filed a policy grievance to address the employer's ongoing failure to provide all applicable retroactive pay increases under the collective agreement.

Although the agreement was ratified last October 2022, BCGEU members in the public service waited for many months to receive their retroactive pay. The unprecedented policy grievance was filed to pressure the provincial government to act swiftly to pay the retro pay in order to protect members' interests and enforce the collective agreement.

Post-Secondary Education NOT CONCLUDED

Post-secondary bargaining involves about 4,800 technical and trades instructors and administrative professionals at post-secondary institutes across B.C. Key issues include wage protection adjustments, harassment language, a common wage grid, revised job evaluation plan, and flexible work-from-home options.

Last September, the first-ever common tentative agreement for administrative staff was reached – a historic feat that began many years ago. In October, a tentative common agreement was also reached for the instructors. Members at the institutes covered by the common agreements are now bargaining the agreements that cover their individual workplaces. All will receive retroactive wage increases (with wage protection adjustments) once the agreements are ratified.

Community Health (CBA) RATIFIED

Members in the Community Bargaining Association ratified a new collective agreement in late February. The new collective agreement includes an average wage increase of 14 per cent – and 16 per cent over three years – the largest general wage increases since the bargaining association was created. These wage increases, along with the elimination of step 1 on the wage grid, represent significant progress

By engaging with members through surveys, local meetings, and phone and text banks, your union's bargaining committees were able to secure agreements that addressed critical issues in your workplaces and protected your wages against inflation.

With only one table remaining to ratify their agreements, union bargaining committees are now working to ensure the terms of the new agreements are implemented properly and promptly.

This was our union's most comprehensive bargaining campaign in decades, but the work doesn't stop here. The next round of bargaining is just two short years away, and our union is already organizing to build capacity for a stronger, united membership for our future agreements.

towards wage parity with similar jobs in other health sectors. In addition, members secured a funding commitment to protect their benefits trust, improved shift premiums, expanded mobility rights, improved overtime language and more.

Health Science Professionals RATIFIED

Health science professional members successfully ratified their new collective agreement in December 2022.

Health Facilities RATIFIED

BCGEU members covered by the health facilities subsector agreement successfully ratified their new collective agreement in October 2022.



BCGEU's scholarship endowment fund preserves legacies and empowers education

Thanks to contributions of BCGEU members, staff, and past-president Darryl Walker, the BCGEU has established a scholarship endowment fund in partnership with the Vancouver Foundation to help deserving individuals achieve their educational aspirations.

One notable contribution to the fund comes from the family of Soren Bech, a long-time BCGEU staff member who worked as a communications officer for more than 17 years before retiring in the mid-2000s. Bech passed away suddenly in 2021.

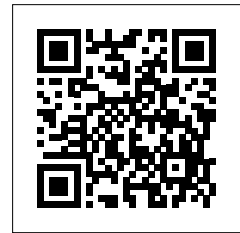
"Soren was a quiet and private man who took pride in helping others shine and succeed," said Joan Bech, his wife. "He valued fairness, respect, and education for everyone. I want his name to be remembered by supporting students in communications to help others. Generous contributions, like the Bech family's, highlight the significant impact of the endowment, preserving legacies and creating opportunities for others to pursue their educational dreams.

Scholarship recipients will be chosen by our union's education and scholarship committee who will establish fair criteria and application requirements,

ensuring equitable support for dedicated individuals. Once the endowment reaches maturity, earnings will be disbursed as scholarships.

"We are thrilled to unveil the BCGEU Scholarship Endowment Fund as a way to empower BCGEU members and their families to pursue their educational aspirations," said BCGEU president Stephanie Smith. "Thanks to our generous donors, this endowment has the potential to create a lasting impact. We extend our heartfelt gratitude to our donors, especially Soren Bech's family, for their instrumental role in launching this important endeavour."

Donors to the endowment fund will receive an official charity tax receipt from the Vancouver Foundation.



For more information, visit give.vancouverfoundation.ca

A Path to Reconciliation: Labour Education and Reconciliation

In late January of 2023, BCGEU Learning returned to the 2023 Canadian Labour Congress Pacific Region Winter School at Harrison Hot Springs Resort. While other classrooms focused on organizing, bargaining and safety, 20 BCGEU activists spent a week exploring truth and reconciliation. The course, entitled A Path to Reconciliation: Past, Present and Future Through an Indigenous Lens, was led by BCGEU Indigenous education officer Anjeanette Spelexilh Dawson.

BCGEU president Stephanie Smith views the course as a continuation of the steps BCGEU is taking towards reconciliation.

"This course is another way the BCGEU is committed to reconciliation," she said. "We are working with our activists and leaders to support learning about truth and reconciliation and encouraging them to

champion reconciliation in their workplaces and locals."

Renowned carver and artist Stan Greene, A-E-Ya of the Sts'alis Nation, served as Elder in Residence for the week, sharing stories of his community and culture with participants. Many of Greene's carvings can be found throughout the Harrison Hot Springs Resort. Course participants explored the impacts of colonization, what reconciliation looks like within the BCGEU and looked for opportunities to make change. The course challenged participants to find opportunities in their personal, professional, and union activities to commit to reconciliation.

"I felt very honoured to be able to take part in this course," said one participant. "While all my union education has been valuable, this was the most impactful and what I learned will stay with me."



Get ready to see a lot more of your Component 12 executive

“We’re excited about finally getting to visit our members’ worksites, communities, and rebuild unity.”

Maria Middlemiss and D.J. Pohl

Last year was a momentous year for public sector bargaining. With those negotiations now behind us, BCGEU Component 12 (Administrative Professionals), which includes administrative staff working for the provincial government, is already building power and organization to prepare for the next round of negotiations in 2025.

There have been a lot of conversations about the 2022 collective agreement and what the members want to fight for going forward. That’s why the component launched a new campaign during Administrative Professionals’ Week in April to start building capacity now.

To gather input across the workforce, the component executive will be visiting worksites through the summer. As well, a digital speakers’ corner has been created as a place for members to share their thoughts and feelings about their work.

