

# Action Agenda

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March 5, 2026

## **SECRETARY-TREASURERS**

- HEU Budget 2026
  - Letter to Locals
  - HEU Budget 2026
  - 2024 Audited Financial Statement (Smythe LPP)

## **FACILITIES BARGAINING ASSOCIATION – FBA MEMBERS ONLY**

- Update on renewed FBA Collective Agreement – safer working conditions and expanded union representation
- POSTER – FBA Agreement Making Work Safer and Expanding Union Rights (PLEASE POST)



March 5, 2026

Secretary-Treasurers, All HEU Locals

Dear Siblings,

**Re: HEU 2026 Budget**

Thank you for your continued leadership and advocacy on behalf of HEU members.

Attached you will find HEU's 2026 budget, as adopted by the Provincial Executive. This budget reflects HEU's Constitution, Strategic Plan, Convention mandates, and planning calendar, and represents our best estimate based on what we know today. As always, it has been developed through close collaboration between officers, senior management, and Finance.

This is a convention year, and that matters. Convention is where members set direction, elect leadership, and hold our union accountable. Preparing for a strong, member-driven convention requires significant planning, capacity, and resources, and this budget reflects that responsibility.

More broadly, 2026 is not a routine year for our union.

It is clear that member engagement, trust, and local capacity matter more than ever. This budget responds directly to that reality, with intentional investments in local building, sustained member engagement, and clearer, more consistent communication.

**Organizing and Protecting Our Jurisdiction**

The 2026 budget reflects a significantly more challenging organizing environment. Responding to this pressure requires sustained, proactive investment. This budget makes deliberate choices to strengthen organizing capacity, deepen relationships at the local level, and ensure HEU is visible, credible, and present where members need us most.

HEU identity campaigns, including Join HEU, expanded member engagement tools, and organizing-focused communications are about ensuring members see the value of their union and feel connected to it.

**Bargaining, Campaigns, and Political Action**

The budget continues to support public and private sector bargaining, contract implementation, and enforcement, including FBA committee work and steward network supports.

We are continuing Care Can't Wait, with a focus on securing standard wages and working conditions in long-term care and supporting the repatriation of thousands of members. The

budget also provides resources for public-facing campaigns and political mobilization, including preparations for a possible early federal election and the continuation of HEU's Vote HEU campaign.

### **Equity, Education, and Member Development**

Equity and inclusion remain foundational to our work. The 2026 budget supports equity-focused campaigns, committee work, accessible communications, and the next phase of constitutional and bylaw review to remove barriers to participation in our union.

We continue to prioritize education and leadership development, with a mix of in-person and virtual programming. This includes shop steward training, table officers' education, occupational health and safety courses, equity and human rights education, and opportunities for members to build skills and confidence as leaders in their workplaces and communities.

### **Fiscal Responsibility**

This is a prudent budget, but it is also a responsive one. Overall spending is higher because the challenges facing our union are greater. The budget accounts for inflation and rising costs, maintains fiscal discipline, and responsibly draws on existing funds to meet the moment while respecting that members' dues must be used to support and defend them.

As always, the Provincial Executive and staff worked hard to develop a budget that balances mandates from Convention with the ongoing needs of our members and locals. If you have any questions about this document, please contact me at [financial.secretary@heu.org](mailto:financial.secretary@heu.org) or 1-800-663-5813.

HEU locals are the building blocks of our democratic union. Thank you for your ongoing work to elect local executives, hold membership meetings, and support members at the workplace level. Please don't hesitate to reach out to your Regional Vice President, your servicing representative, or President Barb Nederpel if you need assistance or support.

We have also included our 2024 Audited Financial statements.

In solidarity,



Betty Valenzuela  
HEU Financial Secretary

Enclosure

cc: Provincial Executive, HEU Staff

<b>Hospital Employees' Union</b>	
<b>Final</b>	
	2026
<b>REVENUES</b>	
CUPE Funding	880,000
Dues	72,500,000
Initiation Fees	70,000
Investment Income	2,200,000
<b>Total Revenues</b>	<b>75,650,000</b>
<b>EXPENSES</b>	
<b>ADMINISTRATION</b>	
Amortization of Buildings, Furniture & Fixtures	600,000
Audit and Accounting	60,000
General	100,000
Insurance	250,000
Janitorial Supplies & Services	75,000
Lunchroom & Conference Supplies	40,000
Maintenance	575,000
Membership Dues and Fees	45,000
Office Supplies	125,000
Office Equipment	120,000
Postage and Courier	115,000
Property Taxes	250,000
Records Management	120,000
Rent - Premises	550,000
Utilities	130,000
<b>Total Administration</b>	<b>3,155,000</b>
<b>PUBLIC SECTOR BARGAINING SUPPORT</b>	
Telephone Town Halls	50,000
Public Sector Bargaining Committees	50,000
<b>Total Public Sector Bargaining</b>	<b>100,000</b>
<b>PRIVATE SECTOR BARGAINING SUPPORT</b>	
Indigenous Peoples Bargaining Conference	30,000
Indigenous Peoples Member Participation	5,000
Independent Bargaining Support	25,000
Independent Bargaining Member Participation	500,000
<b>Total Private Sector Bargaining</b>	<b>560,000</b>
<b>Total Bargaining</b>	<b>660,000</b>

