

Financial Statements of

**BRITISH COLUMBIA PUBLIC SCHOOL
EMPLOYERS' ASSOCIATION**

And Independent Auditor's Report thereon

Year ended March 31, 2023



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the British Columbia Public School Employers' Association
and to the Minister of the Ministry of Education and Child Care, Province of British
Columbia

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of the British Columbia Public School Employers' Association (the "Association"), which comprise:

- the statement of financial position as at March 31, 2023
- the statement of operations for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements as at and for the year ended March 31, 2023 of the Association are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

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 auditor's report.

We are independent of the Association 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.



Emphasis of Matter – Financial Reporting Framework

We draw attention to Note 2(a) to the financial statements which describes the applicable financial reporting framework and the significant differences between that financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 users taken on the basis of the 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 Association'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 Association'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 Association to cease to continue as a going concern.
- 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.

Report on Other Legal and Regulatory Requirements

As required by Section 117(1)(b) of the Societies Act (British Columbia), we are required to state:

- whether, in our opinion, these financial statements fairly reflect, in all material respects, for the period under review, the financial position of the Association and the results of its operations. In accordance with Canadian generally accepted auditing standards, because the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia are not considered a fair presentation financial reporting framework, our opinion stated above cannot contain this statement.
- whether, in our opinion, these financial statements are prepared in accordance with generally accepted accounting principles. These financial statements were prepared in accordance the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. Note 2(a) to the financial statements describes the significant differences between such basis of accounting and Canadian public sector accounting standards. As a result, our opinion stated above refers to the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia and not to generally accepted accounting principles.



- whether these financial statements are prepared on a basis consistent with the basis on which the financial statements that related to the preceding period were prepared. We report that, in our opinion, the accounting policies applied in preparing financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia have been applied on a basis consistent with that of the preceding period.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
May 23, 2023

BRITISH COLUMBIA PUBLIC SCHOOL EMPLOYERS' ASSOCIATION

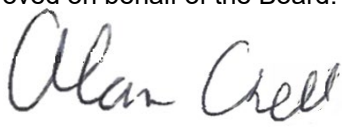
Statement of Financial Position

March 31, 2023, with comparative information for 2022

	2023	2022
Financial assets:		
Cash	\$ 6,068,348	\$ 5,281,207
Restricted cash (note 4)	2,894,751	2,765,231
Accounts receivable	143,151	131,694
	<u>9,106,250</u>	<u>8,178,132</u>
Liabilities:		
Accounts payable and accrued liabilities (note 5)	676,648	873,752
Enhanced French teacher recruitment and retention fund (note 6)	590,000	-
Deferred revenue	150,376	159,593
Capital lease obligation (note 7)	2,012	9,726
Deferred capital contributions (note 8)	68,820	97,827
Deferred contributions (note 9)	5,378,767	4,778,356
Deferred lease inducement	234,651	258,116
	<u>7,101,274</u>	<u>6,177,370</u>
Net financial assets	2,004,976	2,000,762
Non-financial assets:		
Tangible capital assets (note 10)	701,273	816,621
Prepaid expenses	236,150	119,270
Prepaid lease	57,455	63,201
	<u>994,878</u>	<u>999,092</u>
Contractual obligations and contingencies (note 12)		
Accumulated surplus	\$ 2,999,854	\$ 2,999,854

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director



Director

BRITISH COLUMBIA PUBLIC SCHOOL EMPLOYERS' ASSOCIATION

Statement of Operations

Year ended March 31, 2023, with comparative information for 2022

	Budget 2023 (note 15)	2023	2022
Revenue:			
Provincial government funding	\$ 3,689,513	\$ 3,081,422	\$ 3,361,080
Restricted contribution revenue:			
Bargaining	833,910	663,831	391,651
Coordinated Labour Arbitration Support System	3,084,246	3,741,272	3,278,726
Attendance support and wellness	4,552	72,875	155,444
Job evaluation	140,372	135,789	141,458
Integrated French Teacher Recruitment Campaign	229,000	220,335	108,371
Provincial French Teacher Recruitment Campaign	-	66,920	-
Northern BC Teacher Recruitment & Retention	-	13,502	-
Programs and events	1,028,977	1,053,775	1,071,671
Interest income	60,000	236,740	58,236
	9,070,570	9,286,461	8,566,637
Expenses (note 13):			
Member services	446,478	387,172	532,997
General and administrative	2,979,037	2,974,449	3,105,898
Bargaining	833,910	663,831	391,651
Coordinated Labour Arbitration Support System	3,084,246	3,741,272	3,278,726
Attendance support and wellness	229,832	72,875	155,444
Job evaluation	140,372	135,789	141,458
Integrated French Teacher Recruitment Campaign	229,000	220,335	108,371
Provincial French Teacher Recruitment Campaign	-	66,920	-
Northern BC Teacher Recruitment & Retention	-	13,502	-
Professional development programs	204,300	155,183	156,638
Make a future	667,995	648,355	614,399
Governance	255,400	206,778	81,055
	9,070,570	9,286,461	8,566,637
Annual surplus (deficit)	-	-	-
Accumulated surplus, beginning of year	2,999,854	2,999,854	2,999,854
Accumulated surplus, end of year	\$ 2,999,854	\$ 2,999,854	\$ 2,999,854

