

**SGEU**  
**Consolidated Financial Statements**  
*December 31, 2020*

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To the Members of Saskatchewan Government and General Employees' Union:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Provincial Council is composed entirely of Members who are neither management nor employees of the Union. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Union's external auditors.

MNP LLP is appointed by the members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and may meet periodically and separately with, both the Council and management to discuss their audit findings.

April 28, 2021

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Richard Schramm  
Director of Finance

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To the Members of Saskatchewan Government and General Employees' Union:

## Opinion

We have audited the consolidated financial statements of Saskatchewan Government and General Employees' Union (the "Union"), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and 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, 2020, and the results of its consolidated 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 Auditor's 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.

## Auditor's 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 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 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 auditor's 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 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 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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group 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.

Regina, Saskatchewan

April 28, 2021

*MNP LLP*

Chartered Professional Accountants

**MNP**

**SGEU**  
**Consolidated Statement of Financial Position**  
*As at December 31, 2020*

	<i>General</i>	<i>Defense</i>	<i>Contingency</i>	<i>2020</i>	<i>2019</i>
<b>Assets</b>					
<b>Current</b>					
Cash	3,161,975	627,928	246,242	4,036,145	1,243,111
Accounts receivable (Note 3)	925,772	106	-	925,878	682,698
Prepaid	120,126	-	-	120,126	212,707
Due from general fund	-	-	1,959,546	1,959,546	1,929,908
Due from defense fund	12,068,649	-	-	12,068,649	10,226,674
	16,276,522	628,034	2,205,788	19,110,344	14,295,098
<b>Capital assets (Note 4)</b>	11,635,176	-	-	11,635,176	12,119,115
<b>Investments (Note 5)</b>	-	33,416,807	-	33,416,807	29,934,012
<b>Accrued benefit asset (Note 6)</b>	1,802,211	-	-	1,802,211	2,796,727
	29,713,909	34,044,841	2,205,788	65,964,538	59,144,952
<b>Liabilities</b>					
<b>Current</b>					
Accounts payable and accruals (Note 8)	1,485,703	-	-	1,485,703	1,643,986
Due to LTD Plan (Note 9)	1,319,020	-	-	1,319,020	626,484
Due to general fund	-	12,068,649	-	12,068,649	10,226,674
Due to contingency fund	1,959,546	-	-	1,959,546	1,929,908
	4,764,269	12,068,649	-	16,832,918	14,427,052
	4,764,269	12,068,649	-	16,832,918	14,427,052
<b>Subsequent events (Note 14)</b>					
<b>Net Assets</b>					
Unrestricted surplus	23,147,429	-	-	23,147,429	19,804,049
Restricted surplus (Note 6)	1,802,211	21,976,192	2,205,788	25,984,191	24,913,851
	24,949,640	21,976,192	2,205,788	49,131,620	44,717,900
	29,713,909	34,044,841	2,205,788	65,964,538	59,144,952

Approved on behalf of the Board

 Teresa Sauer, President

 Diane Ralph, First Vice President

The accompanying notes are an integral part of these consolidated financial statements



**SGEU**

**Consolidated Statement of Operations and Changes in Net Assets**  
*For the year ended December 31, 2020*

	<i>General</i>	<i>Defense</i>	<i>Contingency</i>	<i>2020</i>	<i>2019</i>
<b>Revenue</b>					
Membership dues	16,160,113	-	-	16,160,113	15,601,692
Assessments	-	384,246	36,519	420,765	425,298
Investment income	7,803	1,093,700	1,556	1,103,059	1,126,087
Initiation fees	53,680	-	-	53,680	61,975
Rental income	127,232	-	-	127,232	122,648
	16,348,828	1,477,946	38,075	17,864,849	17,337,700
<b>Expenses</b>					
Amortization	872,048	-	-	872,048	842,090
Rental expenses	188,054	-	-	188,054	173,513
Campaign expenses	-	341,975	-	341,975	1,801,058
	1,060,102	341,975	-	1,402,077	2,816,661
<b>Program expenses (Schedule 1)</b>	5,698,384	-	-	5,698,384	7,172,669
<b>Administration expenses (Schedule 2)</b>	6,246,962	199,042	-	6,446,004	6,641,296
<b>Total expenses</b>	13,005,448	541,017	-	13,546,465	16,630,626
<b>Excess of revenue over expenses before other items</b>	3,343,380	936,929	38,075	4,318,384	707,074
<b>Other items</b>					
Unrealized gain on investment	-	1,089,852	-	1,089,852	1,990,763
Recovery of Long-term disability Plan costs	(994,516)	-	-	(994,516)	4,344,998
	(994,516)	1,089,852	-	95,336	6,335,761
<b>Excess of revenue over expenses</b>	2,348,864	2,026,781	38,075	4,413,720	7,042,835
<b>Net assets, beginning of year</b>	22,600,776	19,949,411	2,167,713	44,717,900	37,675,065
<b>Net assets, end of year</b>	24,949,640	21,976,192	2,205,788	49,131,620	44,717,900