<b>Hospital Employees' Union</b>	
<b>Final</b>	
	2026
<b>ORGANIZING</b>	
Member Participation/Training	200,000
Organizing General Expense	25,000
<b>Total Organizing</b>	<b>225,000</b>
<b>Total Bargaining and Organizing</b>	<b>885,000</b>
<b>CAMPAIGNS</b>	
Election Mobilization	800,000
Community Health and Social Services	20,000
Private Sector Bargaining Support	75,000
Diversity in our Union PR	45,000
Red Dress	15,000
Care Can't Wait	400,000
Fighting Privatization & Healthcare Cuts	75,000
Branding and Promotion	70,000
HEU Identity Marketing Campaign	1,380,000
Member Engagement Project	100,000
Occupational Health & Safety	300,000
Celebrating Our Occupational Diversity	80,000
Labour Day	45,000
Living Wage	20,000
Reaching Out Public Relations/Community Engagement	100,000
<b>Total Campaigns</b>	<b>3,525,000</b>
<b>COMMUNICATIONS</b>	
Guardian and Other	465,000
Member Engagement and Media Relations	435,000
<b>Total Communications</b>	<b>900,000</b>
<b>CONFERENCES</b>	
BCFL Regional Conference	40,000
BCFL Young Workers Retreat	20,000
Conferences - Other	100,000
Summer Institute for Union Women	45,000
<b>Total Conferences</b>	<b>205,000</b>
<b>CONTRACT IMPLEMENTATION &amp; ENFORCEMENT</b>	
FBA Committees	25,000
Contract Defense including Steward Network	150,000
<b>Total Contract Implementation</b>	<b>175,000</b>

<b>Hospital Employees' Union</b>	
<b>Final</b>	
	2026
<b>CONVENTIONS</b>	
BC Federation of Labour	1,000,000
Canadian Labour Congress	260,000
HEU Convention	5,200,000
<b>Total Conventions</b>	<b>6,460,000</b>
<b>DONATIONS</b>	
Amnesty International	1,000
Annual/Membership Dues	3,000
BC Forum	5,000
BC Health Coalition	95,000
BC Labour Heritage Centre	20,000
BC Lions End Violence Association	13,000
BC Poverty Reduction Coalition	5,000
Bursaries	30,000
Canadian Centre For Policy Alternatives	25,000
Carnegie Community Action Project	1,000
CoDev	15,000
Committee for Domestic Workers' and Caregivers' Rights	5,400
Cosco Senior	2,500
Donations Store	3,000
Donations in Kind	1,000
First Call	2,500
General	50,000
Global Justice - Project	8,250
Greater Victoria Acting Together	5,000
Labour Community Christmas Dinner	2,400
Metro Vancouver Alliance	10,000
Migrante BC	1,000
Municipal Pension Plan Retirees Association	6,000
Other Fundraisers	8,000
Stand Up for Mental Health Comedy Society	2,400
Stephen Lewis Foundation	3,000
Transition Houses (across Province)	25,000
Union Protein Project	10,000
<b>Total Donations</b>	<b>358,450</b>

<b>Hospital Employees' Union</b>	
<b>Final</b>	
	2026
<b>EDUCATION AND HUMAN RIGHTS</b>	
CLC Winter School	100,000
Climate Crisis	34,000
Demystifying Classification	53,000
Domestic Violence at Work Training	32,000
Education Resources and Supplies	17,500
Equity (Intro, Cultivate Space, Anti-Racism, Identity and Ancestry, 2SLGBTQIA+ Justice and Allyship, Disability Justice, Inclusive Leadership)	500,000
General Labour Studies	2,500
Getting Involved and New Member	250,000
Human Rights (Intro and Duty To Accommodate)	166,000
Labour College of Canada Labour Studies Program	50,000
Member Facilitation	15,000
Needs Based Education	100,000
OH&S (Intro, Staying Steady)	220,000
Shop Stewards (Intro & New Cert, Intermediate, Lead, Dedicated)	1,165,000
Supervisors	80,000
Table Officers	691,000
Transforming Conflict and Free Your Voice	157,000
Truth & Reconciliation (Legacy of Residential Schools)	86,000
Women, 2 Spirit & Non-Binary Leadership	42,000
<b>Total Education Programs</b>	<b>3,761,000</b>
<b>EQUITY</b>	
Equity Action Implementation (including safe spaces)	200,000
Equity Standing Committees Meeting Expenses	220,000
Equity Standing Committees Outreach Global	84,000
<b>Total Equity</b>	<b>504,000</b>
<b>FINANCIAL SECRETARY</b>	
Travel and other expenses	10,000
Trustees	20,000
<b>Total Financial Secretary</b>	<b>30,000</b>
<b>HUMAN RESOURCES</b>	
Internal Relocations and Recruitment	35,000
Legal/Investigations/Arbitration/Consulting	225,000
Recruitment	50,000
Staff Training and Engagement	250,000
Servicing Internship	150,000
<b>Total Human Resources</b>	<b>710,000</b>