See accompanying notes to financial statements.

BRITISH COLUMBIA PUBLIC SCHOOL EMPLOYERS' ASSOCIATION

Statement of Changes in Net Financial Assets

Year ended March 31, 2023, with comparative information for 2022

	Budget 2023 (note 15)	2023	2022
Annual surplus (deficit)	\$ -	\$ -	\$ -
Acquisition of tangible capital assets,	(38,000)	(105,947)	(37,400)
Amortization of tangible capital assets	194,900	219,736	223,879
Loss on disposal of tangible capital assets	1,000	1,559	-
Acquisition of prepaid expenses	-	(228,733)	(111,850)
Use of prepaid expenses	-	111,853	123,509
Use of prepaid lease	-	5,746	5,745
Increase in net financial assets for the year	157,900	4,214	203,883
Net financial assets, beginning of year	2,000,762	2,000,762	1,796,879
Net financial assets, end of year	\$ 2,158,662	\$ 2,004,976	\$ 2,000,762

See accompanying notes to financial statements.

BRITISH COLUMBIA PUBLIC SCHOOL EMPLOYERS' ASSOCIATION

Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating transactions:		
Annual surplus (deficit)	\$ -	\$ -
Items not involving cash:		
Amortization of tangible capital assets	219,736	223,879
Amortization of deferred capital contributions	(29,007)	(39,462)
Loss on disposal of tangible capital assets	1,559	-
	192,288	184,417
Changes in non-cash operating working items:		
Accounts receivable	(11,457)	(7,361)
Prepaid expenses	(116,880)	11,659
Prepaid lease	5,746	5,745
Accounts payable and accrued liabilities	(197,104)	(81,986)
Enhanced French teacher recruitment and retention fund	590,000	-
Deferred revenue	(9,217)	10,162
Deferred contributions	600,411	(65,800)
Deferred lease inducement	(23,465)	(23,464)
	1,030,322	33,372
Capital transactions:		
Acquisition of tangible capital assets	(105,947)	(37,400)
	(105,947)	(37,400)
Financing transactions:		
Payment of capital lease obligation	(7,714)	(7,208)
	(7,714)	(7,208)
Increase (decrease) in cash	916,661	(11,236)
Cash, beginning of year	8,046,438	8,057,674
Cash, end of year	\$ 8,963,099	\$ 8,046,438
Cash consists of:		
Cash	\$ 6,068,348	\$ 5,281,207
Restricted cash (note 4)	2,894,751	2,765,231
	\$ 8,963,099	\$ 8,046,438

See accompanying notes to financial statements.

BRITISH COLUMBIA PUBLIC SCHOOL EMPLOYERS' ASSOCIATION

Notes to Financial Statements

Year ended March 31, 2023

1. Nature of business and basis of presentation:

The British Columbia Public School Employers' Association (the "Association") is incorporated under the Societies Act (British Columbia), and is exempt from income taxes under Section 149 of the Income Tax Act. The Association is controlled by the Province of British Columbia and is considered an other government organization under Canadian public sector accounting standards.

The primary objective of the Association is to develop and maintain human resource practices that maximize the benefits for students in British Columbia's public education system through effective use of resources and fair terms of employment.

Funding is provided by the Province of British Columbia and the Association is dependent on funding from this source.

2. Significant accounting policies:

The Association's significant accounting policies are as follows:

(a) Basis of accounting:

These financial statements have been prepared in accordance with Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, referred to as the financial reporting framework (the "framework").

The *Budget Transparency and Accountability Act* requires that the financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all tax-payer supported organizations in the Schools, Universities, Colleges, and Hospitals sectors to adopt Canadian public sector accounting standards ("PSAS") issued by the Canadian Public Sector Accounting Board without any PS 4200 series.

