

# **Manitoba Nurses' Union**

Financial Statements  
**December 31, 2021**



## Independent auditor's report

To the Board of Directors of Manitoba Nurses' Union

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### Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Manitoba Nurses' Union (the Organization) as at December 31, 2021 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### What we have audited

The Organization's financial statements comprise:

- the balance sheet as at December 31, 2021;
- the statement of operations for the year then ended;
- the statement of changes in fund balances for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal

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control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

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### **Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants

Winnipeg, Manitoba  
April 26, 2022

# Manitoba Nurses' Union

## Balance Sheet

As at December 31, 2021

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	2021 \$	2020 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash	3,024,866	2,524,268
Accounts receivable	687,477	526,669
Prepaid expenses	74,354	31,416
	<hr/>	<hr/>
	3,786,697	3,082,353
<b>Investments in marketable securities</b> (note 3)	11,036,728	8,334,149
<b>Investment in Union Centre Inc.</b> (note 4)	579,362	579,362
<b>Property and equipment</b> (note 5)	121,610	138,328
<b>Intangible assets</b> (note 6)	32,150	40,188
	<hr/>	<hr/>
	15,556,547	12,174,380
<b>Liabilities and Fund Balances</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 7)	956,061	826,759
<b>Severance benefit payable</b>	559,174	555,299
	<hr/>	<hr/>
	1,515,235	1,382,058
<b>Fund balances</b>		
Defence/Strike Fund (note 9)	1,488,296	1,530,006
Keith Lambert Scholarship Fund (note 10)	32,545	29,045
Negotiations Fund (note 11)	2,974,370	3,100,269
International Assistance Fund (note 12)	6,498	6,498
General Fund	9,539,603	6,126,504
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	14,041,312	10,792,322
	<hr/>	<hr/>
	15,556,547	12,174,380

### Approved by the Board of Directors

\_\_\_\_\_ President

\_\_\_\_\_ Secretary-Treasurer

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

**Manitoba Nurses' Union**  
**Statement of Operations**  
**For the year ended December 31, 2021**

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	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Membership dues	9,805,494	9,659,800
Less: Dual dues refunds	(228,580)	(202,020)
	<hr/>	<hr/>
	9,576,914	9,457,780
Investment income (note 3)	963,550	466,464
	<hr/>	<hr/>
	10,540,464	9,924,244
 <b>Expenses</b>		
Office support (note 16)	635,542	693,740
Democratic process (note 17)	401,406	364,936
Membership services (note 18)	1,074,116	1,528,973
Affiliations (note 19)	571,333	547,877
Outreach and solidarity (note 20)	33,500	33,452
Administrative support	4,575,577	4,464,640
	<hr/>	<hr/>
	7,291,474	7,633,618
	<hr/>	<hr/>
<b>Net income for the year</b>	<b>3,248,990</b>	<b>2,290,626</b>
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The accompanying notes are an integral part of these financial statements.

# Manitoba Nurses' Union

## Statement of Changes in Fund Balances

For the year ended December 31, 2021

						<u>2021</u>	<u>2020</u>
	<b>Defence/ Strike Fund \$</b>	<b>Keith Lambert Scholarship Fund \$</b>	<b>Negotiations Fund \$</b>	<b>International Assistance Fund \$</b>	<b>General Fund \$</b>	<b>Total \$</b>	<b>Total \$</b>
<b>Balance – Beginning of year</b>	1,530,006	29,045	3,100,269	6,498	6,126,504	10,792,322	8,501,696
Net income (loss) for the year	(44,252)	1,000	(131,050)	-	3,423,292	3,248,990	2,290,626
Interfund transfers (notes 9, 10, 11 and 12)	2,542	2,500	5,151	-	(10,193)	-	-
<b>Balance – End of year</b>	<u>1,488,296</u>	<u>32,545</u>	<u>2,974,370</u>	<u>6,498</u>	<u>9,539,603</u>	<u>14,041,312</u>	<u>10,792,322</u>

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

**Manitoba Nurses' Union**  
**Statement of Cash Flows**  
**For the year ended December 31, 2021**

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	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net income for the year	3,248,990	2,290,626
Items not affecting cash		
Depreciation	38,440	94,456
Leasehold inducement amortization	-	(30,000)
Realized gain on sale of investments	(725,455)	(402,988)
Unrealized gain on investments	(224,019)	(47,534)
	<hr/>	<hr/>
	2,337,956	1,904,560
Change in non-cash working capital items		
Accounts receivable	(160,808)	257,342
Prepaid expenses	(42,938)	46,924
Accrued interest	5,180	(2,404)
Accounts payable and accrued liabilities	133,177	(245,705)
	<hr/>	<hr/>
	2,272,567	1,960,717
<b>Investing activities</b>		
Purchase of investments	(2,010,023)	(259,796)
Proceeds on disposal of investments	251,738	249,835
Purchase of property and equipment	(13,684)	(30,377)
	<hr/>	<hr/>
	(1,771,969)	(40,338)
<b>Increase in cash during the year</b>	500,598	1,920,379
<b>Cash – Beginning of year</b>	<hr/>	<hr/>
	2,524,268	603,889
<b>Cash – End of year</b>	<hr/>	<hr/>
	3,024,866	2,524,268