<b>Hospital Employees' Union</b>	
<b>Final</b>	
	2026
<b>INFORMATION TECHNOLOGY</b>	
Amortization of Computer Hardware & Software	600,000
Computer Supplies	90,000
Service and Support (including Telecommunications)	1,300,000
Systems Development Projects	150,000
<b>Total Information Technology</b>	<b>2,140,000</b>
<b>LEGAL</b>	
Arbitrations - Member Expenses	25,000
Arbitrator	250,000
Care Aide Registry Investigations	100,000
Complaint/Harassment Investigations	125,000
HEU Legal Defense	300,000
Legal - Other/Misc	75,000
Library/Legal Education	100,000
LRB Filing Fees	6,000
Outside Counsel	250,000
<b>Total Legal</b>	<b>1,231,000</b>
<b>MEMBERSHIP SERVICES</b>	
Charges, Trials and Penalties	75,000
Conflict Resolution	125,000
Data Mgmt Plan	150,000
Death Benefits	200,000
Dependant Care	30,000
Duty to Accommodate	20,000
Disaster Relief Fund	100,000
Local Project Fund	30,000
Member Services - Other	400,000
Printing of Constitution and Collective Agreements	100,000
Rebates (including supplement)	2,040,000
<b>Total Membership Services</b>	<b>3,270,000</b>
<b>OH&amp;S/BENEFITS DEPARTMENT</b>	
Appeals - Worksafe	100,000
Appeals - Long term disability	390,000
Local OH&S Capacity	10,000
Mental Health First Aid	90,000
<b>Total Benefits Department</b>	<b>590,000</b>
<b>PER CAPITA</b>	
BC Fed	600,000
CUPE (includes CLC)	8,600,000
Labour Councils	5,000
<b>Total Per Capita</b>	<b>9,205,000</b>

<b>Hospital Employees' Union</b>	
<b>Final</b>	
	2026
<b>PROVINCIAL PRESIDENT</b>	
Housing	24,000
Labour/Political and Community Outreach	10,000
Provincial Vice Presidents	10,000
Relief/Workload	41,000
Transportation and Travel	25,000
<b>Total Provincial President</b>	<b>110,000</b>
<b>PROVINCIAL EXECUTIVE</b>	
Cell Phone, Clothing Allowance and Internet	85,000
Ethics Commissioner	400,000
PE Leadership/Equity	100,000
PE Lobby	75,000
PE Meetings - Lost Wages and Travel Expenses	475,000
PE Member Local Building	200,000
PE Personal Development	50,000
Replacement Laptops and Equipment Amortization	20,000
Stationary Supplies and Other	1,750
<b>Total Provincial Executive</b>	<b>1,406,750</b>
<b>PROVINCIAL EXECUTIVE COMMITTEES</b>	
Sub Committees Meetings	145,000
BC Fed Committees	7,500
COLR (Committee on Labour Relations)	5,000
CUPE National Committees	5,000
Global Sub Committee Outreach	30,000
<b>Total Provincial Executive Committees</b>	<b>192,500</b>
<b>REGIONAL MEETINGS</b>	
Regional Meetings	450,000
<b>Total Regional Meetings</b>	<b>450,000</b>
<b>RESEARCH</b>	
External Research Support	120,000
CCPA Public Interest Research Desk	8,500
<b>Total Research</b>	<b>128,500</b>
<b>SECRETARY BUSINESS MANAGER</b>	
Environmental Audit	20,000
Leadership Development	15,000
Travel and other	20,000
<b>Total Secretary Business Manager</b>	<b>55,000</b>

<b>Hospital Employees' Union</b>	
<b>Final</b>	
	2026
<b>STAFF</b>	
<b>Staff Meetings</b>	<b>200,000</b>
<b>Staff Travel and Expenses</b>	<b>939,500</b>
<b>Total Staff Salary and Benefits</b>	<b>40,830,000</b>
<b>Strike Fund 1% of Dues</b>	<b>725,000</b>
<b>TOTAL EXPENDITURES</b>	<b>82,141,700</b>
<b>TOTAL SURPLUS (DEFICIT)</b>	<b>-6,491,700</b>
<b>TRANSFERS FROM RESTRICTED FUNDS</b>	
From Convention Fund	3,600,000
From Fightback Fund	2,000,000
<b>SURPLUS (DEFICIT) AFTER TRANSFERS</b>	<b>-891,700</b>

## **HOSPITAL EMPLOYEES' UNION**

**Financial Statements  
December 31, 2024**

<b><u>Index</u></b>	<b><u>Page</u></b>
<b>Independent Auditor's Report to the Members</b>	1 – 2
<b>Financial Statements</b>	
Statement of Financial Position	3
Statement of Operations and Fund Balances	4
Statement of Changes in Fund Balances	5
Statement of Cash Flows	6
Notes to Financial Statements	7 – 16

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF HOSPITAL EMPLOYEES' UNION

#### *Opinion*

We have audited the financial statements of Hospital Employees' Union (the "Union"), which comprise:

- ♦ the statement of financial position as at December 31, 2024;
- ♦ the statement of operations and fund balances 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, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Union as at December 31, 2024, and its results of operations and its 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 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 financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Union or to cease operations, or has no realistic alternative but to do so.

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

#### *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

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users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Union's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Union to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

*Smythe LLP*

Chartered Professional Accountants

Vancouver, British Columbia  
September 17, 2025

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# HOSPITAL EMPLOYEES' UNION

## Statement of Financial Position

December 31

	2024	2023
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 13,858,376	\$ 20,775,229
Dues and other amounts receivable (note 7)	8,682,479	7,716,626
Due from CUPE	475,201	498,360
Inventories	108,046	99,008
Prepaid expenses and deposits	594,418	511,879
	23,718,520	29,601,102
<b>Term deposits</b> (note 4)	72,239,091	52,935,974
<b>Property and equipment</b> (note 5)	10,833,705	10,879,740
	\$ 106,791,316	\$ 93,416,816
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 6 and 7)	\$ 11,261,037	\$ 7,697,910
Current portion of employee benefit obligations (note 8)	4,657,467	3,648,054
	15,918,504	11,345,964
<b>Employee benefit obligations</b> (note 8)	2,405,537	2,733,787
	18,324,041	14,079,751
<b>Fund Balances</b>		
<b>Invested in capital assets</b>	10,833,705	10,879,740
<b>Internally restricted</b>	75,325,764	68,421,627
<b>Unrestricted</b>	2,307,806	35,698
	88,467,275	79,337,065
	\$ 106,791,316	\$ 93,416,816

Commitments (note 10)

Contingencies (note 11)

Approved on behalf of the Provincial Executive:

  
.....