“Having a space for members’ voices to be heard specific to the work they do and challenges they are facing will not only raise our profile but build our capacity and strengthen our collective voice ahead of the next round of bargaining and beyond, in a way that leaves no one behind,” said D.J. Pohl, first vice-chairperson of Component 12.

The component hopes to achieve genuine respect for administrative professionals, higher wages, vacancies filled promptly and classification improvements in future rounds of bargaining. Administrative professionals are mostly women, many in the R9 classification. Worksites couldn’t function without them, yet they earn lower wages compared with other government positions.

“The pandemic left us so disconnected,” said Maria Middlemiss, vice-president of Component 12. “We’re excited about finally getting to visit members’ worksites, their communities, and to rebuild unity.”



Public housing: the key to housing affordability

Matthew is a BCGEU member in health sciences and has lived in the Greater Victoria area for two decades. Previously, he has worked in the supportive housing sector helping people access social supports and secure housing.

“A decade ago, it was conceivable you could find a bachelor apartment in the private market for \$600-800 per month and manage to get by on social assistance,” he explained.

However, as land values and rents skyrocketed upward, he watched that possibility evaporate.

But, as he worked with vulnerable community members to find housing, Matthew and his family were at the whims of the city’s tight and increasingly expensive rental market: they were renovicted from one rental and forced to move again when the landlord sold the townhouse they were renting. It was then that Matthew filled out a BC Housing application. The waitlist for subsidized housing is notoriously long and applicants are required to renew every six months to keep their spot.

It’s a problem that has been decades in the making, explained BCGEU vice-president Kari Michaels.

“Governments used to build tens of thousands of units of permanently affordable housing per year, but that really slowed down in the 1990s,” Michaels said. “The private sector cannot provide the housing at the levels of affordability that we most need because it relies on a for-profit model. Regulations mandating affordable housing with increased density help, but we still need governments to build the bulk of our public housing supply. So, when we talk about a lack of housing supply, it’s really a lack of options that include affordable housing options.”

A generational gap in public housing investments means it is often missed or forgotten about as a major solution. “We have to make an uphill argument to revitalize this public



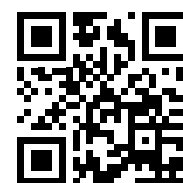
“A decade ago, it was conceivable you could find a bachelor apartment in the private market for \$600-800 per month.”

infrastructure,” said Matthew. “Because it’s really the only thing that’s going to protect us from the market.”

About a year ago, Matthew got the call he would tell clients never to expect. A non-market housing agency offered him and his family a home. They jumped at the chance.

Now, they have a home where their rent is set to approximately 30 per cent of their gross income. Immediately after moving in, Matthew and his partner noticed the low-level anxiety – housing anxiety – they had been holding onto start to dissipate. Not only is their housing more affordable, it is also secure and they know they won’t be pushed out.

“Suddenly we can think about 10 years from now,” he said.



Learn more about our
campaign at AffordableBC.ca





“It is sometimes this balance of: how do we negotiate a public space for the needs of the whole community?”

Jessica Humphries
Adult services librarian
 Local 702

Jessica has been a BCGEU member for five years and is currently the second vice-chairperson of her local. Last year, Jessica and co-workers at the Vancouver Island Regional Library won a new collective agreement after almost seven weeks of job action. This included wage increases to reflect how the jobs of librarians have transformed in recent years.

“A lot of people have this image of what librarians are,” Jessica explained. “But the reality is often different. We are very much front-line workers”.

Throughout the pandemic, the toxic drug crisis and rising affordability challenges, libraries stand as one of the last publicly accessible spaces where seniors, families, as well as vulnerable and marginalized community members can gather without having to pay.

“It is sometimes this balance of: how do we negotiate a public space for the needs of the whole community?” she said. “So those issues were definitely at the forefront of bargaining.”

Organizing Academy

Prior to bargaining, Jessica and several members attended BCGEU’s Organizing Academy, where they learned about workplace organizing. She credits this long-term strategizing for her bargaining unit’s success in securing a strong contract. She also credits Vancouver Island communities and the labour movement for standing behind librarians through their job action.



Our journey towards socially responsible investing

Modern organizations with the need to retain significant cash reserves, such as the BCGEU, are confronted with an immediate dilemma: if our defence and general funds are not prudently invested, they lose value over time to inflation. The traditional fixed income investment options such as bonds and GIC's have proven inferior to inflation, resulting in a real loss of value over time.

This has led socially conscious investors such as our union to be historically confronted with a false choice: invest in ethically questionable vehicles to achieve superior returns, and resist calls for divestment out of a belief that we would “lose our voice”. The reality is clear: socially responsible investors have typically never used a voice as investors, and divestment is an option that should be entertained when financially responsible to do so.

Upon election as treasurer in 2014, one of my first recommendations to our executive committee was a divestment from fossil fuel assets in our investments. This was done based on a retrospective analysis back to 2005 showing that fossil-fuel free (FFX) investments in Canadian equities had outperformed the benchmark, and a prediction that 2015 would bring the price of oil down to \$45/barrel.

In divesting our Canadian equities, we created a segregated fund with our main investment manager that offered us unique flexibility: the ability to own shares directly rather than units of shares in a pooled fund, and to file shareholder resolutions at corporate annual general meetings and vote our proxies directly. It also allowed us the ability to negatively screen stocks out of the investible universe for our manager at will, a power retained to this day by my office.

This afforded us a unique opportunity to establish our union's shareholder engagement program overseen by the treasurer's office. Our first step was contracting Sum of Us to conduct our stewardship, eventually hiring a part time capital stewardship officer, and finally expanding the position to full time with external legal support.

I cannot emphasize enough the importance of using our voice as investors in the management of our investments, and this program has added tremendous value to our portfolio, based on our deeply held conviction that ethically managed companies will, over the longer term, deliver better value for us as a client.



Paul Finch
Treasurer

“I cannot emphasize enough the importance of using our voice as investors in the management of our investments.”