Regulation 198/2011 requires that contributions for the purpose of acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset, in each case for use in providing services, are recorded and, referred to as deferred capital contributions and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded. The reduction of the deferred capital contributions and the recognition of the revenue are accounted for in the fiscal period during which the tangible capital asset is used to provide services. If the depreciable tangible capital asset funded by a deferred contribution is written down, a proportionate share of the deferred capital contribution is recognized as revenue during the same period.

BRITISH COLUMBIA PUBLIC SCHOOL EMPLOYERS' ASSOCIATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

2. Significant accounting policies (continued):

(a) Basis of accounting (continued):

For British Columbia tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of PSAS which require that government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with PS 3410 *Government Transfers*.

As a result, revenue recognized in the statement of operations and certain related deferred capital contributions would be recorded differently under PSAS.

(b) Revenue recognition:

Government transfers for operating purposes are recognized as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability or are restricted for the purpose of depreciable tangible capital assets. Transfers are initially recorded as deferred contributions when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulations are met.

Revenue related to fees for services received in advance of the fee being earned or the service being performed is deferred and recognized when the fee is earned or service performed.

Interest income earned on cash is unrestricted and is recognized as revenue when earned.

Interest income earned on restricted cash is deferred and recognized as stipulations are met.

Contributions restricted for the purpose of depreciable tangible capital assets are deferred and amortized to revenue at a rate corresponding with the amortization rate for the related tangible capital assets.

(c) Tangible capital assets:

Tangible capital assets are recorded at cost and amortized on a straight-line basis as follows:

	Rate
Computer hardware	4 years
Human Resources ("HR") software system and attendance support	15 years
Other computer software	1 to 3 years
Furniture and fixtures	7 years
Office equipment	5 years
Office equipment under capital lease	Term of the lease
Leasehold improvements	Term of the lease
Coordinated Labour Arbitration Support System ("CLASS") management software system	3 years

BRITISH COLUMBIA PUBLIC SCHOOL EMPLOYERS' ASSOCIATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

2. Significant accounting policies (continued):

(c) Tangible capital assets (continued):

Contributed tangible capital assets are recorded at their fair value at the date of contribution and recorded as revenue. When a tangible capital asset no longer contributes to the Association's ability to provide services, or when the value of future economic benefits associated with the tangible capital asset are less than its net book value, its carrying amount is written down to its residual value. The net write-downs are accounted for as expenses in the statement of operations.

Leases that transfer substantially all benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are expensed as incurred.

(d) Employee future benefits:

The Association and its employees participate in the Municipal Pension Plan ("MPP"). The MPP is a multi-employer contributory defined benefit pension plan. Contributions to the plan are expensed as incurred.

Employees are entitled to vacation which is accrued and expensed as service is provided.

(e) Lease inducements:

Lease inducements are amortized on a straight-line basis over the term of the lease agreement for the office premises.

(f) Use of estimates:

The preparation of financial statements 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 reporting date and the reported amounts of revenues and expenses during the year. The actual outcome could differ from the estimates made in the preparation of the financial statements.

(g) Financial instruments:

The Association's financial instruments consist of cash, restricted cash, accounts receivable, and accounts payable and accrued liabilities. Cash is recorded at fair value and all other financial instruments are measured initially at fair value and subsequently at cost or amortized cost.

Unrealized gains and losses from changes in the fair value of financial instruments would be recognized in the statement of remeasurement gains and losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the statement of operations and accumulated surplus. Due to the short-term nature of the financial instruments, their fair values approximate book value and there are no unrealized gains or losses as at March 31, 2023 (2022 - nil). As a result, the Association does not have a statement of remeasurement gains and losses.

BRITISH COLUMBIA PUBLIC SCHOOL EMPLOYERS' ASSOCIATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

2. Significant accounting policies (continued):

(h) Segment disclosure:

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the accounting standard. The Association's activities are in only one segment and hence no additional disclosure is required.

3. Adoption of PS 3280 Asset Retirement Obligations Standard:

On April 1, 2022, the Association adopted public sector accounting standard PS 3280 Asset Retirement Obligations. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, as well as contractual liabilities under lease arrangements by public sector entities.

There was no impact on the financial statements as a result of adopting this new standard.