Barb Nederpel, President

  
.....

Betty Valenzuela, Financial Secretary

**HOSPITAL EMPLOYEES' UNION**  
**Statement of Operations and Fund Balances**  
**Year Ended December 31**

	General Fund	Strike Fund	Convention Fund	Pre- Bargaining Fund	Fightback Campaign/ Political Action Fund	Building / Capital Fund	2024 Total	2023 Total
<b>Revenues</b>								
Dues and initiation fees	\$66,570,785	\$-	\$-	\$-	\$-	\$-	\$66,570,785	\$58,748,946
Recovery from CUPE	908,426	-	-	-	-	-	908,426	832,130
Interest and other	2,694,876	751,435	-	-	-	-	3,446,311	2,659,847
	70,174,087	751,435	-	-	-	-	70,925,522	62,240,923
<b>Expenses</b>								
Administration and other (note 5)	3,052,015	-	-	-	-	-	3,052,015	2,701,606
Bargaining support	1,500,252	-	-	-	-	-	1,500,252	555,694
Campaigns	1,732,385	-	-	-	-	-	1,732,385	1,188,601
Communications	678,726	-	-	-	-	-	678,726	776,351
Conferences and conventions	5,324,100	-	-	-	-	-	5,324,100	1,130,925
Donations	269,725	-	-	-	-	-	269,725	293,735
Education and equity	1,621,266	-	-	-	-	-	1,621,266	2,219,888
Human resources	493,047	-	-	-	-	-	493,047	352,379
Information technology	1,416,139	-	-	1,416,139	-	-	1,416,139	1,145,254
Legal and library	696,453	-	-	-	-	-	696,453	667,302
Membership services	2,289,774	-	-	2,289,774	-	-	2,289,774	2,472,005
OH&S and benefits advocacy	473,814	-	-	-	-	-	473,814	449,699
Organizing	20,651	-	-	-	-	-	20,651	8,780
Per capita dues and assessments	8,020,365	-	-	8,020,365	-	-	8,020,365	7,041,157
Provincial Executive	1,089,497	-	-	1,089,497	-	-	1,089,497	726,510
Provincial Executive sub-committees	185,702	-	-	-	-	-	185,702	59,291
Regional caucus	331,007	-	-	-	-	-	331,007	311,791
Research	96,924	-	-	-	-	-	96,924	61,912
Salaries, benefits and travel (note 9)	32,491,231	-	-	-	-	-	32,491,231	29,311,609
Strike and ratification costs	-	12,239	-	-	-	-	12,239	52,710
	61,783,073	12,239	-	-	-	-	61,795,312	51,527,199
<b>Excess of Revenues over Expenses for the Year</b>								
	8,391,014	739,196	-	-	-	-	9,130,210	10,713,724
<b>Fund Balances, Beginning of Year</b>	10,915,438	20,400,466	7,500,000	6,800,000	7,355,435	26,365,726	79,337,065	68,623,341
<b>Interfund Transfers</b>								
Dues assessments to Strike Fund	(664,941)	664,941	-	-	-	-	-	-
Transfer to Strike Fund	(5,500,000)	5,500,000	-	-	-	-	-	-
Transfer to Convention Fund	-	-	-	-	-	-	-	-
Transfer to Pre-Bargaining Fund	-	-	-	-	-	-	-	-
Transfer to Fightback Fund	-	-	-	-	-	-	-	-
Transfer to Building/Capital Fund	-	-	-	-	-	-	-	-
<b>Fund Balances, End of Year</b>	\$13,141,511	\$27,304,603	\$7,500,000	\$6,800,000	\$7,355,435	\$26,365,726	\$88,467,275	\$79,337,065
<b>General Fund Consists of:</b>								
Invested in capital assets	\$10,833,705	-	-	-	-	-	-	-
Unrestricted General Fund	2,307,806	-	-	-	-	-	-	-
	\$13,141,511	-	-	-	-	-	-	-

**HOSPITAL EMPLOYEES' UNION**  
**Statement of Changes in Fund Balances**  
**Year Ended December 31**

	Invested in Capital Assets	Unrestricted General Fund	Internally Restricted				Building / Capital Fund	2024 Total	2023 Total
			Strike Fund	Convention Fund	Pre- Bargaining Fund	Fightback Campaign / Political Action Fund			
Balance, beginning of year	\$10,879,740	\$35,698	\$20,400,466	\$7,500,000	\$6,800,000	\$7,355,435	\$26,365,726	\$79,337,065	\$68,623,341
Excess of revenues over expenses	-	8,391,014	739,196	-	-	-	-	9,130,210	10,713,724
Interfund transfers	-	(6,164,941)	6,164,941	-	-	-	-	-	-
Amortization	(978,723)	978,723	-	-	-	-	-	-	-
Purchase of capital assets	932,688	(932,688)	-	-	-	-	-	-	-
Balance, end of year	\$10,833,705	\$2,307,806	\$27,304,603	\$7,500,000	\$6,800,000	\$7,355,435	\$26,365,726	\$88,467,275	\$79,337,065