Grand Chief
Stewart Phillip

Harnessing Shareholder Power to Advance Indigenous Rights at Canada's Biggest Bank

Amidst the biting cold of a -25°C day in Saskatoon, Indigenous leaders impacted by the oil and gas industry assembled for the RBC annual shareholder meeting. Their purpose was twofold: to confront executives face-to-face regarding the company's violation of Indigenous rights, and to advocate for crucial shareholder resolutions, including two put forth by our union.

BCGEU's capital stewardship program uses our investments to file shareholder resolutions at Canada's largest companies, pushing them on issues like human and labour rights, environmental protection and more. Our union is seasoned in this work – but nothing prepared us for what happened at this meeting.

Shareholder meetings are typically boring events, but this one was anything but. The doors of the hotel were locked, with police and private security officers swarming the premises. And why? Apparently to keep Indigenous people from

entering and speaking directly to executives. Shareholders were handed badges with one of two colours – most got blue badges, giving us access to the shareholder meeting, but some, primarily the Indigenous delegation, received yellow badges, which only gave access to a different room to watch the meeting via webcast.

RBC tried to claim capacity constraints, but it knew how many people were coming well in advance of the meeting and only segregated the dozen or so Indigenous attendees and their allies.

Forging Partnerships

The BCGEU partnered with the Union of BC Indian Chiefs (UBCIC), a highly respected voice in Indigenous affairs, on a resolution calling on RBC to honour commitments to truth and reconciliation through the principles of free, prior, and informed consent (FPIC).

BCGEU treasurer Paul Finch emphasized the importance of taking this fight directly to RBC, stating, "We have witnessed numerous companies make lofty promises regarding reconciliation. The time for mere words has passed; now is the time for decisive action. RBC's operationalization of FPIC will not only enhance its own standing but also empower the bank to instigate meaningful change on the path to reconciliation."

Grand Chief Stewart Phillip, BCGEU's appointed representative was able to gain entry to the main meeting room and spoke powerfully.

RBC's segregation of Indigenous attendees had the opposite effect than intended. It was impossible to ignore, attracting significant media attention.

The votes on our union's resolutions were nothing short of remarkable. The FPIC resolution received 36% of votes, while another calling for a racial equity audit garnered 44% support. In the world of shareholder proposals, votes over 20% are considered strong, and proposals do not have to reach 50% to push a company to act.

This year has been BCGEU's most ambitious shareholder season with 18 resolutions filed at Canada's biggest companies. We've already earned strong commitments from some – and have a lot more ahead.

To learn more about BCGEU's ongoing efforts in responsible investment and our commitment to driving positive change while earning strong returns, please visit: investments.bcgcu.ca



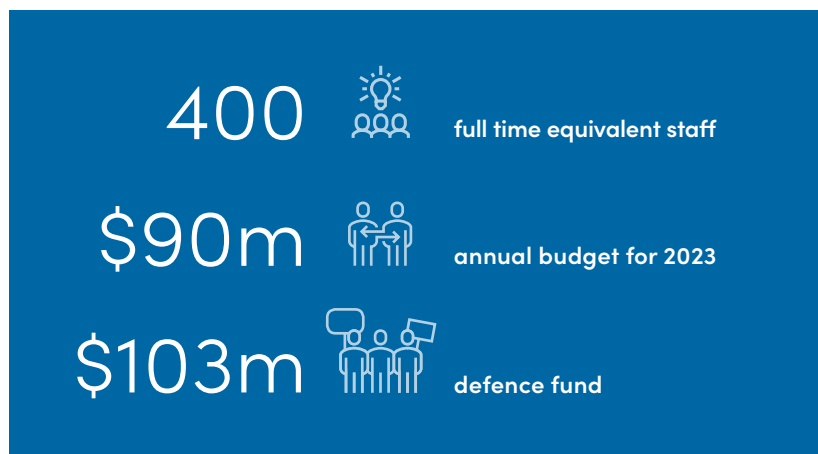
During turbulent economic times, the union must invest in its membership

For the past three years, union members have weathered multiple shocks, from a global pandemic to an affordability crisis, record inflation and difficult rounds of bargaining. The 2022 audited financial statements in this issue of *The Provincial* demonstrate the resilience and success of the union in weathering current events.

As the financial statements have shown, the union is a massive operation, approaching 400 full time equivalent staff positions and with an annual budget for 2023 that is approaching \$90 million per year. Our defence fund at the time of writing is approximately \$103 million, easily weathering the \$1.3 million in strike expenses accrued by the two-week strike of liquor and cannabis distribution warehouse members, who received enhanced wage replacement strike pay.

The key to ensuring the union's funds are well managed and utilized for the benefit of our membership is good governance. To this end, we have solidified and expanded our internal audit and procurement management programs, expanded and reorganized the finance department, increased education and training for senior elected officers of the union involved in overseeing this work, and successfully established a human resource and governance committee of the provincial executive.

One of the major changes in these statements is winding down



Solidarity Holdings. Previously used to record ownership of some of the union's real estate for area offices, these statements carried an internal liability owed to ourselves that made understanding the union's overall finances confusing, and itself was an anachronistic structure that served no practical governance purpose. We have instead consolidated the union's real estate into bare trusts under a common umbrella, and instituted a proper major asset maintenance and capital amortization schedule to ensure we are able to competently measure and manage our assets across the province.

Largely due to the general volatility of our investments in the market, our 2022 total assets ended \$15 million below our 2021 total, and \$18 million above our 2020 total. While these are large figures, the overall trend is positive, and demonstrates the resilience of our investment strategy in delivering solid returns over the long term, as well as

capital retention against market benchmarks over the short term.

Finally, we have consolidated ownership of all the union's real estate holdings into our general fund, including our Burnaby and Nelson properties slated for mixed-use development. This has cleared our defence fund for the time being of any direct real estate investments.

The union's continued healthy financial position allows us to continue an over five-year trend of not moving any dues revenue into the defence fund and allowing it to accrue on investment returns alone. This has freed up significant funds for our operational budget, primarily for increased staffing throughout this period. It also means that in turbulent economic times, we are able to invest more of our dues revenue directly into supporting our membership.