*The accompanying notes are an integral part of these consolidated financial statements*

**SGEU**  
**Consolidated Statement of Cash Flows**  
*For the year ended December 31, 2020*

	<i>General</i>	<i>Defense</i>	<i>Contingency</i>	<i>2020</i>	<i>2019</i>
<b>Cash provided by (used for) the following activities</b>					
<b>Operating</b>					
Excess of revenue over expenses	2,348,864	2,026,781	38,075	4,413,720	7,042,835
Amortization	872,048	-	-	872,048	842,090
Investment income from investments	-	(1,091,945)	-	(1,091,945)	(1,084,666)
Change in the market value of investments	-	(1,089,852)	-	(1,089,852)	(1,990,763)
Management fee on investments	-	199,002	-	199,002	186,558
Long-term disability costs (recovery) / loss	994,516	-	-	994,516	(4,344,998)
	4,215,428	43,986	38,075	4,297,489	651,056
Changes in working capital accounts					
Accounts receivable	(243,534)	355	-	(243,180)	(41,085)
Due to LTD Plan	692,536	-	-	692,536	262,863
Due from general fund	-	-	(29,638)	(29,638)	54,922
Due from defense fund	(1,841,975)	-	-	(1,841,975)	(2,300,497)
Prepaid	92,580	-	-	92,581	(53,018)
Accounts payable and accruals	(158,282)	-	-	(158,282)	390,975
Due to general fund	-	1,841,975	-	1,841,975	2,300,497
Due to contingency fund	29,638	-	-	29,638	(54,922)
	2,786,391	1,886,316	8,437	4,681,144	1,210,791
<b>Investing</b>					
Purchase of capital assets	(388,110)	-	-	(388,110)	(186,189)
Purchase of investments	-	(1,500,000)	-	(1,500,000)	(1,000,000)
	(388,110)	(1,500,000)	-	(1,888,110)	(1,186,189)
<b>Increase in cash resources</b>	<b>2,398,281</b>	<b>386,316</b>	<b>8,437</b>	<b>2,793,034</b>	<b>24,602</b>
<b>Cash resources, beginning of year</b>	<b>763,694</b>	<b>241,612</b>	<b>237,805</b>	<b>1,243,111</b>	<b>1,218,509</b>
<b>Cash resources, end of year</b>	<b>3,161,975</b>	<b>627,928</b>	<b>246,242</b>	<b>4,036,145</b>	<b>1,243,111</b>
<b>Cash resources are composed of:</b>					
Cash	3,161,975	627,928	246,242	4,036,145	1,243,111

*The accompanying notes are an integral part of these consolidated financial statements*

**1. General**

Saskatchewan Government and General Employees' Union (the "Union") is a democratic union, through which members strive for healthy productive work environments as they provide quality public services and presentation for all interest groups. The Union's vision is a structure that is membership driven ensuring democratic and equitable representation. The structure will accommodate the diversity of the membership and allow for accountable leadership and effective communication.

**2. Significant accounting policies**

The consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, and include the following significant accounting policies:

***Fund accounting***

The accounts of the Union are maintained in accordance with the principles of fund accounting, whereby the resources of the Union are classified into funds associated with specific activities or objectives. For financial reporting purposes, there are three funds presented in these financial statements:

- i) The General Fund reflects the conduct of general operations and activities.
- ii) The Defense Fund reflects the operations for those activities related to the defense of the union and strikes.
- iii) The Contingency Fund exists to meet unforeseen or unusual financial needs of the union.

