

Financial Statements of

**COMMUNITY SOCIAL SERVICES
EMPLOYERS' ASSOCIATION OF
BRITISH COLUMBIA**

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 Community Social Services Employers' Association of British Columbia, and to the Minister of the Ministry of Finance, Province of British Columbia

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Community Social Services Employers' Association of British Columbia (the "Association"), which comprise:

- the statement of financial position as at March 31, 2023
- the statement of operations and accumulated surplus for the year then ended
- the statement of remeasurement gains and losses 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 and schedule 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 present fairly, in all material respects, the financial position of the Association as at March 31, 2023, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 – Comparative Information

We draw attention to Note 3 to the financial statements, which explains that certain comparative information presented for the year ended March 31, 2022 has been restated.

Note 3 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

Other Matter – Comparative Information

As part of our audit of the financial statements for the year ended March 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended March 31, 2022. In our opinion, such adjustments are appropriate and have been properly applied.

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 public sector accounting standards, 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.
- 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.
- 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 the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting financial statements in accordance with Canadian public sector accounting standards have been applied, after giving retrospective effect to the change in accounting policy as explained in Note 3 to the financial statements, on a basis consistent with that of the preceding period.

Chartered Professional Accountants

Vancouver, Canada
May 29, 2023

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Statement of Financial Position

March 31, 2023, with comparative information for 2022

	2023	2022
		(restated – note 3)
Financial assets		
Cash	\$ 642,153	\$ 104,289
Term deposits (note 4)	250,000	1,150,000
Investments, at fair value (note 5)	595,555	608,703
Accounts receivable	21,016	28,538
	1,508,724	1,891,530
Liabilities		
Accounts payable and accrued liabilities	427,679	280,833
Deferred revenue (note 7)	263,513	697,457
Obligations under capital leases (note 8)	40,013	53,432
Asset retirement obligation (note 9)	99,501	96,371
	830,706	1,128,093
Net financial assets	678,018	763,437
Non-financial assets		
Tangible capital assets (note 10)	134,430	160,169
Prepaid expenses	65,242	77,082
	199,672	237,251
Accumulated surplus	\$ 877,690	\$ 1,000,688
Accumulated surplus is comprised of:		
Accumulated surplus (note 15)	\$ 826,814	\$ 912,766
Accumulated remeasurement gains	50,876	87,922
	\$ 877,690	\$ 1,000,688

Commitments (note 11)

See accompanying notes and schedule to financial statements.

Approved on behalf of the Board:



Director



Director

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Statement of Operations and Accumulated Surplus

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

	2023 Budget (note 2(k))	2023 Actual	2022 Actual (Restated - note 3)
Revenue:			
Provincial government	\$ 2,909,001	\$ 2,951,713	\$ 2,657,137
Fees	697,540	623,904	505,380
Investment income, net (note 6)	29,886	79,304	33,668
	3,636,427	3,654,921	3,196,185
Expenses (note 14):			
Human resources and labour relations	998,936	976,973	989,876
General	1,128,886	1,176,158	1,097,482
Research and knowledge management	1,056,024	930,789	857,056
Membership	452,216	500,125	310,566
Bargaining	130,806	156,828	127,333
	3,766,868	3,740,873	3,382,313
Annual deficit	(130,441)	(85,952)	(186,128)
Accumulated surplus, beginning of year	912,766	912,766	1,109,560
Adjustment on adoption of the asset retirement obligation standard (note 3)	-	-	(10,666)
Accumulated surplus, beginning of year, as restated	912,766	912,766	1,098,894
Accumulated surplus, end of year	\$ 814,394	\$ 826,814	\$ 912,766

See accompanying notes and schedule to financial statements.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Statement of Remeasurement Gains and Losses

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

	2023	2022
Accumulated remeasurement gains, beginning of year	\$ 87,922	\$ 84,235
Unrealized (losses) gains generated during the year from: Investments	(13,148)	20,743
Remeasurement gains realized and reclassified to the Statement of Operations and Accumulated Surplus from: Investments	(23,898)	(17,056)
Net remeasurement (losses) gains for the year	(37,046)	3,687
Accumulated remeasurement gains, end of year	\$ 50,876	\$ 87,922