**Contribution by
Paul Finch, Treasurer**



Consolidated Financial Statements of

B.C. General Employees' Union

December 31, 2022

Table of contents

Independent auditors' report	1-2
Consolidated balance sheet	3
Consolidated statement of revenues and expenses.....	4
Consolidated statement of changes in fund balances	5
Consolidated statement of cash flows	6
Notes to the consolidated financial statements.....	7-19
Schedule: Consolidated schedule of rent revenue, net and expenses	20

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF B.C. GENERAL EMPLOYEES' UNION

Opinion

We have audited the consolidated financial statements of B.C. General Employees' Union (the "Union"), which comprise:

- the consolidated balance sheet as at December 31, 2022;
- the consolidated statement of revenues and expenses for the year then ended;
- the consolidated statement of changes in fund balances for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Union as at December 31, 2022, and its consolidated results of operations and its consolidated 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 *Auditors' Responsibilities for the Audit of the Consolidated 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 consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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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Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 auditors' report to the related disclosures in the consolidated 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 auditors' 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ♦ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Union to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Union's audit. We remain solely responsible for our audit opinion.

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.

Smythe LLP

Chartered Professional Accountants
Vancouver, British Columbia
June 6, 2023

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B.C. General Employees' Union

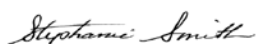
Consolidated balance sheet

As at December 31

	Consolidated 2022	Consolidated 2021
	\$	\$
Assets		
Current assets		
Cash	14,176,138	16,186,473
Accounts receivable	8,303,876	6,640,986
Prepaid expenses	880,144	655,104
Marketable securities (Note 3)	111,022,221	125,805,156
Deposit (Note 4)	-	10,000
	134,382,379	149,297,719
Investment (Note 5)	15,250	15,250
Investment properties (Note 6)	21,234,036	31,951,030
Development costs (Note 7)	1,613,085	452,340
Amounts held in trust (Note 8)	278,744	442,281
Equipment under capital lease (Note 9)	26,210	135,240
Property and equipment (Notes 10 and 20)	41,840,047	32,319,358
	199,389,751	214,613,218
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Notes 11 and 17)	12,042,808	7,209,789
Due to components (Note 12)	1,739,148	781,459
Current portion of capital lease obligations (Note 13)	26,210	122,769
	13,808,166	8,114,017
Capital lease obligations (Note 13)	2,409	28,618
Amounts held in trust (Note 8)	278,744	442,281
Supplemental leave benefits liability (Note 14)	4,457,115	4,666,792
	18,546,434	13,251,708
Fund balances		
Invested in property and equipment	41,837,638	32,303,210
Unrestricted	1,284,561	500,000
Internally restricted (Note 15)		
Fightback and campaign reserve	5,990,474	10,000,000
Area office, land and building reserve	27,329,592	38,464,229
Bargaining reserve	1,022,000	4,000,000
Contingency reserve	4,375,000	4,000,000
Convention reserve	800,000	-
Restricted – Defence Fund	98,204,052	112,094,071
	180,843,317	201,361,510
	199,389,751	214,613,218

Amounts held in trust (Note 8); Commitments (Note 16); Contingencies (Note 18)

Approved on behalf of the Provincial Executive



President



Treasurer

B.C. General Employees' Union

Consolidated statement of revenues and expenses

Year ended December 31

	Operations Fund (Note 2(b))	Restricted Defence Fund	Consolidated 2022	Consolidated 2021
	\$	\$	\$	\$
Revenues				
Members' dues	80,662,634	-	80,662,634	76,913,185
Less:				
Allocations to components, 6.50% of dues revenue	(5,243,071)	-	(5,243,071)	(4,999,358)
	75,419,563	-	75,419,563	71,913,827
Investment income, net (Note 3)	(4,291,054)	(12,543,673)	(16,834,727)	18,857,546
Rent, net	536,445	-	536,445	386,704
Affiliation remittances and other	376,331	-	376,331	83,104
	72,041,285	(12,543,673)	59,497,612	91,241,181
Expenses				
Salaries and employee benefits (Note 17)	44,760,748	-	44,760,748	39,475,931
Building and administration (Schedule)	12,685,568	-	12,685,568	8,750,824
Bargaining	7,864,006	-	7,864,006	849,413
Affiliation fees	2,725,258	-	2,725,258	2,643,318
Campaigns, strategic partnerships, communications and donations (Schedule)	1,869,739	-	1,869,739	2,203,165
Hearings, arbitration and legal	1,759,496	193,589	1,953,085	1,268,559
Conventions and conferences	1,486,404	-	1,486,404	1,582,453
Education	1,473,843	-	1,473,843	361,303
Provincial executive and committees	1,241,670	-	1,241,670	813,247
Travel and relocation	1,194,236	-	1,194,236	325,033
Other member services (Note 19 and Schedule)	784,739	-	784,739	645,532
Automobile	569,692	-	569,692	535,745
Professional fees	277,696	-	277,696	170,248
Supplemental leave benefits (Note 14)	161,471	-	161,471	131,079
Joint committee meetings	60,769	-	60,769	49,462
Strike expenses	-	1,152,757	1,152,757	573
	78,915,335	1,346,346	80,261,681	59,805,885
Excess (Deficiency) of revenues over expenses	(6,874,050)	(13,890,019)	(20,764,069)	31,435,296

B.C. General Service Employees' Union

Consolidated statement of changes in fund balances

Year ended December 31

	Operations Fund (Note 2(b))			Restricted Defence Fund (Note 6)	Consolidated 2022	Consolidated 2021
	Invested in property and equipment	Unrestricted	Internally Restricted (Note 15)			
	\$	\$	\$	\$	\$	\$
Fund balances, beginning of year	32,303,210	500,000	56,464,229	112,094,071	201,361,510	169,861,882
Excess (deficiency) of revenues over expenses	-	(6,874,050)	-	(13,890,019)	(20,764,069)	31,435,296
Actuarial gain (Note 14)	-	245,876	-	-	245,876	64,332
Amortization of property and equipment	(2,434,027)	2,434,027	-	-	-	-
Purchase of property and equipment	2,159,192	(711,049)	(1,448,143)	-	-	-
Transfer of property (Note 6)	9,686,494	-	(9,686,494)	-	-	-
Principal repayments, capital lease obligations	122,769	(122,769)	-	-	-	-
Interfund transfers						
2022 Operating expenditures	-	7,447,526	(7,447,526)	-	-	-
2022 Operating budget	-	(800,000)	800,000	-	-	-
2022 Unrestricted fund balance	-	(835,000)	835,000	-	-	-
Fund balances, end of year	41,837,638	1,284,561	39,517,066	98,204,052	180,843,317	201,361,510