# HOSPITAL EMPLOYEES' UNION

## Statement of Cash Flows

Year Ended December 31

	<b>2024</b>	<b>2023</b>
<b>Operating Activities</b>		
Excess of revenues over expenses	\$ 9,130,210	\$ 10,713,724
Item not involving cash		
Amortization	978,723	817,068
	10,108,933	11,530,792
Changes in non-cash working capital		
Dues and other amounts receivable	(965,853)	(1,512,043)
Due from CUPE	23,159	(80,066)
Inventories	(9,038)	(832)
Prepaid expenses and deposits	(82,539)	(148,805)
Accounts payable and accrued liabilities	3,563,127	1,307,227
Employee benefit obligations	681,163	373,833
	3,210,019	(60,686)
<b>Cash Provided by Operating Activities</b>	13,318,952	11,470,106
<b>Investing Activities</b>		
Purchase of term deposits	(19,303,117)	(13,946,062)
Purchase of property and equipment	(932,688)	(454,472)
<b>Cash Used in Investing Activities</b>	(20,235,805)	(14,400,534)
<b>Inflow (Outflow) of Cash and Cash Equivalents</b>	(6,916,853)	(2,930,428)
<b>Cash and Cash Equivalents, Beginning of Year</b>	20,775,229	23,705,657
<b>Cash and Cash Equivalents, End of Year</b>	\$ 13,858,376	\$ 20,775,229
<b>Represented by</b>		
Cash	\$ 2,121,110	\$ 2,912,861
Cash equivalents	11,737,266	17,862,368
	\$ 13,858,376	\$ 20,775,229

# HOSPITAL EMPLOYEES' UNION

## Notes to Financial Statements

Year Ended December 31, 2024

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### 1. NATURE OF ORGANIZATION

The Hospital Employees' Union (the "Union" or "HEU") is a trade union providing services on behalf of members in the health care profession in British Columbia. 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

The financial statements of the Union were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

(a) General

These financial statements include the accounts of the Union's General Fund, Invested in Capital Asset Fund, Strike Fund, Convention Fund, Pre-Bargaining Fund, Fightback Campaign/Political Action Fund, and Building/Capital Fund.

- The General Fund accounts for the Union's unrestricted resources.
- The Invested in Capital Assets Fund represents resources invested in property and equipment, and therefore, is not available for other purposes.

The following internally restricted funds are generally reserves established by the Union with the related expenditures charged to the Unrestricted General Fund. In the event such expenditures exceed the resources of the General Fund, such expenditures are expected to be funded through the respective reserve funds.

- The Strike Fund was established to fund all pre-strike/job action and strike/job action related activities, including mobilization around ratification votes. The Strike Fund is allocated 1% of dues on a yearly basis.
- The Convention Fund was established to fund future conventions that are required to be held as part of the Union's Articles and Constitution.
- The Pre-Bargaining Fund was established to fund outreach to all occupational groups and to further improve member records to enhance communication with members.
- The Fightback Campaign/Political Action Fund was established to fund any future political actions and campaigns on behalf of members.
- The Building/Capital Fund was established to fund the purchase, improvement, and major maintenance projects of the Union's capital assets.

# HOSPITAL EMPLOYEES' UNION

## Notes to Financial Statements

Year Ended December 31, 2024

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Revenue recognition

The Union follows the restricted fund method of accounting.

Dues and initiation fees are recognized in the period to which they relate. All dues and initiation fees are treated as unrestricted revenue.

Recoveries from the Canadian Union of Public Employees ("CUPE") are recognized in the period to which they relate and are either shown as unrestricted or restricted revenue dependent on the specific details of the project financed.

Interest income is recognized when earned based on the terms of the instrument.

(c) Cash and cash equivalents

Cash and cash equivalents include term deposits that are highly liquid and temporary investments that are cashable on demand.

(d) Property and equipment

Property and equipment are recognized at cost less amortization. Amortization of property and equipment is calculated on the following bases and annual rates:

Buildings	- 5% declining balance
Computer equipment	- 3 years straight-line
Computer software	- 3 years straight-line
Furniture and fixtures	- 10 years straight-line
Office equipment	- 5 years straight-line
Leasehold improvements	- Straight-line over the initial lease term

(e) Impairment of long-lived assets

The Union reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value 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.

(f) Inventories

Inventories of apparel, pins, and boutique items are valued at the lower of cost and net realizable value. Cost includes price of purchase and related taxes and is determined on the first-in, first-out basis.

# HOSPITAL EMPLOYEES' UNION

## Notes to Financial Statements

Year Ended December 31, 2024

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Use of estimates

The preparation of financial statements in conformity with ASNPO 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. Estimates include the recoverability of amounts receivable, estimated useful lives of property and equipment, net recoverable amount of property and equipment if indicators of impairment are determined, current portion of employee benefit obligations, and accrued liabilities. The Union believes the estimates used are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

(h) Financial instruments

The Union initially measures its financial assets and liabilities at fair value.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of any write-down would be recognized in the statement of operations. In the event a previously recognized impairment loss should be reversed, the amount of the reversal is recognized in the statement of operations provided it is not greater than the original amount prior to write-down.