See accompanying notes and schedule to financial statements.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Statement of Changes in Net Financial Assets

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

	2023 Budget (note 2(k))	2023 Actual	2022 Actual (Restated - note 3)
Annual deficit	\$ (130,441)	\$ (85,952)	\$ (186,128)
Acquisition of tangible capital assets	-	(31,766)	(41,809)
Disposal of tangible capital assets	-	-	-
Amortization of tangible capital assets	68,467	57,505	57,416
Acquisition of prepaid expenses	-	(177,929)	(58,863)
Use of prepaid expenses	-	189,768	74,028
	(61,974)	(48,374)	(155,356)
Effect of net remeasurement gains	-	(37,045)	3,687
Decrease in net financial assets	(61,974)	(85,419)	(151,669)
Net financial assets, beginning of year	763,437	763,437	1,008,446
Adjustment on adoption of the asset retirement obligation standard (note 3)	-	-	(93,340)
Net financial assets, beginning of year, as restated	763,437	763,437	915,106
Net financial assets, end of year	\$ 797,834	\$ 678,018	\$ 763,437

See accompanying notes and schedule to financial statements.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Statement of Cash Flows

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

	2023	2022
		(Restated - note 3)
Cash provided by (used in):		
Operating activities:		
Annual deficit	\$ (85,952)	\$ (186,128)
Items not affecting cash:		
Amortization of tangible capital assets	57,505	57,416
Accretion expense	3,130	3,031
	(25,317)	(125,681)
Changes in non-cash operating working capital:		
Accounts receivable	7,522	22,207
Prepaid expenses	11,840	15,165
Accounts payable and accrued liabilities	146,846	50,910
Deferred revenue	(433,944)	475,799
	(293,053)	438,400
Capital activities:		
Acquisition of tangible capital assets	(31,766)	(41,809)
Investing activities:		
Redemption of term deposits	1,150,000	750,000
Net acquisition of investments	(23,898)	(17,056)
Purchase of term deposits	(250,000)	(1,150,000)
	876,102	(417,056)
Financing activities:		
Capital lease repayments	(13,419)	(12,854)
Increase (decrease) in cash	537,864	(33,319)
Cash, beginning of year	104,289	137,608
Cash, end of year	\$ 642,153	\$ 104,289

See accompanying notes and schedule to financial statements.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended March 31, 2023

1. Operations:

The Community Social Services Employers' Association of British Columbia (the "Association") was constituted on January 13, 1994 and is incorporated under the *Societies Act* (British Columbia). The Association provides human resources and labour relations expertise to over 200 member social service organizations. The Association also provides services to associate organizations with access to its human resources and labour relations services on a fee-for-service basis. The Association is exempt from income taxes under Section 149 of the *Income Tax Act*.

2. Significant accounting policies:

(a) Basis of accounting:

These financial statements have been prepared by management in accordance with Canadian public sector accounting standards ("PSAS") established by the Canadian Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

(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. Such transfers are initially recorded as deferred revenue or deferred contributions and recognized as revenue in the statement of operations and accumulated surplus when stipulations are met.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and recognized as revenue when used for the specific purpose.

Revenue related to fees or 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 term deposits is unrestricted and recognized as revenue when earned.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2023

2. Significant accounting policies (continued):

(c) Accumulated surplus:

Accumulated surplus is comprised of various funds. These funds are not presented separately in the statement of operations and accumulated surplus or on the statement of financial position but are presented on a combined basis, with any interfund balances and transactions eliminated.

The various funds include the following:

(i) Unrestricted accumulated surplus.

(ii) Capital assets fund:

The purpose of this fund is the funding of the amortization of tangible capital assets.

(iii) Bargaining fund:

The purpose of this fund is the delivery of collective bargaining objectives.

(d) Segments:

The Association has five segments which are detailed in Schedule 1. The Association provides human resources and labour relations services to publicly funded social services organizations. Reporting segments are specified by the Association as major categories of these services.

