

Financial Statements of

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

And Independent Auditor's Report thereon

Year ended March 31, 2025



KPMG LLP

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To the Board of Directors of 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, 2025
- 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, 2025, 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.



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 on a basis consistent with that of the preceding period.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, slightly slanted font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants

Vancouver, Canada
May 27, 2025

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Statement of Financial Position

March 31, 2025, with comparative information for 2024

	2025	2024
Financial assets		
Cash (note 3)	\$ 2,108,756	\$ 4,389,666
Term deposit (note 4)	3,000,000	-
Investments, at fair value (note 5)	690,967	653,162
Accounts receivable	145,904	879,336
	<u>5,945,627</u>	<u>5,922,164</u>
Liabilities		
Accounts payable and accrued liabilities	239,849	1,417,019
Deferred revenue (note 7)	5,138,561	4,020,743
Obligations under capital leases (note 8)	10,134	22,410
Asset retirement obligation (note 9)	301,131	132,874
	<u>5,689,675</u>	<u>5,593,046</u>
Net financial assets	255,952	329,118
Non-financial assets		
Tangible capital assets (note 10)	193,132	82,228
Prepaid expenses	108,639	120,739
	<u>301,771</u>	<u>202,967</u>
Accumulated surplus	<u>\$ 557,723</u>	<u>\$ 532,085</u>
Accumulated surplus is comprised of:		
Accumulated surplus (note 11)	\$ 434,708	\$ 434,007
Accumulated remeasurement gains	123,015	98,078
	<u>\$ 557,723</u>	<u>\$ 532,085</u>

Commitments (note 12)

See accompanying notes and schedule to financial statements.

Approved on behalf of the Board:



Director

Ryan Cucheron



Director

Tim Veresh

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Statement of Operations and Accumulated Surplus

Year ended March 31, 2025, with comparative information for 2024

	2025 Budget (note 2(k))	2025 Actual	2024 Actual
Revenue:			
Provincial government funding:			
General	\$ 4,450,055	\$ 3,767,695	\$ 3,240,434
Child Care ("ECE") and Early Intervention Program ("EIP") Implementation	-	1,774,593	1,295,350
Fees	383,109	354,328	712,498
Investment income, net (note 6)	146,000	312,214	299,456
	<u>4,979,164</u>	<u>6,208,830</u>	<u>5,547,738</u>
Expenses (note 14):			
Human resources and labour relations	1,704,923	1,668,145	1,335,507
General	1,349,636	1,428,605	1,531,651
Research and knowledge management	1,693,804	1,271,511	1,183,021
Membership	146,370	158,470	521,778
Bargaining	83,550	1,681,398	1,368,588
	<u>4,978,283</u>	<u>6,208,129</u>	<u>5,940,545</u>
Annual surplus (deficiency)	881	701	(392,807)
Accumulated surplus, beginning of year	434,007	434,007	826,814
Accumulated surplus, end of year	<u>\$ 434,888</u>	<u>\$ 434,708</u>	<u>\$ 434,007</u>

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, 2025, with comparative information for 2024

	2025	2024
Accumulated remeasurement gains, beginning of year	\$ 98,078	\$ 50,876
Unrealized gains generated during the year from: Investments	37,805	57,607
Remeasurement gains realized and reclassified to the statement of operations and accumulated surplus from: Investments (note 6)	(12,868)	(10,405)
Net remeasurement gains for the year	24,937	47,202
Accumulated remeasurement gains, end of year	\$ 123,015	\$ 98,078

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, 2025, with comparative information for 2024

	2025 Budget (note 2(k))	2025 Actual	2024 Actual
Annual surplus (deficiency)	\$ 881	\$ 701	\$ (392,807)
Addition of tangible capital assets	-	(192,215)	(36,290)
Amortization of tangible capital assets	67,492	81,311	88,492
Acquisition of prepaid expenses	-	(180,855)	(220,823)
Use of prepaid expenses	-	192,955	165,326
	68,373	(98,103)	(396,102)
Effect of net remeasurement gains	-	24,937	47,202
Increase (decrease) in net financial assets	68,373	(73,166)	(348,900)
Net financial assets, beginning of year	329,118	329,118	678,018
Net financial assets, end of year	\$ 397,491	\$ 255,952	\$ 329,118