Interfund receivables and payables are non interest bearing and have no fixed terms of repayment.

***Consolidation***

SGEU has consolidated the assets, liabilities, revenues and expenses of its subsidiary after the elimination of intercompany transactions and balances. The consolidated financial statements include the accounts of the Union, and its wholly owned real-estate holding subsidiary (101140532 Saskatchewan Ltd) as at December 31, 2020.

***Basis of presentation***

These consolidated financial statements reflect the assets, liabilities, revenue and expenses of the Union, including the Defense Fund, and the Contingency Fund.

***Cash and cash equivalents***

Cash and cash equivalents include balances with banks and short term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

***Capital assets***

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

In the year of acquisition, amortization is taken at one half of the below rates.

The organization expensed all software.

	<b>Method</b>	<b>Rate</b>
Buildings	straight-line	20 years
Computer equipment	straight-line	3 years
Furniture and fixtures	straight-line	5 years

***Union leave accrual***

SGEU accrues Union leave based on members attending union functions throughout the year. Union leave is remitted to the employers upon receipt of invoices. Union leave not invoiced after a one year period is recovered.



**2. Significant accounting policies** *(Continued from previous page)*

***Pension plan***

The Union contributes to a defined contribution plan which consists of a 9% (2019 - 9%) contribution made by the employee, which is matched by SGEU. During the year contributions of \$731,861 (2019 - \$729,065) were made to the pension plan.

***Revenue recognition***

Revenue from membership dues is recorded monthly and during the period in which the individual is a member of the union and is recorded when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Investment income is recorded as it is earned. Assessment revenue is recognized as it is earned. Rental revenue is recognized as earned over the period to which it relates.

***Income taxes***

The Union is exempt from taxes under the provision 149 (1)(l) of the Income Tax Act.

***Measurement uncertainty***

The preparation of consolidated financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period.

Capital assets are amortized based on the estimated useful lives.

The Long-term Disability Plan's accrued benefit asset or liability is based on a number of assumptions about future events including: recovery and mortality rates, interest rates and expected benefits from other sources. The actual experience may vary significantly from the assumptions used.

Assessment revenue is initially recorded based on the estimated working membership each month.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

***Financial instruments***

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management, except for, financial assets and liabilities originated and issued in all other related party transactions which are initially measured at their carrying or exchange amount in accordance with Section 3840 *Related Party Transactions* (refer to Note 3).

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Union subsequently measures all financial assets and liabilities at amortized cost except cash and long-term investments which are at fair value.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess (deficiency) of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial assets recorded at fair value are cash and long-term investments, and at amortized cost are accounts receivable, rental receivable, and dues receivable.

**SGEU**  
**Notes to the Consolidated Financial Statements**  
*For the year ended December 31, 2020*

**2. Significant accounting policies** *(Continued from previous page)*

**Financial asset impairment:**

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenues over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess (deficiency) of revenues over expenses in the year the reversal occurs.

**3. Accounts receivable**

	2020	2019
Accounts receivable	945,250	709,657
Allowance for doubtful accounts	(19,372)	(26,959)
	<b>925,878</b>	<b>682,698</b>

**4. Capital assets**

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Land	1,445,209	-	1,445,209	1,445,210
Buildings	13,306,280	3,631,561	9,674,719	10,306,683
Computer equipment	770,114	577,873	192,241	162,435
Furniture and fixtures	1,076,220	835,358	240,862	204,787
Building under construction	82,145	-	82,145	-
	<b>16,679,968</b>	<b>5,044,792</b>	<b>11,635,176</b>	<b>12,119,115</b>

Building under construction with a carrying value of \$82,145 (2019 (\$nil)). No amortization of this asset has been recorded during the current year because it is currently under construction.