The segments, nature of the segments and the activities of the segments are noted below:

(i) **Human Resources and Labour Relations** services involve interpretation of employment standards, human rights and WorkSafeBC, discipline and dismissal, attendance management, harassment in the workplace, performance management, recruitment and selection, certification, decertification and other proceedings at the Labour Relations Board and dispute resolution through the Labour Relations Board. Revenue is in the form of fees received for services and expenses are related to the direct costs of providing these services.

(ii) **General** services include the costs of undertaking the governance and administrative operations of the Association. Revenue for these services are provided by provincial government funding.

(iii) **Research and Knowledge Management** services provide data and statistical analysis for the community social services sector and reports on trends and issues within the membership and the sector. Expenses include the direct costs of providing the services.

(iv) **Membership** services include meeting, consulting and training fee revenue and the related direct expenses of providing these services.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2023

2. Significant accounting policies (continued):

(d) Segments (continued):

- (v) **Bargaining** services include all functions related to the bargaining of sectoral collective agreements, interpretation, settlement and costing for the social services sector. Costs are allocated based on direct expenses of providing the services including wages and benefits, consulting, travel, meeting and miscellaneous expenses.

(e) Tangible capital assets:

Tangible capital assets, including leased tangible capital assets, are recorded at cost less accumulated amortization. Amortization is determined at rates which will reduce original cost to estimated residual value over the estimated useful life of the asset. The basis and annual rates used to compute amortization are as follows:

Asset	Basis	Rate
Leased office equipment	Straight-line	5 years
Furniture and fixtures	Declining-balance	20%
Computer and communication equipment	Straight-line	3 years
Leasehold improvements	Straight-line	Lesser of the lease term or the useful life

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 assets are less than its net book value, its carrying amount is written down to its residual value. The write-downs are accounted for as expenses in the Statement of Operations and Accumulated Surplus.

Leases that transfer substantially all benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. The related capital lease obligations are recorded at the present value of the minimum lease payments excluding executory costs (e.g., insurance, maintenance costs, etc.). The discount rate used to determine the present value of the lease payments is the lower of the Association's rate for incremental borrowing or the interest rate implicit in the lease.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2023

2. Significant accounting policies (continued):

(f) Asset retirement obligations:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The estimate of the asset retirement obligation includes costs directly attributable to the asset retirement activities and is determined using a present value technique. The amount is recorded as a liability and increase to the related tangible capital assets. The amount capitalized in tangible capital assets is amortized using the amortization accounting policy outlined in note 2(e).

The carrying value of the liability is reconsidered at each financial reporting date with changes to the timing or amount of the original estimate of cash flows recorded as an adjustment to the asset retirement obligation liability and tangible capital assets.

(g) Financial instruments:

Financial instruments are initially classified upon initial recognition as a fair value or amortized cost instrument. For financial instruments measured using amortized cost, the effective interest method is used to determine interest revenue or expense. Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

Unrealized gains and losses from changes in the fair value of financial instruments are 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 and related balances reversed from the statement of remeasurement gains and losses.

The Association's financial instruments are comprised of and measured as follows:

- Investments are elected to be recorded at fair value.
- Term deposits, accounts receivable and accounts payable and accrual liabilities are measured at amortized cost using the effective interest method.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2023

2. Significant accounting policies (continued):

(g) Financial instruments (continued):

Financial assets measured at amortized cost are tested annually for valuation allowance. Valuation allowances are recorded in the statement of operations and accumulated surplus when collection is in doubt.

(h) Employee future benefits:

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

(i) Operating leases:

The Association's office premise lease is classified as an operating lease and rent expense is charged to the statement of operations and accumulated surplus on a straight line basis over the term of the lease.

(j) 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.