For any financial instrument that is measured at amortized cost, the instrument's cost is adjusted by the transaction costs that are directly attributable to their origination, issuance, or assumption. These transaction costs are amortized into operations on a straight-line basis over the term of the instrument. All other transaction costs are recognized in operations in the period incurred.

Financial assets measured at amortized cost include cash and cash equivalents, term deposits, dues and other amounts receivable, and amount due from CUPE.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities excluding any government remittances payable and employee benefit obligations.

The Union has not designated any financial assets or liabilities to be measured at fair value.

# HOSPITAL EMPLOYEES' UNION

## Notes to Financial Statements

Year Ended December 31, 2024

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### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Pension plans

The Union and its employees contribute to a multi-employer defined benefit pension plan. Under the terms of the plan, each employee who is under 35 pensionable years of service or below 71 years old is required to make contributions based on a percentage of eligible employees' wages. The actuary does not attribute the net assets or unfunded liability of the plan to individual employers. As a result, the Union does not record an asset or liability associated with its participation in the pension plan. All contributions to the pension plan are expensed when due.

The Union contributes to a defined contribution plan for all employees after the first year of permanent employment. The Union contributes at varying rates of salary depending on length of service.

(j) Employee future benefits

The Union accrues benefits for the payout of unused sick leave credits upon termination and for an early retirement option.

### 3. FINANCIAL INSTRUMENTS

The Union's risk exposure and the impact on the Union's financial instruments are summarized below:

(a) Liquidity risk

Liquidity risk is the risk that the Union will encounter difficulty meeting obligations associated with financial liabilities. The Union may be exposed to liquidity risk with respect to its short-term accounts payable. The Union manages its risk by forecasting cash flows from operations and anticipated investing activities. The Union has sufficient cash and cash equivalents, callable term deposits, and accounts receivable at December 31, 2024 in the amount of \$23,016,056 (2023 - \$28,990,215) in order to meet its short-term accrued liabilities of \$15,918,504 (2023 - \$11,345,964).

# HOSPITAL EMPLOYEES' UNION

## Notes to Financial Statements

Year Ended December 31, 2024

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### 3. FINANCIAL INSTRUMENTS (Continued)

(b) 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 consists of two components:

- i. To the extent that payments made or received on the Union's monetary assets and liabilities are affected by changes in prevailing market interest rates, the Union is exposed to interest rate cash flow risk.
- ii. To the extent that changes in prevailing market interest rates differ from the interest rates on the Union's monetary assets and liabilities, the Union is exposed to interest rate price risk.

The Union is exposed to interest price rate risk due to the fixed interest rates of its term deposits.

(c) Credit and concentration 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 its cash and cash equivalents is minimized since these instruments 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 and cash equivalents, all of which are held at credit unions in British Columbia.

The Union's exposure to credit risk with respect to accounts receivable is minimal since the majority of amounts are receivable from government funded health employers and another union.

The Union is also exposed to concentration of credit risk with respect to its accounts receivable. As of December 31, 2024, approximately 10% (2023 - 12%) of its accounts receivable was represented by one (2023 - one) employer.

(d) Currency risk

Currency risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in foreign exchange rates. The Union is not exposed to currency risk.

# HOSPITAL EMPLOYEES' UNION

## Notes to Financial Statements

Year Ended December 31, 2024

### 3. FINANCIAL INSTRUMENTS (Continued)

(e) Price Risk

Price risk is the risk that the fair value or future cash flows will fluctuate due to changes in market prices (other than those arising from foreign currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument, its issuer, or factors affecting all similar financial instruments. The Union is not exposed to price risk.

### 4. TERM DEPOSITS

The Union has term deposits with Community Saving Credit Union, with interest rates ranging from 2.50% to 5.00% (2023 - 1.35% to 5.00%), with maturity dates from January 2, 2025 to February 1, 2028 (2023 - January 2, 2024 to February 1, 2028).

### 5. PROPERTY AND EQUIPMENT

	2024		2023	
	Cost	Accumulated Amortization	Net	Net
Land	\$ 4,205,282	\$ -	\$ 4,205,282	\$ 4,205,282
Buildings	11,682,517	7,017,327	4,665,190	4,910,727
Computer equipment	2,882,288	2,353,524	528,764	262,943
Computer software	587,771	583,562	4,209	2,763
Furniture and fixtures	2,397,480	1,330,684	1,066,796	1,014,835
Office equipment	314,885	294,670	20,215	83,192
Leasehold improvements	999,586	656,337	343,249	399,998
	\$ 23,069,809	\$ 12,236,104	\$ 10,833,705	\$ 10,879,740

The title of the Union's land and buildings remains in Oneight Holdings Ltd., which holds it in trust for the Union.

Included in administration and other expenses of the General Fund is amortization expense of \$978,723 (2023 - \$817,068).

### 6. GOVERNMENT REMITTANCES

Included in accounts payable are government remittances payable of \$471,686 (2023 - \$390,252).

# HOSPITAL EMPLOYEES' UNION

## Notes to Financial Statements

Year Ended December 31, 2024

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### 7. AMOUNTS HELD IN TRUST

Included in accounts payables are amounts held in trust of \$300,000 (2023 - \$300,000) for the Facilities Bargaining Association ("FBA") Training Fund. This fund is to assist in various types of training such as mental health, anti-racism, safe work environments, and other training initiatives.