**5. Long-term investments**

	2020	2019
Measured at fair value (Defense Fund):		
Bonds (interest of 1.75% - 10.75%; maturing between December 5, 2022 - December 1, 2048)	7,235,401	7,084,981
Preferred Shares	5,979,034	5,718,266
Common Shares	10,562,870	8,967,215
Mutual Funds	8,778,797	7,528,295
Cash	860,705	635,255
	<b>33,416,807</b>	<b>29,934,012</b>

**SGEU**  
**Notes to the Consolidated Financial Statements**  
*For the year ended December 31, 2020*

**6. Accrued benefit asset (liability)**

SGEU's long-term disability plan is intended to provide income protection for participating union members who are totally disabled, unable to work, and who are not covered by Workers' Compensation or automobile insurance. Plan participants consist of the members of the participating bargaining units of the plan. Bargaining units of SGEU can become participants of the plan through a vote to join decided by a majority. Current service costs of this plan are charged to earnings on the basis of actuarial valuations, the most recent valuation for SGEU was December 31, 2020. Valuations will be completed on an annual basis. In 2020, the accrued benefit asset increased by \$994,516 (2019 - increased by \$4,344,997) to reflect the results of this valuation.

	<b>2020</b>	<b>2019</b>
Plan net assets fair value	<b>54,490,211</b>	51,654,727
Accrued benefit obligation	<b>(52,688,000)</b>	(48,858,000)
	<b>1,802,211</b>	2,796,727

The accrued benefit obligation is actuarially determined. The accrued benefit obligation is based on a number of assumptions about future events including: recovery and mortality rates, interest rates and expected benefits from other sources. The actual experience may vary significantly from the assumptions used. The valuation is based on the following assumptions:

<b>Assumptions</b>	<b>2020</b>	<b>2019</b>
<b>Termination rate of claims</b>	2011 Canadian Institute of Actuaries Group LTD Termination Table, adjusted for experience.	2011 Canadian Institute of Actuaries Group LTD Termination Table, adjusted for experience.
<b>Expected rate of return on plan asset and discount rate</b>	3.25%	3.75%
<b>Inflation rate</b>	2.00% - based on consumer price index	2.00% - based on consumer price index
<b>Cost of living adjustments</b>	1.00%	1.00%
<b>Percentage of claimants expected to be accepted for extension of benefits to age 65</b>	40%	35%
<b>Incurred but not yet reported claims</b>	6/12ths of the estimated current year claims cost	6/12ths of the estimated current year claims cost

The amount of benefits payable under the Long-term Disability Plan may be increased on January 1 each year. The increase in benefits is indexed. The liability for claims is based on a number of assumptions about future events including: recovery and mortality rates, interest rates and expected benefits from other sources. The actual experience may vary significantly from the assumptions used.

The actuary is appointed by SGEU's Council. The actuary is responsible for ensuring that the assumptions and methods used in management's valuation of Provision for Claims Payable are in accordance with accepted actuarial practice, applicable legislation and associated regulations or directives. The actuary is also required to provide an opinion regarding the appropriateness of the Plan's Provision for Claims Payable as at December 31, 2020. Examination of supporting data for accuracy and completeness, a review of the valuation process used and an analysis of the Plan's assets are important elements of the work required to form this opinion.

**SGEU**  
**Notes to the Consolidated Financial Statements**  
*For the year ended December 31, 2020*

**7. Credit arrangements**

At December 31, 2020, the Union had a line of credit with Royal Bank Canada with a maximum limit of \$400,000, none (2019 - \$nil) of which was drawn. The line of credit when advanced bears interest at prime rate and is due on demand. Secured by a general security agreement. Collateral pledged is Royal Bank Dominion Securities defense fund investments.

In addition, SGEU maintains a margin account with its investment manager. The margin account is capped at 50% of the investment balance and has an interest rate of 3%.

**8. Accounts payable and accruals**

Included in accounts payable and accruals are payroll income taxes, Canada Pension Plan, Employment Insurance, group insurance, pensions payable, and GST payable of \$87,810 (2019 - \$67,206).

**9. Related party transactions**

The SGEU is related to the Saskatchewan Government and General Employees' Union Long Term Disability Plan by virtue of common control. The members of the SGEU LTD Plan, are also members of SGEU. At December 31, 2020, the Union has recorded an amount payable to SGEU LTD of \$1,319,020 (2019 - \$626,484). This amount is based on the exchange amounts.

**10. Contingencies**

During the course of normal operations the Union has been named as a defendant in a number of legal claims, the outcomes of which are not determinable at this time. The Union rigorously defends all such actions and management believes that no provision for any potential losses is required within the financial statements. However, there remains some risk that the outcomes of such claims, once settled, may be material.