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



# Manitoba Nurses' Union

## Notes to Financial Statements

December 31, 2021

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### 1 Organization

The constitution and bylaws of the Manitoba Nurses' Union (MNU) were adopted in October 1975. The objective of MNU is the advancement of the social, economic and general welfare of its members. As such, MNU is exempt from income taxes under Section 149(1)(k) of the Income Tax Act.

### 2 Summary of significant accounting policies

#### Basis of presentation

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

#### Revenue recognition

MNU follows the deferral method of accounting for contributions.

Dues are recorded as income in the month in which they are earned. Investment income is recognized when earned.

#### Property and equipment

Property and equipment are initially recorded at cost.

Amortization is provided for by using the straight-line method to amortize the cost of the assets over their estimated useful lives at a rate of 20%.

#### Intangible assets

Intangible assets are initially recorded at cost.

Amortization is provided for by using the straight-line method to amortize the cost of the assets over their estimated useful lives at a rate of 20%.

#### Use of estimates

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

# Manitoba Nurses' Union

## Notes to Financial Statements

December 31, 2021

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### Financial instruments

- Measurement of financial instruments

MNU initially measures its financial assets and financial liabilities at fair value. MNU subsequently measures all its financial assets and financial liabilities at amortized cost, except for cash and investments in marketable securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include accounts receivable. The investment in Union Centre Inc. is measured at cost.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

- Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a writedown is recognized in net income. When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

### 3 Investments in marketable securities

Investments consist of:

	2021		2020	
	Market value	Cost	Market value	Cost
	\$	\$	\$	\$
Term deposits	-	-	251,738	246,558
Accrued interest	-	-	5,180	5,180
Pooled funds	10,833,958	10,620,406	7,880,844	7,896,490
Preferred shares	202,770	202,770	196,387	196,387
	<u>11,036,728</u>	<u>10,823,176</u>	<u>8,334,149</u>	<u>8,344,615</u>

# Manitoba Nurses' Union

## Notes to Financial Statements

December 31, 2021

Pooled funds consist of the following:

	2021		2020	
	Market value	Cost	Market value	Cost
	\$	\$	\$	\$
Money market	108,131	108,131	-	-
Canadian equity	2,813,345	2,813,368	2,150,260	2,243,761
Global equity	2,706,210	2,706,210	2,162,737	2,196,822
Bond Fund	2,544,500	2,544,500	1,763,752	1,752,612
Core Plus Bond (PIMCO)	1,569,368	1,569,368	1,122,954	1,152,276
Global Direct Real Estate	1,092,404	878,829	681,141	551,019
	<u>10,833,958</u>	<u>10,620,406</u>	<u>7,880,844</u>	<u>7,896,490</u>

Investment income consists of the following:

	2021	2020
	\$	\$
Interest	14,076	15,942
Realized gain on sale of investments	725,455	402,988
Unrealized gain on fair market value adjustment	224,019	47,534
	<u>963,550</u>	<u>466,464</u>

#### 4 Investment in Union Centre Inc.

The investment in Union Centre Inc., which represents approximately 27%, is recorded at cost. Union Centre Inc. was formed to operate the building at 275 Broadway in Winnipeg. During the year, MNU paid \$291,133 (2020 – \$292,945) in rent to Union Centre Inc.

#### 5 Property and equipment

	2021		2020	
	Cost	Accumulated amortization	Net	Net
	\$	\$	\$	\$
Furniture and equipment	422,749	329,869	92,880	96,549
Leasehold improvements	587,912	559,182	28,730	41,779
	<u>1,010,661</u>	<u>889,051</u>	<u>121,610</u>	<u>138,328</u>

# Manitoba Nurses' Union

## Notes to Financial Statements

December 31, 2021

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### 6 Intangible assets

Intangible assets are comprised of computer software, which has a cost of \$148,693 (2020 – \$148,693) and accumulated amortization of \$116,543 (2020 – \$108,505).

### 7 Government remittances

Government remittances consist of amounts (such as sales taxes and payroll withholding taxes) required to be paid to government authorities and are recognized when the amounts become due. In respect of government remittances, \$66,977 (2020 – \$62,595) is included within accounts payable and accrued liabilities.

### 8 Severance benefit payable

MNU has a severance policy in place for its employees eligible under their respective collective agreements. On termination of employment, an employee who has completed ten years of continuous employment shall receive a severance of one week's pay for each year of employment.