(k) Budget information:

The budget information reported in the Statements of Operations and Accumulated Surplus and Changes in Net Financial Assets was approved by the Board of Directors on March 7, 2022.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2023

3. Change in accounting policy:

On April 1, 2022, the Association adopted PS 3280, *Asset Retirement Obligations*. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets. The Association has adopted the new accounting standard using the modified retroactive transitional provisions, which results in the restatement of the comparative balances as at and for the year ended March 31, 2022 as follows:

	As previously stated	Adjustments	As restated
Statement of financial position:			
Asset retirement obligation	\$ -	\$ 96,371	\$ 96,371
Tangible capital assets	95,867	64,302	160,169
Accumulated surplus	1,032,757	(32,069)	1,000,688
Statement of operations and accumulated surplus:			
General expense	1,076,079	21,403	1,097,482
Annual deficit	(164,725)	(21,403)	(186,128)
Accumulated surplus, beginning of year	1,109,560	(10,666)	1,098,894
Statement of changes in net financial assets:			
Annual deficit	(164,725)	(21,403)	(186,128)
Amortization of tangible capital assets	39,044	18,372	57,416
Net financial assets, beginning of year	1,008,446	(93,340)	915,106
Statement of cash flows:			
Annual deficit	(164,725)	(21,403)	(186,128)
Accretion expense	-	3,031	3,031
Amortization of tangible capital assets	39,044	18,372	57,416

4. Term deposits:

Term deposits held as at March 31 consist of the following:

Purchase Date	Maturity Date	2023	2022
April 19, 2022	April 19, 2023	\$ 250,000	\$ -
May 17, 2021	May 17, 2022	-	250,000
May 17, 2021	May 17, 2022	-	250,000
May 17, 2021	May 17, 2022	-	250,000
March 23, 2022	March 22, 2023	-	400,000
Total		\$ 250,000	\$ 1,150,000

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2023

4. Term deposits (continued):

The interest rate for the term deposits held as at March 31, 2023 was 2.45% (2022 - ranged between 0.55% to 1.10%).

5. Investments:

The table below summarizes the investments held by the Association as at March 31:

	2023	2022
Investments, at fair value:		
Fixed income mutual fund	\$ 258,478	\$ 243,200
Equities	334,410	353,276
Cash account	2,667	12,227
	<hr/>	<hr/>
	\$ 595,555	\$ 608,703

The financial instruments measured at fair value are classified according to a hierarchy which includes three levels, reflecting the reliability of the inputs involved in the fair value determination. The different levels are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (*i.e.*, as prices) or indirectly (*i.e.*, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Association's investments are all considered to be Level 1 financial instruments for which the fair value is determined based on quoted prices in active markets. Changes in fair valuation methods or in the availability of market observable inputs may result in a transfer between different levels. During the years ended March 31, 2023 and 2022, there were no transfers of securities between the different levels.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2023

6. Investment Income, net:

	2023	2022
Interest	\$ 55,099	\$ 14,713
Dividends	5,830	7,764
Realized gain on investments	23,898	17,056
Less: investment manager, custodian fees and other	(5,523)	(5,865)
	<u>\$ 79,304</u>	<u>\$ 33,668</u>

7. Deferred revenue:

The composition of and changes in deferred revenue are as follows:

	March 31, 2022	Funds received	Revenue recognized	Other	March 31, 2023
WorkSafeBC CSS Health & Safety Council	\$ 263,306	\$ 154,170	\$ (355,851)	-	\$ 61,625
Non-Union Data Collection Initiative	-	174,143	(174,143)	-	-
CSS Compensation Standard Project	389,384	-	(207,205)	(19,048)	163,131
Other	44,767	299,515	(305,525)	-	38,757
	<u>\$ 697,457</u>	<u>\$ 627,828</u>	<u>\$ (1,042,724)</u>	<u>\$ (19,048)</u>	<u>\$ 263,513</u>

8. Obligations under capital leases:

The equipment leases entered into by the Association expire in December 2025. The minimum lease payments required under the agreement for the years ending March 31 are as follows:

2024	\$ 15,509
2025	15,509
2026	11,200
	<u>42,218</u>
Less: amount representing interest at 4.3% per annum	2,205
	<u>\$40,013</u>

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2023

9. Asset retirement obligation:

The Association's asset retirement obligation consists of costs to remove leasehold improvements and trade fixtures at the end of its office lease. Estimated costs have been discounted to the present value using a discount rate of 3.20% per annum.