B.C. General Employees' Union

Consolidated statement of cash flows

Year ended December 31

	Consolidated 2022	Consolidated 2021
	\$	\$
Operating activities		
Excess (deficiency) of revenues over expenses	(20,764,069)	31,435,296
Items not involving the outlay of funds		
Amortization	2,434,027	2,804,401
Supplemental leave benefits expense (Note 14)	161,471	131,079
Unrealized loss (gain) on investments	16,218,911	(15,764,294)
	(1,949,660)	18,606,482
Net changes in operating working capital		
Accounts receivable	(1,662,890)	572,037
Prepaid expenses	(225,040)	227,958
Accounts payable and accrued liabilities	4,833,019	1,793,199
Due to components	957,689	112,231
Supplemental leave benefits paid	(125,272)	(296,166)
	1,827,846	21,015,741
Investing activities		
Deposits paid on purchase of land and building	10,000	(10,000)
Development costs	(1,160,745)	(332,291)
Purchase of marketable securities, net	(1,435,975)	(13,310,513)
Recovery of GST on investment properties	1,030,500	-
Purchase of property and equipment	(2,159,192)	(235,069)
	(3,715,412)	(13,887,873)
Financing activity		
Principal repayments, capital lease obligations	(122,769)	(230,262)
Net cash inflow (outflow)	(2,010,335)	6,897,606
Cash position, beginning of year	16,186,473	9,288,867
Cash position, end of year	14,176,138	16,186,473
Supplemental cash flow information		
Interest paid on capital lease obligations	7,670	19,180

B.C. General Employees' Union

Notes to the consolidated financial statements

Year ended December 31, 2022

1. Nature of organization

The B.C. General Employees' Union (the "Union") is a democratic union providing services to its members who work for the government of the Province of British Columbia, or its boards, agencies, commissions, and Crown corporations, or in the broader public and private sectors. B.C. government workers formed a precursor organization in 1919. The Union was founded in 1942 and gained full bargaining rights under the *Labour Relations Code* of British Columbia in 1974. As a labour organization, the Union is exempt from income taxes under section 149(1)(k) of the *Income Tax Act* (Canada).

2. Significant accounting policies

These consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and reflect the following significant accounting policies:

(a) Principles of consolidation

These consolidated financial statements include the accounts of the following entities:

- i) General and Defence Funds of the Union
- ii) The Union's wholly owned companies:
 - Solidarity Holdings Ltd.
 - Workers' Capital Holding Corp., and its individual bare trusts for each of the Union's real estate properties.
- iii) Affordable BC Housing Society, of which the Union is the sole member, and the Society's wholly owned company:
 - Royal Oak Affordable Housing Corp.

All transactions and balances between the above entities have been eliminated. The shares of the wholly owned companies are held in trust for the Union.

These consolidated financial statements do not include the assets, liabilities, revenues and expenses of the components and locals.

(b) Fund accounting

The Union prepares its consolidated financial statements using the concept of fund accounting. A description of each fund is as follows:

The Operations Fund reports the Union's unrestricted resources, the balances and transactions of the Union's General Fund, the entities listed above in Note 2 (a), and the following internally restricted reserves:

- Fightback and campaign reserve – for fightback and campaign reserves;
- Area office, land and building reserve – for the purchase of area office land and buildings;
- Bargaining reserve – for renegotiating sectoral collective agreements;
- Contingency reserve – for contingencies; and
- Convention reserve – for triennial constitutional conventions, next one scheduled for May/June 2024.

The Defence Fund reports restricted resources to be used in the event of job action.

B.C. General Employees' Union

Notes to the consolidated financial statements

Year ended December 31, 2022

2. Significant accounting policies (continued)

(c) *Investment*

The investment where the Union exerts significant influence is accounted for using the cost method.

(d) *Investment properties*

The investment properties are recorded at cost less accumulated amortization using the declining balance basis at 5% per annum for the building.

(e) *Development costs*

Development costs include costs directly attributable to development activities. Revenue earned and expenses incurred prior to completion of development are recorded in development costs. No amortization is taken until development is complete and the property is available for use.

(f) *Property and equipment*

Property and equipment are recorded at cost less accumulated amortization. Amortization is calculated at the following annual rates:

Buildings	Declining-balance basis	5%
Building improvements	Straight-line basis	10 to 15 years
Furniture and equipment	Straight-line basis	7 years
Computer equipment	Straight-line basis	3 years
Parking lot and road	Declining-balance basis	4%
Vehicles	Declining-balance basis	30%

Equipment under capital lease is amortized on the straight-line basis over a term of three to five years, based on the terms of the lease.

Leasehold improvements are amortized on the straight-line basis over the initial term of the lease (five years) and one renewal period (five years).

(g) *Impairment of long-lived assets*

The Union reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable as compared to the sum of expected undiscounted future cash flows resulting from its use and eventual disposition.

The Union records an impairment loss in the period when it is determined that the carrying amount of the asset exceeds the undiscounted estimate of future cash flows from the asset. Any impairment loss is measured as the difference between the carrying amount and estimated fair value of the asset.

B.C. General Employees' Union

Notes to the consolidated financial statements

Year ended December 31, 2022

2. Significant accounting policies (continued)

(h) *Revenue recognition*

Members' dues are recognized in the period to which they relate and are treated as unrestricted revenue.

The Union follows the deferral method of accounting. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Rent, interest, and investment income are recognized in the period earned. Realized gains and losses on the sale of investments and unrealized gains and losses are included in the determination of investment income.