**11. Wholly Owned Subsidiary - financial results**

SGEU has consolidated the assets, liabilities, revenues and expenses of its subsidiary after the elimination of intercompany transactions and balances. For the year ended December 31, 2020, prior to consolidation and the elimination of inter-company transactions, the financial statements of the subsidiary had the following balances:

	<b>2020</b>	<b>2019</b>
Assets	<b>\$1,205,970</b>	\$1,169,515
Liabilities	<b>1,210,516</b>	1,177,558
Deficit	<b>4,546</b>	8,043
Revenue	<b>234,100</b>	229,516
Expenses	<b>230,603</b>	220,346
Net income	<b>3,497</b>	9,170

**SGEU**  
**Notes to the Consolidated Financial Statements**  
*For the year ended December 31, 2020*

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**12. Financial instruments**

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

***Credit concentration***

Accounts receivable from three (2019 - two) employers represents 64% (2019 - 61%) of total accounts receivable as at December 31, 2020. The Union believes that there is minimal risk associated with the collection of these amounts. The balance of accounts receivable is widely distributed among the remainder of the Union's customer base. The Union performs regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.

***Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Organization is exposed to interest rate cash flow risk with respect to its line of credit and its accrued benefit asset/liability which are subject to varying interest rates. The Union is not exposed to interest rate price risk.

***Other price risk***

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk), 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 Organization's investments in publicly-traded securities and corporate bonds exposes the Organization to price risk as these investments are subject to price changes in an open market due to a variety of reasons including changes in market rates of interest, general economic indicators and restrictions on credit markets.

***Foreign currency risk***

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization enters into transactions to earn a return on investment denominated in foreign currency for which the related revenues, expenses, accounts receivable and accounts payable balances are subject to exchange rate fluctuations. As at December 31, 2020, the following items are denominated in foreign currency:

	<b>2020</b>	<b>2019</b>
	<b>CAD\$</b>	<b>CAD\$</b>
Investments - foreign securities	<b>7,046,894</b>	5,155,059

***Liquidity risk***

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization's exposure to liquidity risk is dependent on the collection of accounts, purchasing commitments and obligations or raising funds to meet commitments and sustain operations.

**13. Commitment**

A contract was signed for the design of an office building in Prince Albert, SK. The contract is for a flat fee of \$7,500 plus 9.5% of construction costs up to \$500,000 and 8.5% of construction costs over \$500,000.

**14. Subsequent events**

On March 31, 2021, the Organization purchased two parcels of land in Prince Albert, SK for \$840,000 in order to build an office building.

**15. Significant event**

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Union as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause staff shortages and increased government regulations, all of which may negatively impact the Company's business and financial condition.

**Saskatchewan Government and General Employees' Union**  
**Schedule 1 - Schedule of Program Expenses**

*For the year ended December 31, 2020*

	2020	2019
<b>A. INTERNAL STRUCTURES AND ADMINISTRATION</b>		
INTERNAL STRUCTURES AND CONVENTIONS (A01)	1,543,439	2,028,811
PLAN MANAGEMENT & ADMIN UPGRADES (A02)	(4,292)	(11,076)
BENEFIT PLAN ADMINISTRATION (A05)	5,317	11,890
LABOUR COUNCIL (A06)	36,247	36,247
	<b>1,580,711</b>	<b>2,065,872</b>
<b>B. DEFENSE OF CONTRACT AND UNION RIGHTS</b>		
BARGAINING / SERVICING (B01)	677,999	1,095,578
PSGE COMMITTEES (B03)	1,227,666	1,380,245
DEFENSE OF MEMBER GROUPS (B04)	137,408	186,436
LEGAL DEFENSE (B06)	523,040	635,734
OTHER (B07)	5,812	12,449
	<b>2,571,925</b>	<b>3,310,442</b>
<b>C. CONTRACT ENFORCEMENT</b>		
ELECTED REPS. TRAINING AND DEVELOPMENT (C02)	172,172	313,136
ARBITRATIONS (C05)	62,846	73,308
	<b>235,018</b>	<b>386,444</b>
<b>E. UNION PUBLICATIONS</b>		
UNION PUBLICATIONS (E03)	137,780	117,794
<b>F. PROVINCIAL STANDING COMMITTEES</b>		
PROVINCIAL STANDING COMMITTEES (F01)	400,096	290,818
LOCAL/SECTOR UNION LEAVE (F05)	3,499	19,004
SECTOR EXPENSES (F04)	67,907	150,513
	<b>471,502</b>	<b>460,335</b>
<b>G. SOLIDARITY</b>		
NUPGE MEMBERSHIP & ACTIVITIES (G01)	330,630	393,297
SFL MEMBERSHIP & ACTIVITIES (G02)	225,782	294,034
CLC MEMBERSHIP (G06)	145,036	144,451
	<b>701,448</b>	<b>831,782</b>
<b>TOTAL PROGRAM EXPENSES</b>	<b>5,698,384</b>	<b>7,172,669</b>