Changes to the asset retirement obligation in the year are as follows:

	2023	2022 (Restated - note 3)
Balance, beginning of year	\$ 96,371	\$ -
Adjustment on adoption of the asset retirement obligation standard (note 3)	-	93,340
Balance, beginning of year, as restated	96,371	93,340
Accretion expense	3,130	3,031
Balance, end of year	\$ 99,501	\$ 96,371

10. Tangible capital assets:

	Leased office equipment	Furniture and fixtures	Computer and communication equipment	Leasehold improvements	Total
Cost:					
As at March 31, 2022 (Restated – note 3)	\$ 70,164	\$ 170,864	\$ 224,434	\$ 289,325	\$ 754,787
Additions	-	11,745	20,021	-	31,766
	70,164	182,609	244,455	289,325	786,553
Accumulated amortization:					
As at March 31, 2022 (Restated – note 3)	18,197	167,642	183,756	225,023	594,618
Amortization expense	15,509	1,036	22,588	18,372	57,505
	33,706	168,678	206,344	243,395	652,123
Net book value, March 31, 2023	\$ 36,458	\$ 13,931	\$ 38,111	\$ 45,930	\$ 134,430

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2023

10. Tangible capital assets (continued):

	Leased office equipment	Furniture and fixtures	Computer and communication equipment	Leasehold improvements	Total (Restated - note 3)
Cost:					
As at March 31, 2021	\$ 70,164	\$ 170,864	\$ 182,625	\$ 206,651	\$ 630,304
Additions	-	-	41,809	82,674	124,483
	70,164	170,864	224,434	289,325	754,787
Accumulated amortization:					
As at March 31, 2021	2,688	166,837	161,026	206,651	537,202
Amortization expense	15,509	805	22,730	18,372	57,416
	18,197	167,642	183,756	225,023	594,618
Net book value, March 31, 2022	\$ 51,967	\$ 3,222	\$ 40,678	\$ 64,302	\$ 160,169

11. Commitments:

(a) Line of credit:

The Association has a \$250,000 line of credit which bears interest at prime plus 2%. As at March 31, 2022, the line of credit has a nil outstanding balance.

(b) Operating lease:

In December 2019, the Association extended its operating lease related to its office premises. The extended lease expires on September 30, 2025. The base lease payments for the years ending March 31 are as follows:

2024	\$ 276,845
2025	283,359
2026	143,308
	\$ 703,512

12. Related party transactions:

The Association is related through common ownership to all Province of British Columbia ministries, agencies, crown corporations, school districts, health authorities, hospitals societies, universities, and colleges that are included in the provincial government reporting entity. Transactions with these entities, unless disclosed otherwise, are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

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

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2023

13. Contractual rights:

On April 1, 2019, the Association entered into a cost sharing agreement with a related party under common control for information technology shared services for a three-year term. The agreement entitles the Association to receive \$15,356 (2022 – 20,475). Beginning April 1, 2022, the agreement is continuing on a month-to-month basis.

14. Expenses by object:

	2023	2022 (Restated - note 3)
Salaries and benefits	\$ 2,173,972	\$ 2,237,113
Consulting	459,939	289,803
Occupancy	471,795	460,835
Travel and training	56,161	36,854
Directors and committees	126,841	19,399
Legal, accounting and other professional services	166,142	97,634
Amortization	57,505	57,416
Office supplies	75,365	55,296
Telephone and facsimile	39,993	41,890
Non-recoverable GST	19,997	16,261
Employer Health Tax ("EHT")	35,364	35,518
Photocopy and printing	15,936	7,214
Equipment	31,016	15,842
Delivery	7,551	5,817
Member education	166	2,390
Accretion	3,130	3,031
	\$ 3,740,873	\$ 3,382,313

15. Accumulated surplus:

	2023	2022
Unrestricted	\$ 805,749	\$ 738,479
Capital assets fund	5,539	1,932
Bargaining fund	14,423	171,252
CSSHSC fund	1,103	1,103
	\$ 826,814	912,766

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2023

16. Pension plan:

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

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and adequacy of Plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the Plan. This rate is then adjusted to the extent there is amortization of any funding deficit.

The most recent valuation for the Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be at December 31, 2024, with results available in fall 2025.

During the year ended March 31, 2023, the Association paid \$138,743 (2022 - \$162,562) for employer contributions to the Plan, and the Association's employees paid \$128,311 (2022 - \$146,935) for employee contributions to the Plan.