(i) *Supplemental leave benefits*

The Union provides supplemental leave benefits under a defined benefit plan and accrues its liability under the plan. The plan is unfunded and actuarial valuations are prepared for accounting purposes. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in the consolidated statement of changes in fund balances in the period incurred. The last actuarial valuation prepared by the actuary was at December 31, 2020. Actuarial valuations are performed every three years and an extrapolation of the results is done on an annual basis.

(j) *Multi-employer pension plan*

The Union accounts for its participation in the Public Service Pension Plan, a multi-employer contributory defined benefit plan, as if it was a defined contribution plan. This is due to the fact that the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

(k) *Income taxes*

As a not-for-profit organization, the Union is not subject to income taxes under section 149(1)(k) of the *Income Tax Act* (Canada). However, its wholly owned companies follow the taxes payable method of accounting for income taxes. Under this method, current income taxes are recognized as incurred and payable in the current year.

(l) *Measurement uncertainty*

The preparation of consolidated financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reported period.

Areas requiring the use of estimates include the recoverability of accounts receivable, the estimated useful lives of property and equipment, estimated useful lives of investment properties, net recoverable amount of property and equipment, net recoverable amount of investment properties, valuation of investments, accrued liabilities, and supplemental leave benefits liability. The Union believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

B.C. General Employees' Union

Notes to the consolidated financial statements

Year ended December 31, 2022

2. Significant accounting policies (continued)

(m) *Financial instruments*

The Union initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Union subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, due to components, capital lease obligations, and supplemental leave benefits liability.

The Union has designated its marketable securities to be measured at fair value.

3. Marketable securities

The Union's investments are comprised of equity and debt securities and are carried at their fair value based on the quoted market prices of the securities at December 31, 2022. The composition of marketable securities, classified as current assets, is as follows:

	2022		2021	
	Fair value	Cost	Fair value	Cost
	\$	\$	\$	\$
Short-term investments	966,784	966,784	599,766	599,766
Fixed income funds	12,869,509	15,144,031	14,636,214	14,698,683
Equity funds	97,185,928	47,009,702	111,382,569	46,386,092
Foreign currency hedge (Note 21(e))	-	-	(813,393)	-
	111,022,221	63,120,517	125,805,156	61,684,541
Represented by				
General Fund	42,964,265	33,051,099	46,969,764	32,631,281
Defence Fund	68,057,956	30,069,418	78,835,392	29,053,260
	111,022,221	63,120,517	125,805,156	61,684,541

For the year ended December 31, 2022, the total realized loss (2021 - gain) on the sale of marketable securities was \$1,829,720 (2021 - \$2,902,601) and total unrealized loss (2021 - gain) on fair market value changes was \$16,218,911 (2021 - \$15,764,294).

B.C. General Employees' Union

Notes to the consolidated financial statements

Year ended December 31, 2022

4. Deposit

In 2021, the Union entered into a contract to purchase land and a building in Nelson, British Columbia, for \$1,350,000 plus taxes, which was completed in early April 2022. The deposit paid was reclassified to property and equipment in the consolidated balance sheet.

5. Investment

	2022	2021
	\$	\$
Investment with Significant Influence		
West Kootenay Labour Centre Holding Society	15,250	15,250

The Union is a member of the Society through its contribution of \$15,250 towards the purchase and upkeep of the Society's property and holds a 37.5% interest in the Society.

The investment does not have a quoted market price in an active market and is recorded at cost.

6. Investment properties

	2022	2021
	\$	\$
Investment Properties – Operations Fund		
Cost		
Palm Avenue Properties – Land	21,234,036	22,264,536
Investment Property – Defence Fund		
Cost		
Norland Avenue Property – Land	-	4,870,994
Norland Avenue Property – Building	-	5,760,577
	-	10,631,571
Accumulated Amortization		
Norland Avenue Property – Building	-	(945,077)
	-	9,686,494
	21,234,036	31,951,030

During the year, the Provincial Executive approved the transfer of the Norland Avenue property from the Defence Fund, as an investment property, to the General Fund, as property and equipment (Note 10) at the property's December 31, 2021, net book value of \$9,686,494. To reflect this decision, \$9,686,494 was transferred from the internally restricted area office, land and building reserve, to the invested in property and equipment fund balance.

The cost of the Palm Avenue properties was reduced by \$1,030,500 in 2022 to reflect the recovery of GST paid when the land was purchased.

B.C. General Employees' Union

Notes to the consolidated financial statements

Year ended December 31, 2022

7. Development costs

The Union is developing its Palm Avenue, Burnaby properties (Note 6) into office space for the Union and affordable housing. The Union has applied to the City of Burnaby to have the properties rezoned and has entered into contracts with a number of firms to assist with the development of the properties (Notes 16).

8. Amounts held in trust

The following amounts are included in the Union's consolidated balance sheet:

	2022	2021
	\$	\$
Deferred Salary Leave Plan To afford employees the opportunity of taking a one-year leave of absence with partial pay by deferring salary for four years and taking leave in the fifth year.	139,359	286,770
Vancouver Talmud Torah Association Trust To subsidize BCGEU union dues payable by and for the benefit of the instructors at the Vancouver Talmud Torah Association.	139,385	155,511
	278,744	442,281

As follows, certain other amounts held in trust have not been included in the balance sheet of the Union as they are jointly governed funds:

	2022	2021
	\$	\$
Health Science Professionals Professional Development Funds For professional development of members covered by the Health Sciences Professionals collective agreement.	558,159	409,210
Joint Community Social Services Retraining Fund For retraining and providing professional development support for laid-off employees.	324,594	366,890
For development of training initiatives identified by the Joint Training committee.	579,849	584,295
Joint Community Health Retraining Fund For retraining members of certain of the labour organizations which make up the Community Bargaining Association, of which the Union is a member.	1,858,493	1,909,172
Community Health Enhanced Disability Management Program Fund To facilitate an employee-centered, proactive, appropriate, and customized disability management program for members with occupational and non-occupational illness or injury.	630,639	389,799
	3,951,734	3,659,366

Assets held in trust are liquid assets held with a Canadian financial institution.