**SASKATCHEWAN GOVERNMENT & GENERAL EMPLOYEES' UNION**  
**Schedule 2 - Schedule of Administration Expenses (General Fund)**

For the year ended December 31, 2020

	2020	2019
<b>OFFICE EXPENSES</b>		
330 SUPPORT	-	-
405 T&S MEMBER	2,719	4,970
410 STIPEND	48	-
415 PAYLOSS	11,572	32,762
500 BUILDING MAINTENANCE	96,847	92,793
511 COMPUTER-SOFTWARE	87,855	75,587
512 COMPUTER-HARDWARE	12,720	14,801
513 COMPUTER-MAINTENANCE	-	1,282
515 UTILITIES	65,446	71,505
519 MANAGED HOSTING	130,222	113,561
525 OFFICE OPERATIONS	108,523	154,441
530 RENT	64,427	63,425
535 TELEPHONE	61,442	51,439
540 TELEPHONE/CELLS	50,969	54,244
545 AUDIT	45,000	55,000
555 COFFEE	3,778	4,817
560 DONATION	15,734	22,894
575 FEES (RECOVERY)	7,807	8,253
587 BANK INTEREST/SERVICE CHARGE	5,537	8,504
590 INSURANCE	38,736	36,621
625 POSTAGE/CARTAGE	76,433	102,806
630 PRINTING/BINDING	53,300	11
635 REGISTRATION FEE	46	476
645 RESOURCE MATERIAL	46,284	48,883
662 UNIONWARE SUPPORT	47,239	61,218
665 TAXES	132,321	131,537
705 LOCAL STEWARD CHARGES (RECOVERY)	-	-
706 MISCELLANEOUS RECOVERIES	384,548	125,541
835 LEGAL	282,110	29,690
911 COVID-19	87,222	-
<b>Total Office Expenses</b>	<b>1,134,175</b>	<b>1,099,473</b>

**SASKATCHEWAN GOVERNMENT & GENERAL EMPLOYEES' UNION**  
**Schedule 2 - Schedule of Administration Expenses (General Fund)**

For the year ended December 31, 2020

	2020	2019
<b>STAFF COSTS</b>		
200 BUILDING SERVICE WORKER	135,258	134,846
205 ADMIN	984,679	972,954
210 LRO/ORG	1,544,380	1,500,796
215 RES/EDUC	72,089	67,699
220 ACCOUNTING	250,642	234,557
230 OUT OF SCOPE	681,448	659,025
235 COMMUNICATIONS	269,924	299,936
240 OVERTIME	79,874	110,547
367 EMPLOYER PAID TRAINING	-	5,429
368 MANAGEMENT TRAINING	2,318	39,114
Sub-Total	4,020,612	4,024,903
<b>BENEFITS</b>		
300 UIC EMPLOYER	59,529	65,570
305 CPP EMPLOYER	157,133	153,367
315 GROUP INSURANCE-EMPLOYER	2,924	2,850
320 PENSION-EMPLOYER	372,204	373,018
345 DENTAL/DRUG/OPTICAL - EMPLOYER	152,045	158,941
355 SEP ALLOWANCE	-	479
360 WORKERS COMPENSATION	27,208	28,297
362 DOMESTIC EMERGENCY/FAMILY LEAVE	-	-
364 SICK LEAVE	203,118	302,148
370 UNION LEAVE	-	(353)
376 JOINT ED LEAVE	56,058	57,639
Sub-Total	1,030,219	1,141,956
Total Staff Costs	5,050,831	5,166,859
100 Staff T&S	61,956	188,406
<b>TOTAL ADMINISTRATION</b>	<b>6,246,962</b>	<b>6,454,738</b>