17. Employee and contractor remuneration:

For the year ended March 31, 2023, the Association paid total remuneration of \$999,632 (2022 - \$1,144,103) to 9 employees and contractors for services (2022 - 10), each of whom received total annual remuneration of \$75,000 or greater.

There was no remuneration paid to any of the member of the Board of Directors of the Association during the years ended March 31, 2023 and 2022.

18. Financial risk and capital management:

The Association, through its financial assets and liabilities, is exposed to various risks. The following analysis provides an assessment of those risks as at March 31, 2023.

(a) Credit risk:

The Association has limited exposure to credit risk associated with its cash, term deposits and accounts receivable. The Association is not exposed to significant credit risk on its accounts receivable as the majority of receivables are due from governments. Cash and term deposits are held with a Canadian credit union. The Association's maximum exposure to credit risk is limited to the carrying amount of these balances in the financial statements. There have been no changes to the credit risk from the prior year.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2023

18. Financial risk and capital management (continued):

(b) Liquidity risk:

Liquidity risk is the risk that the Association will not be able to meet its financial obligations as they become due. The Association does not have significant liquidity risk as it has sufficient cash to meet its liabilities as they come due. Investments are held in highly liquid investments that can be disposed of when required. Accounts payable and accrued liabilities are all due within one year. There have been no changes to the liquidity risk from the prior year.

(c) Market risk:

The Association recognizes that fair values of an investment will fluctuate as a result of changes in market conditions, whether those changes are caused by factors specific to the individual investment or factors affecting all securities traded in the market: market risk consists of currency risk, interest rate risks, and other price risk.

(d) Capital management:

The Association requires all earned interest, dividend payments and capital gains on investments to be paid out semi-annually to maintain the original investment amount at par. During the years of negative growth, the earned income and any other gains would be reinvested back into the portfolio with the goal of maintaining the original invested amount. During the year ended March 31, 2023, the Association transferred the majority of the funds it held in short-term investments to a high interest savings account.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Segment Revenue and Expenses

Schedule 1

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

	Human Resources and Labour Relations	General	Research and Knowledge Management	Membership	Bargaining	2023 Total	2022 Total
Revenue:							
Provincial government	\$ 31,855	\$ 2,512,222	\$ 407,636	\$ -	\$ -	\$ 2,951,713	\$ 2,657,137
Fees	62,657	18,502	47,876	494,869	-	623,904	505,380
Investment income, net	-	77,341	-	1,963	-	79,304	33,668
	94,512	2,608,065	455,512	496,832	-	3,654,921	3,196,185
Expenses:							
Salaries and benefits	778,103	543,141	646,432	177,016	29,280	2,173,972	2,237,113
Consulting	149,036	25,178	129,712	104,836	51,177	459,939	289,803
Occupancy	-	437,871	-	33,924	-	471,795	460,835
Travel and training	22,750	5,634	3,193	11,059	13,525	56,161	36,854
Directors and committees	-	17,116	-	83,609	26,116	126,841	19,399
Legal, accounting and other professional services	50	19,814	56,078	55,322	34,878	166,142	97,634
Amortization	-	57,096	-	409	-	57,505	57,416
Office supplies	23,748	13,294	37,461	862	-	75,365	55,296
Telephone and facsimile	-	-	35,700	4,293	-	39,993	41,890
Non-recoverable GST	3,286	9,871	3,749	1,239	1,852	19,997	16,261
EHT	-	26,087	5,556	3,721	-	35,364	35,518
Photocopy and printing	-	16,008	(2,400)	2,328	-	15,936	7,214
Equipment	-	756	8,753	21,507	-	31,016	15,842
Delivery	-	996	6,555	-	-	7,551	5,817
Member education	-	166	-	-	-	166	2,390
Accretion	-	3,130	-	-	-	3,130	3,031
	976,973	1,176,158	930,789	500,125	156,828	3,740,873	3,382,313
Surplus (deficiency) for the year	\$ (882,461)	\$ 1,431,907	\$ (475,277)	\$ (3,293)	\$ (156,828)	\$ (85,952)	\$ (186,128)