B.C. General Employees' Union

Notes to the consolidated financial statements

Year ended December 31, 2022

9. Equipment under capital lease

			2022	2021
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Equipment under capital lease	1,429,055	1,402,845	26,210	135,240

10. Property and equipment

			2022	2021
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Land	15,463,761	-	15,463,761	9,144,624
Buildings	39,098,400	16,424,239	22,674,161	19,052,037
Furniture and equipment	9,227,453	8,499,760	727,693	667,568
Parking lot and road	443,518	137,210	306,308	319,071
Computer equipment	3,629,389	3,314,827	314,562	285,779
Building improvements	104,317	17,231	87,086	98,706
Vehicles	167,657	155,921	11,736	16,766
Leasehold improvements	10,335,250	8,080,510	2,254,740	2,734,807
	78,469,745	38,629,698	41,840,047	32,319,358

No indicators of impairment have been identified by the Union for the year ended December 31, 2022.

11. Government remittances

Included in accounts payable and accrued liabilities are government remittances payable of \$228,691 (2021 - \$167,334).

12. Due to components

	2022	2021
	\$	\$
Dues allocations payable	2,388,987	1,243,363
Less: Advances to cover expenses, non-interest-bearing	649,839	461,904
	1,739,148	781,459

B.C. General Employees' Union

Notes to the consolidated financial statements

Year ended December 31, 2022

13. Capital lease obligations

Future minimum payments under capital lease obligations are as follows:

	\$
2023	27,092
2024	2,544
Total minimum lease payments	29,636
Imputed interest at 5.75%	(1,017)
	28,619
Current obligation	26,210
Long-term obligation	2,409

Interest of \$7,670 (2021 - \$19,180) on account of capital leases was paid during the year and is included in office expense (Schedule). The Union's capital lease obligations have maturity dates ranging from April 2023 to November 2024.

B.C. General Employees' Union

Notes to the consolidated financial statements

Year ended December 31, 2022

14. Supplemental leave benefits liability

The Union is committed to providing certain supplemental leave benefits under a defined benefit plan. The benefits are based on length of service and final earnings.

An actuarial report prepared in May 2021 provided the Union with a valuation of the total benefits liability at December 31, 2020 and a projection of the current service costs for 2021 and a total benefits liability obligation as at December 31, 2021.

In March 2022, the actuaries revised their projection of the December 31, 2021 obligation to reflect a discount rate of 2.7%, as compared to the rate of 2.2% used in their earlier report. The resulting actuarial gain of \$64,332 in 2021 was recognized as a separate component within the consolidated statement of changes in fund balances.

In March 2023, the actuaries further revised their projection of the December 31, 2022 obligation to reflect a discount rate of 5.1%, as compared to the rate of 2.7% used in their earlier report. The resulting actuarial gain of \$245,876 is recognized as a separate component within the consolidated statement of changes in fund balances.

The Plan is unfunded as no assets have been allocated to the plan. As a result, the Plan's obligation of \$4,457,115 (2021 - \$4,666,792) is also the plan's deficit.

The valuation and projection were based on the following assumptions regarding discount rates and employees' compensation levels during their active period of employment:

	2022	2021
	%	%
Discount rate	5.10	2.70
Rate of compensation and benefits increase	2.00	2.00
	2022	2021
	\$	\$
Supplemental leave benefits expense consists of the following:		
Current service cost	41,133	43,605
Interest cost on accrued benefit obligation	120,338	87,474
Supplemental leave benefits expense	161,471	131,079

Total benefits paid in the year were \$125,272 (2021 - \$296,166).

B.C. General Employees' Union

Notes to the consolidated financial statements

Year ended December 31, 2022

15. Internally restricted fund balances

	2022					2021	
	Fightback and campaign reserve	Area office, land and building reserve	Bargaining reserve	Contingency reserve	Convention reserve	Total	Total
	\$	\$	\$	\$	\$	\$	\$
Fund balance, beginning of year	10,000,000	38,464,229	4,000,000	4,000,000	-	56,464,229	35,600,409
Purchase of property and equipment	-	(1,448,143)	-	-	-	(1,448,143)	(27,749)
Transfer of property	-	(9,686,494)	-	-	-	(9,686,494)	-
Transfers:							
2022 operating expenditures	(4,009,526)	-	(2,978,000)	(460,000)	-	(7,447,526)	(1,400,000)
2022 operating budget	-	-	-	-	800,000	800,000	8,177,980
2022 unrestricted fund balance	-	-	-	835,000	-	835,000	14,113,589
Fund balance, end of year	5,990,474	27,329,592	1,022,000	4,375,000	800,000	39,517,066	56,464,229

The Union's unrestricted fund balance as of December 31, 2022 has been reduced to make the contingency reserve equal to 5% of 2023 budgeted members' dues revenue.

16. Commitments

- a. The Union is committed to operating lease payments for premises and office equipment over the next two years as follows:

	\$
2023	537,309
2024	370,712
	908,021

The leases have maturity dates up to December 2024.

- b. On April 14, 2020, the Union entered into a \$1,620,000 contract with an architectural firm to design the buildings for the Palm Avenue development. At December 31, 2022, this contract remains in place.
- c. On May 19, 2021, the Union entered into a \$1,173,000 contract with a firm to supervise and manage the Palm Avenue development. At December 31, 2022, this contract remains in place.

B.C. General Employees' Union

Notes to the consolidated financial statements

Year ended December 31, 2022

17. Multi-employer pension plan

Employees of the Union are members of the Public Service Pension Plan ("PSPP" or the "Plan"), a multi-employer contributory defined benefit plan. The regular employer contribution for 2022 was \$2,943,719 (2021 - \$2,811,507) and is included in salaries and employee benefits expense.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of plan funding. The most recent actuarial valuation for the Plan at March 31, 2020 indicated a surplus of approximately \$2.667 billion. The actuary does not attribute portions of the surplus to individual employers. The plan covers approximately 68,000 active employees, of which approximately 323 are employees of the Union.

The Union identified that it has PSPP contribution arrears for certain temporary staff and that it may have PSPP contribution arrears for certain other temporary staff. The Union notified the PSPP and provided it with earnings data for both groups of temporary staff so that it can determine contribution arrears. In May 2023, the PSPP provided an estimate of \$870,000 of arrears payable. This estimate is included in accounts payable and accrued liabilities and in salaries and employee benefits expense for 2022 (2021 - \$nil).