The Union administers monies which have not been included in the Union's balance sheet as they are jointly governed funds:

(a) Rotation Support Fund

To establish rotation support personnel and to develop rotation tools to propose revised rotations. The Union has paid out amounts for costs related to the Rotation Support Fund and included in dues and other amounts receivable is \$19,454 (2023 - \$165,458) for amounts owed by the Rotation Support Fund to the Union.

(b) Registration and License Fees Fund

To administer the reimbursement of any Employer required FBA employees' registration or license fees with a provincial health profession regulatory college as a condition of employment. In 2024, the Union received \$700,000 in funding and was transferred to the Registration and License Fees fund subsequent to year end. Included in accounts payable and accrued liabilities is \$699,250 (2023 - \$750) for amounts owed to the Registration and License Fees Fund.

(c) FBA Education Fund

To provide assistance to FBA regular and casual employees who wish to enroll in educational programs in order to upgrade professionally and enhance their careers with health employers in the Collective Agreement, particularly in areas of need. Included in dues and other amounts receivable is \$9,699 (2023 - \$58,548) for amounts owed by the FBA Education Fund to the Union.

(d) Education Access and Opportunity Fund

To provide education and training opportunities to HEU union members employed in health care outside the formal public sector by contracted service providers, or those who have recently been repatriated to public sector employment, as well as those employed by First Nations health organizations, or potentially employed by First Nations health organizations in the future as a result of education and/or training provided through this Fund.

# HOSPITAL EMPLOYEES' UNION

## Notes to Financial Statements

Year Ended December 31, 2024

### 7. AMOUNTS HELD IN TRUST (Continued)

- (e) Mental Wellness and Professional Development Support Fund

To provide assistance to FBA members in the areas of mental wellness and professional development.

- (f) Joint Retraining Fund

To provide regular employees who were laid off or bumped due to contracting out with financial assistance for re-training programs.

### 8. EMPLOYEE BENEFIT OBLIGATIONS

	2024	2023
Early retirement obligation	\$ 1,018,973	\$ 1,045,320
Sick leave obligation	1,647,151	1,406,274
Cumulative time-off and overtime accrual	1,360,733	1,125,203
Vacation accrual	2,116,214	1,951,486
Retirement compensation arrangement	919,933	853,558
	7,063,004	6,381,841
Less: Current portion	(4,657,467)	(3,648,054)
	\$ 2,405,537	\$ 2,733,787

- (a) Retirement compensation arrangement

The Union has established a defined contribution retirement compensation arrangement ("RCA"), as defined in the federal *Income Tax Act* (Canada), for all its employees. Under the plan, the Union makes annual contributions to an RCA trust. The contributions are based on the employees' gross salaries at rates ranging from 2.5% to 5% depending on the length of service starting after the first year of permanent employment.

As at December 31, 2024, RCA refundable tax on hand balance with Canada Revenue Agency ("CRA") amounts to \$2,784,960 (2023 - \$2,707,212) plus \$256,187 (2023 - \$189,093) refundable to the RCA trust account of the Union.

As at December 31, 2024, the balance of the RCA trust account held by the Union is \$2,528,023 (2023 - \$2,566,182).

The RCA Trust includes 213 (2023 - 181) current employees. Current service cost amounted to \$710,368 (2023 - \$667,869).

## **HOSPITAL EMPLOYEES' UNION**

### **Notes to Financial Statements**

**Year Ended December 31, 2024**

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#### **8. EMPLOYEE BENEFIT OBLIGATIONS (Continued)**

(b) Early retirement obligation

The Union provides an early retirement obligation for all employees retiring between age 55 and 65 with 10 years of pensionable service.

The Union has accrued for this benefit based on the provisions of the collective bargaining agreement and agreement with respect to excluded employees.

Effective August 17, 2024, the Union ratified the agreements to remove the early retirement obligation for employees. Any amounts accrued for the Union's employees were due to be paid out by March 27, 2025.

(c) Sick leave obligation

The Union maintains a sick leave benefit plan for all employees. Upon completion of six years of service, employees are entitled to a cash payment equivalent to 40% of their unused sick leave credits upon termination, to a maximum of 156 workdays.

The Union has accrued for this benefit based on an estimate of the cash that will be required to be paid. As at year end, the sick leave obligation is undiscounted.

#### **9. EMPLOYEE PENSION PLAN**

The Union participates in a defined benefit pension plan for the Union's employees that is governed by a Joint Trust Agreement between the plan sponsors: Government of British Columbia, Union of British Columbia Municipalities, and the Municipal Employees' Pension Committee. The Union is responsible to make contributions to the pension plan equivalent to a certain percentage of employees' salaries. These contributions immediately vest to the employee.

Every three years an actuarial valuation is performed to assess the financial position of the pension plan and the adequacy of funding. The most recent actuarial valuation for the pension plan at December 31, 2021 indicated a surplus of \$3,761 million. The next valuation will be as at December 31, 2024 with results available in fall 2025.

The actuary does not attribute portions of the surplus to individual employers.

During the year, the Union contributed \$2,129,253 (2023 - \$1,789,073) to the plan. As of the prior year, the plan covers approximately 256,000 active employees, of which approximately 229 are employees of the Union.