### 9 Defence/Strike Fund

The Defence/Strike Fund is internally restricted and was established for the purpose of funding future labour disputes. MNU allocates, on a percentage basis, interest earned from investments to this fund as determined by the Board of Directors.

In 2021, \$2,542 (2020 – \$3,914) was transferred to the Defence/Strike Fund from the General Fund.

### 10 Keith Lambert Scholarship Fund

The Keith Lambert Scholarship Fund is internally restricted and was established in 1993 in recognition of Keith Lambert's contribution to the labour movement and the MNU. The objective of the fund is to provide financial assistance to members of the MNU who enrol in programs of advanced labour studies. In 2021, \$2,500 was transferred to the Keith Lambert Scholarship Fund from the General Fund.

### 11 Negotiations Fund

The Negotiations Fund is internally restricted and was established in 2002 for the purpose of funding collective bargaining negotiations of future years. MNU allocates, on a percentage basis, interest earned from investments to this fund as determined by the Board of Directors. During 2021, \$5,151 was transferred to this fund from the General Fund (2020 – \$6,878).

# Manitoba Nurses' Union

## Notes to Financial Statements

December 31, 2021

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### 12 International Assistance Fund

The International Assistance Fund is internally restricted and was established in 2009 for the purpose of providing donations to organizations that provide health and social support in developing countries or those countries recovering from natural or human disasters.

### 13 Lease commitments

The approximate aggregate future minimum lease payments required under long-term operating leases for leased premises and office equipment amount to approximately \$251,268 and for each of the next two years.

### 14 Post-retirement benefits

MNU maintains various defined contribution plans for its eligible employees. Pension expense for these plans for the year amounted to \$288,613 (2020 – \$282,408).

### 15 Financial instruments

MNU manages risk and risk exposures by applying policies approved by the Board of Directors. The significant financial risks to which MNU is exposed are credit risk and interest rate risk.

#### Credit risk

MNU is exposed to credit risk with respect to its accounts receivable and term deposits. MNU earns its revenue from membership dues and investment income.

#### Market risk

MNU is exposed to market risk due to potential for loss from changes in the value of financial instruments. Value can be affected by changes in interest rates, foreign exchange rates and equity prices. Market risk primarily impacts the value of investments.

# Manitoba Nurses' Union

## Notes to Financial Statements

December 31, 2021

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### 16 Office support

Expenses include the following:

	<b>2021</b>	<b>2020</b>
	\$	\$
Amortization	38,440	94,456
Audit	22,676	22,580
Bank charges	1,511	1,637
Copier	25,417	19,547
Fax costs	1,443	906
Insurance	15,047	18,913
Messenger services	4,332	4,042
Miscellaneous	5,990	7,541
Office supplies	12,431	23,097
Postage	18,825	19,060
Premises rental	291,133	292,945
Printing	2,579	4,465
Resource material	14,731	13,717
Stationery	1,245	2,714
Technology	107,428	94,441
Telephone	72,314	73,679
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	635,542	693,740
	<hr/>	<hr/>

### 17 Democratic process

Expenses include the following:

	<b>2021</b>	<b>2020</b>
	\$	\$
Annual meeting	75,505	20,415
Board	102,213	81,461
Committees	223,527	261,936
Miscellaneous meetings	161	1,124
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	401,406	364,936
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# Manitoba Nurses' Union

## Notes to Financial Statements

December 31, 2021

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### 18 Membership services

Expenses include the following:

	2021 \$	2020 \$
Communications	148,084	339,780
Computer support	14,200	13,900
Education programs	49,950	240,537
Legal expense assistance plan	64,840	62,470
Legal, arbitration and consultation	297,789	458,844
Regional and worksite president's days	361,820	365,185
Negotiations	137,433	45,479
New member expenses	-	2,778
	<hr/> 1,074,116	<hr/> 1,528,973

Of the communications total, \$44,252 relates to the Defence/Strike Fund (2020 – \$256,756).

### 19 Affiliations

Expenses include the following:

	2021 \$	2020 \$
Canadian Federation of Nurses' Unions and Canadian Labour Congress	337,622	331,300
Labour Councils	55,489	54,547
Manitoba Federation of Labour Dues	133,491	129,030
CFNU Biennial	11,731	-
Other	33,000	33,000
	<hr/> 571,333	<hr/> 547,877

# Manitoba Nurses' Union

## Notes to Financial Statements

December 31, 2021

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### 20 Outreach and solidarity

Expenses include the following:

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Ad hoc donations	12,500	9,950
Budgeted donations	6,500	6,500
Student outreach	-	1,843
International Assistance Donation	-	1,159
Joyce Gleason Scholarship	6,000	6,000
Keith Lambert Scholarships	2,500	2,500
Other donations and sponsorships	6,000	5,500
	<hr/>	<hr/>
	33,500	33,452
	<hr/>	<hr/>