18. Contingencies

There are human rights complaints that have been filed jointly against certain employers and the Union. As the Union's share of any potential liability cannot be estimated at this time, no amounts have been recorded in these financial statements.

19. BCGEU Diane L. Wood International Solidarity and Humanity Fund

The Union committed \$265,000 (2021 - \$243,000) to its BCGEU Diane L. Wood International Solidarity and Humanity Fund for international solidarity and development projects. As at December 31, 2022, \$92,708 (2021 - \$54,708) of committed funds have yet to be spent.

20. Credit facility

The Union has an available credit facility up to a maximum of \$8,500,000 with interest per annum charged at prime rate of 6.45% (2021 - 2.45%). When drawn, security for this facility is provided by way of a charge over certain of the Union's land and buildings, with a carrying value of \$5,816,314 (2021 - \$6,037,971). As at December 31, 2022, the amount outstanding was \$nil (2021 - \$nil).

21. Financial instruments

(a) *Liquidity risk*

Liquidity risk is the risk that the Union will encounter difficulty in meeting obligations associated with financial liabilities.

The Union is exposed to liquidity risk with respect to its accounts payable, due to components and supplemental leave benefits liability. The Union's cash on hand and cash flow from operations provides a substantial portion of the Union's cash requirements. Additional cash requirements can be met with the sale of marketable securities, or use of the available credit facility, if required.

B.C. General Employees' Union

Notes to the consolidated financial statements

Year ended December 31, 2022

21. Financial instruments (continued)

(b) *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Union's exposure to credit risk with respect to accounts receivable is minimal since over 96% of the accounts receivable as at December 31, 2022 (2021 - 95%) are receivable from well-established employers for members' dues deducted from members' wages. Members' dues are received from employers on a regular basis.

The Union's exposure to credit risk with respect to its cash and marketable securities is minimized since these items are held at well-capitalized Canadian financial institutions. In addition, the government of the Province of British Columbia, with its *Financial Institutions Act*, has, through the Credit Union Deposit Insurance Corporation, guaranteed the full value of the Union's cash, all of which is held at credit unions in British Columbia.

(c) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from the possibility that changes in interest rates will affect the value of fixed income securities held by the Union and accrued supplemental leave payable. The value of fixed income securities will generally rise when interest rates fall and decrease when market rates rise.

(d) *Other price risk*

Other price risk arises as a result of trading in equity securities. Fluctuations in the market expose the Union to a risk of loss. The Union mitigates this risk through controls to monitor and limit concentration levels.

(e) *Foreign currency risk*

As of December 31, 2022, 32% (2021 - 38%) of the marketable securities are invested in U.S. equities with an additional 13% (2021 - 12%) invested in other non-Canadian equities. Foreign currency risk arises due to changes in foreign currency exchange rates on the Union's foreign securities. Effective January 20, 2017, the Union implemented a hedging strategy to reduce its exposure to foreign currency gains and losses with respect to its holdings of U.S. equities and effective June 30, 2022, the Union decided to exit its hedging strategy.

B.C. General Employees' Union

Notes to the consolidated financial statements

Year ended December 31, 2022

22. Income taxes

The Union's wholly owned company has non-capital losses of \$3,049,997 that may be applied to reduce taxable income in future years. The potential income tax benefit of these losses has not been recorded in these consolidated financial statements. The non-capital losses expire as follows:

	\$
2039	419,783
2040	1,503,427
2041	1,126,786
	<hr/> 3,049,996 <hr/>

B.C. Government and Service Employees' Union

Consolidated schedule of rent revenue, net and expenses

Year ended December 31, 2022

Schedule

	Consolidated 2022	Consolidated 2021
	\$	\$
Building and administration		
Building	4,831,484	1,940,192
Office (Note 13)	1,926,931	1,011,846
Information technology	1,596,775	1,289,645
Telephone and utilities	1,034,157	917,879
Rent	562,339	559,662
Postage	299,855	227,199
Amortization of property and equipment	2,324,997	2,334,954
Amortization of investment properties	-	253,447
Amortization of property and equipment under capital lease	109,030	216,000
	12,685,568	8,750,824
Campaigns, strategic partnerships, communications and donations		
Campaigns, strategic partnerships and charitable donations	1,349,680	1,700,142
Internal and external communications	520,059	503,023
	1,869,739	2,203,165
Other member services		
Activist recognition events	228,856	71,721
BCGEU Diane L. Wood International Solidarity and Humanity Fund (Note 19)	227,000	239,800
Scholarships and welfare	152,901	202,650
Cross component committees	95,239	10,923
Workplace leadership	78,360	70,994
Membership activities	73,340	9,220
Union observers	28,661	45,714
Steward duties	-	61,041
Hospitality workers' health and welfare benefits plan (recovery)	(99,618)	(66,531)
	784,739	645,532

Convention

Organized labour derives its power from many workers coming together and using their collective voices to achieve improvements that members cannot make as individuals. Because every member's contributions are valued and essential to the strength of the organization, democracy and transparency are a necessity.

And there is no better place to see that democracy in action than our union convention.

Convention is the highest governing body of our union. At convention, members of our union like you, gather as delegates to set our direction for coming years. Delegates elect our union's executive committee (president, treasurer and executive vice-presidents), debate and pass resolutions that amend our constitution or direct our priorities, and celebrate our collective work to win justice, dignity and respect for working people.

Between conventions, our union's executive committee and provincial executive are responsible for carrying out the direction set at convention.

Members of our union also attend conventions of the labour coalitions that our union is affiliated with on the provincial and federal levels, including: the BC Federation of Labour (the BC Fed), the National Union of Public and General Employees (NUPGE) and the Canadian Labour Congress (CLC). These conventions operate similarly to ours and give BCGEU members the opportunity to meet with an even more diverse set of union members and to influence the direction of organized labour on a broader scale.

Interested in attending convention and taking an active role in the democracy of our union?

Our next convention is set for June of 2024. Keep an eye on your email inbox and the next issue of The Provincial in fall 2023.