# HOSPITAL EMPLOYEES' UNION

## Notes to Financial Statements

Year Ended December 31, 2024

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### 10. COMMITMENTS

- (a) The Union is committed to rental payments under its equipment leases totaling \$112,330, which expire between 2025 and 2029. The commitments are as follows:

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2025	\$	39,231
2026	\$	33,065
2027	\$	25,367
2028	\$	7,688
2029 and thereafter	\$	6,979

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- (b) The Union is committed to rental payments under its premise leases totaling \$1,429,681, which expire between 2025 and 2031. The commitments are as follows:

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2025	\$	399,013
2026	\$	171,778
2027	\$	172,942
2028	\$	178,766
2029 and thereafter	\$	507,182

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### 11. CONTINGENCIES

There are judicial reviews that may occasionally be found against, and in favor of, the Union. There are no costs payable or receivable that can be estimated at this time. Accordingly, no amounts have been recorded in these financial statements.

# PROUD STRONG UNITED

## FACILITIES BARGAINING ASSOCIATION

March 5, 2026

Dear Chairperson,

We are continuing our monthly series about the renewed Facilities Bargaining Association (FBA) collective agreement. Making working conditions safer was a key priority for your bargaining committee, and this agreement improves preventative measures and provides better support for members injured at work.

This letter covers improvements in workplace health and safety and expanded union representation to empower members in their day-to-day work.

### **Workplace health**

- There is a new pilot project for regional joint health and safety committees to provide greater oversight and coordination of psychological health, violence prevention and joint occupation health and safety (JOHS).
- Two temporary, full-time occupational health and safety advocate positions will be created in two health authorities to support members on JOHS committees. The advocates will also provide information and increase awareness among FBA members about their workplace safety rights and the importance of reporting incidents.
- There is also a new measure to provide members with access to paid occupational health and safety training, when they have duties that include supervision, instruction or direction of other staff.

### **Union rights and representation**

Following the success of the dedicated HEU shop stewards bargained in the 2022-2025 collective agreement, more positions have been added.

- In addition to the 21.2 full-time equivalent (FTE) positions already established, 4.8 FTEs will be added on April 1, 2026, and 3.0 FTEs will be added on April 1, 2028. Bringing the total from 21 to 29 FTE positions.
- There is also a new provision that ensures locals have the right to hold discussions with the employer about improving union-related activities. Reasonable paid-time off for some union activities, rest space, and the allocation of union office space



are just some of the topics that locals can discuss with employers to address issues at the local level.

### **More highlights**

- Collective agreement language has been broadened so that employers must now make critical incident stress defusing support available to employees who have been either involved in, or witness to, a serious work-related traumatic incident.
- New language about working alone or in isolation makes it clear the employer must actively communicate to members about the working alone risk assessment, as well as how they may escalate concerns.
- Provisions have been strengthened so that when an employer is aware of a patient or resident with a history of aggressive behaviour, it must provide information in the employer's possession for members to safely perform their duties.
- A shop steward or union committee member will now be paid their applicable rate of pay, if they attend an employer-initiated meeting during their time off.
- Updated workload language now gives the union the right to request more information on past schedules from the employer to assist in workload discussions.
- The time a Letter of Expectation remains on an employee's personnel file is reduced to 18 months, down from 36 months.

Two copies of a poster summarizing these improvements are included in this mailing for posting to the Facilities union board at your work site. The newly designed comprehensive report is online at [www.heu.org](http://www.heu.org).

Meanwhile, if you have questions about any of these provisions, please contact your HEU staff representative.

Again, your work in communicating the gains secured in the 2025-2029 collective agreement ensures more members receive the full benefit of what was achieved in bargaining — the impact of your work touches every member.

In solidarity,



Lynn Bueckert  
HEU Secretary-Business Manager

# Making work safer and expanding union rights

PROUD  
STRONG  
UNITED



Making working conditions better for all members through stronger measures to safeguard union rights and representation, and health and safety

## HEALTH AND SAFETY

In this agreement, there is a new pilot for regional joint health and safety committees to provide greater oversight and coordination of psychological health, violence prevention, and joint occupational health and safety.

Two temporary, full-time Occupational Health and Safety Advocate positions will be created to support FBA members on JOHS Committees. The advocates will also provide information and increased awareness among FBA members about their workplace safety rights and the importance of reporting incidents.

In addition, there is a new measure to provide members with access to paid occupational health and safety training, when they have duties that include supervision, instruction or direction of other staff.

## UNION RIGHTS AND REPRESENTATION

Following the success of the dedicated HEU shop stewards bargained in the 2022 collective agreement, more positions have been added.

In addition to the 21.2 FTE positions already established, 4.8 FTEs will be added on April 1, 2026, and 3.0 FTEs will be added on April 1, 2028.

There is also a new provision that ensures locals have the right to hold discussions with the employer about improving union-related activities. Reasonable paid-time off for some union activities, rest space, and the allocation of union office space are just some of the topics that locals can broach.

## MORE HIGHLIGHTS

- Collective agreement language has been broadened so that employers must now make critical incident stress defusing support available to employees who have been either involved in, or witness to, a serious work-related traumatic incident.
- New language about working alone or in isolation makes it clear the employer must actively communicate to members about the working alone risk assessment, as well as the how they may escalate concerns.
- Provisions have been strengthened so that when an employer is aware of a history of aggression in a patient or resident, it must provide whatever information is required for members to safely carry out their duties.
- A shop steward or union committee member will now be paid their applicable rate of pay, if they attend an employer-initiated meeting during their time off.
- The time a *Letter of Expectation* remains on an employee's personnel file is reduced to 18 months, down from 36 months.



For a complete list of compensation gains, please read **THE FBA COMPREHENSIVE REPORT** online at [www.heu.org](http://www.heu.org)