4. Restricted cash:

	2023	2022
Coordinated Labour Arbitration Support System funds	\$ 2,304,751	\$ 2,765,231
Enhanced French teacher recruitment and retention fund (note 6)	590,000	-
	<u>\$ 2,894,751</u>	<u>\$ 2,765,231</u>

5. Accounts payable and accrued liabilities:

	2023	2022
Trade accounts payable and accruals	\$ 545,565	\$ 714,617
Vacation accruals	131,083	159,135
	<u>\$ 676,648</u>	<u>\$ 873,752</u>

6. Enhanced French teacher recruitment and retention fund:

In 2023, the Association received \$590,000 for the Enhanced French teacher recruitment and retention fund. The Association is responsible for administering and distributing these funds to school districts that meet the eligibility criteria. This amount is not recognized as revenue as the Association is only responsible for administering payments. During the year, the Association has not distributed any funds and \$590,000 was recorded as restricted cash and as a liability as at March 31, 2023.

BRITISH COLUMBIA PUBLIC SCHOOL EMPLOYERS' ASSOCIATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

7. Capital lease obligation:

In June 2019, the Association entered into a capital lease to acquire office equipment. This lease expires in June 2023.

Future minimum payments for the years ended March 31 are as follows:

2024	\$	2,034
Amount representing interest at 6.78% per annum		(22)
<hr/>		
Present value of capital lease payments	\$	2,012

8. Deferred capital contributions:

Deferred capital contributions represent the unamortized amount of funds received and spent for the purchase of tangible capital assets.

	2023	2022
Balance, beginning of year	\$ 97,827	\$ 137,289
Amortization during the year	(29,007)	(39,462)
<hr/>		
Balance, end of year	\$ 68,820	\$ 97,827

BRITISH COLUMBIA PUBLIC SCHOOL EMPLOYERS' ASSOCIATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

9. Deferred contributions:

	Balance, Beginning of year	Grants and contributions received	Interest income	Amounts recognized as revenue in the period	Balance, end of year
Bargaining	\$ 1,813,219	\$ 1,051,259	\$ -	\$ (663,831)	\$ 2,200,647
Coordinated Labour Arbitration Support System ("CLASS")	2,765,231	3,210,871	49,009	(3,720,361)	2,304,750
Attendance support and wellness	65,760	-	-	(64,779)	981
Job evaluation	-	135,789	-	(135,789)	-
Board of director benefits training	13,517	-	-	-	13,517
Integrated French Teacher Recruitment Campaign	120,629	229,000	-	(220,335)	129,294
Provincial French Teacher Recruitment Campaign	-	435,000	-	(66,920)	368,080
Northern BC Teacher Recruitment & Retention	-	375,000	-	(13,502)	361,498
	\$ 4,778,356	\$ 5,436,919	\$ 49,009	\$ (4,885,517)	\$ 5,378,767

BRITISH COLUMBIA PUBLIC SCHOOL EMPLOYERS' ASSOCIATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

10. Tangible capital assets:

	Computer hardware	HR software system	HR software attendance support	Other computer software	CLASS management software system	Furniture and fixtures	Office equipment	Office equipment under capital lease	Leasehold improvements	Total 2023	Total 2022
Cost, beginning of year	\$ 311,146	\$ 956,194	\$ 121,448	\$ 33,378	\$ 94,095	\$ 222,626	\$ 66,294	\$ 28,596	\$ 576,362	\$ 2,410,139	\$ 2,408,781
Additions	63,073	-	-	13,184	-	29,088	602	-	-	105,947	37,400
Disposals	(201,995)	-	-	-	-	(5,908)	(34,033)	-	-	(241,936)	(36,042)
Cost, end of year	172,224	956,194	121,448	46,562	94,095	245,806	32,863	28,596	576,362	2,274,150	2,410,139
Accumulated amortization, beginning of year	266,545	813,632	44,533	18,471	73,185	137,940	65,857	19,659	153,696	1,593,518	1,405,681
Amortization	27,485	67,332	8,097	16,421	20,910	33,593	325	7,149	38,424	219,736	223,879
Disposals	(201,995)	-	-	-	-	(4,349)	(34,033)	-	-	(240,377)	(36,042)
Accumulated amortization, end of year	92,035	880,964	52,630	34,892	94,095	167,184	32,149	26,808	192,120	1,572,877	1,593,518
Net carrying amount, end of year	\$ 80,189	\$ 75,230	\$ 68,818	\$ 11,670	\$ -	\$ 78,622	\$ 714	\$ 1,788	\$ 384,242	\$ 701,273	\$ 816,621

BRITISH COLUMBIA PUBLIC SCHOOL EMPLOYERS' ASSOCIATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

11. Employee future benefits:

The Association and its employees contribute to the MPP (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2022, the plan had about 240,000 active members and approximately 124,000 retired members.

The most recent valuation for the MPP as at December 31, 2021, indicated a \$3.761 billion funding surplus for basic pension benefits on a going concern basis. Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The next valuation will be as at December 31, 2024, with results available in 2025.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

The Association paid \$283,912 (2022 - \$276,646) for employer contributions to this plan for the year ended March 31, 2023.

12. Contractual obligations and contingencies:

- (a) The Association is committed to make operating lease payments, including estimated operating costs, for office premises as follows:

2024	\$	269,938
2025		269,938
2026		269,938
2027		269,938
2028		269,938
Thereafter		1,403,840
	\$	2,753,530

- (b) Trust funds:

The Association is holding funds in trust for the Support Staff Education and Adjustment Committee ("SSEAC"), which is a joint committee between support staff unions and the Association, to support the development and maintenance of a qualified sustainable support staff workforce in K-12 public education. As at March 31, 2023, the amount of cash held in trust was \$15,481,101 (2022 - \$15,318,575). This amount is not included in the financial statements of the Association.

BRITISH COLUMBIA PUBLIC SCHOOL EMPLOYERS' ASSOCIATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

13. Expenses by object:

	2023	2022
Advertising expense	\$ 164,302	\$ 118,859
Amortization of tangible capital assets	219,736	223,879
Capital lease interest	423	927
Communications	56,007	56,692
Contracted service	484,590	436,035
Dues and subscriptions	32,221	29,019
Equipment rental	77,908	77,907
Honorariums	92,071	85,948
Legal services	3,271,018	3,144,750
Loss on disposal of tangible capital assets	1,559	-
Meeting expense	184,083	142,463
Occupancy costs	269,700	275,185
Office supplies	11,858	9,397
Other expense	7,374	4,928
Professional development	44,148	23,628
Salaries and benefits (note 16)	3,861,111	3,604,025
Technical support	312,867	296,948
Training supplies	29,146	3,964
Travel and accommodation	166,339	32,083
	<u>\$ 9,286,461</u>	<u>\$ 8,566,637</u>

14. Financial risks:

The Association, through its financial assets and financial liabilities, is exposed to various risks as follows:

(a) Credit risk:

Credit risk is the risk that the Association will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the Association to significant concentrations of credit risk consist primarily of cash, restricted cash and accounts receivable.

The maximum amount of credit risk exposure is limited to the carrying amount of the balances in the financial statements. Management has assessed the overall risk to be low given amounts are primarily owing from other government entities or with other credit worthy entities. There have been no changes to the credit risk from the prior year.

(b) Liquidity risk:

Liquidity risk is the risk that the Association will not be able to meet its obligations as they fall due. The Association maintains adequate levels of working capital to ensure all its obligations can be met when they fall due. There have been no changes to the liquidity risk from the prior year.

The Association is not subject to any significant interest rate, foreign exchange or other market risks related to its financial instruments.

BRITISH COLUMBIA PUBLIC SCHOOL EMPLOYERS' ASSOCIATION

Notes to Financial Statements (continued)

Year ended March 31, 2023

15. Budget information:

The budget information reported in the statements of operations and changes in net financial assets was approved by the members of the Association at the Annual General Meeting on January 27, 2022.

16. Employee and contractor remuneration:

For the fiscal year ended March 31, 2023, the Association paid total remuneration of \$1,661,920 (2022 - \$1,544,305) to the top 10 employees and contractors for services, each of whom received total annual remuneration of \$75,000 or greater.

The Association paid the following amounts of remuneration to each of its directors:

	2023	2022
Director - Chair	\$ 50,750	\$ 37,000
Director - Vice-chair - previous	-	1,250
Director - Vice-chair - current	7,500	7,500
Director	7,500	7,500
Director	7,500	7,500
Director	7,500	7,500
Director	6,250	7,500
Director	5,000	7,500
Director	1,250	-
Director	1,250	-

17. Contractual rights:

During fiscal 2020, the Association entered into a service agreement related to the Benefits Buying Group Program and the consulting and administrative services provided to certain school districts. The Association is entitled under this service agreement to 0.13% of the annual benefits cash flow collected from all participating employers under the program.

18. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted for the current year. There was no impact to annual surplus.