See accompanying notes and schedule to financial statements.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 701	\$ (392,807)
Items not affecting cash:		
Amortization of tangible capital assets	81,311	88,492
Accretion expense	-	4,511
Interest accrued not yet received	(116,131)	-
	(34,119)	(299,804)
Changes in non-cash operating items:		
Accounts receivable	849,563	(858,320)
Prepaid expenses	12,100	(55,497)
Accounts payable and accrued liabilities	(1,177,170)	989,340
Deferred revenue	1,117,818	3,757,230
	768,192	3,532,949
Capital activities:		
Acquisition of tangible capital assets	(23,958)	(7,428)
Investing activities:		
Redemption of term deposits	-	250,000
Net acquisition of investments	(12,868)	(10,405)
Purchase of term deposit	(3,000,000)	-
	(3,012,868)	239,595
Financing activities:		
Capital lease repayments	(12,276)	(17,603)
Increase (decrease) in cash	(2,280,910)	3,747,513
Cash, beginning of year	4,389,666	642,153
Cash, end of year	\$ 2,108,756	\$ 4,389,666
Non-cash transactions:		
Addition of tangible capital assets relating to asset retirement obligations	\$ 168,257	\$ -

See accompanying notes and schedule to financial statements.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended March 31, 2025

1. Operations:

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.

Fee revenue is recognized as revenue when the Association satisfies its performance obligation by providing the promised services to the payor. A performance obligation is an enforceable promise made by a public sector entity. Amounts received in advance of the service being provided is deferred.

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

(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.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2025

2. Significant accounting policies (continued):

(c) Accumulated surplus (continued):

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. Certain salaries and benefits are allocated to various segments based on the estimated workload attributable to each segment. Such allocations are reviewed regularly by management.

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 collect labour market and compensation data, 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.
- (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 expense.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2025

2. Significant accounting policies (continued):

(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.

(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).

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2025

2. Significant accounting policies (continued):

(f) Asset retirement obligations (continued):

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.

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.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2025

2. Significant accounting policies (continued):

(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 4, 2024.

3. Cash:

As at March 31, 2025, included in cash was \$1,738,546 (2024 - \$4,173,762) held in a prime-linked savings account.

4. Term deposits:

As at March 31, 2025, a term deposit was held with a maturity of May 13, 2025 and interest rate of 4.40%. As at March 31, 2024, no term deposits were held.

5. Investments:

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

	2025	2024
Investments, at fair value:		
Fixed income mutual fund	\$ 295,377	\$ 277,518
Equities	391,285	373,085
Cash account	4,305	2,559
	<u>\$ 690,967</u>	<u>\$ 653,162</u>

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2025

5. Investments (continued):

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 or Level 2 financial instruments. 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, 2025 and 2024, there were no transfers of securities between the different levels.

6. Investment income, net:

	2025	2024
Interest	\$ 301,740	\$ 290,724
Dividends	5,580	3,953
Realized gain on investments	12,868	10,405
Less: investment manager, custodian fees and other	(7,974)	(5,626)
	\$ 312,214	\$ 299,456

7. Deferred revenue:

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

	March 31, 2024	Funds received or receivable	Revenue recognized	Other addition (deduction)	March 31, 2025
WorkSafeBC CSS Health & Safety Contract	\$ 17,225	\$ -	\$ (1,924)	\$ (15,301)	\$ -
Non-Union Data Collection Initiative	-	318,621	(318,621)	-	-
CSS Compensation Standard Project	-	87,723	-	-	87,723
Bargaining Activities 25/26	-	234,000	-	-	234,000
Asset Retirement Obligation 25/26	-	144,000	-	-	144,000
IT One Time Infrastructure	-	465,000	(74,355)	-	390,645
Other	22,917	116,592	(79,508)	-	60,001
23/24 Compensation Increase	41,929	-	(41,929)	-	-
24/25 Compensation Increase	-	79,649	(57,717)	-	21,932
Collective Agreement implementation	3,938,672	2,253,000	(1,991,412)	-	4,200,260
	\$ 4,020,743	\$ 3,698,585	\$ (2,565,466)	\$ (15,301)	\$ 5,138,561

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2025

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:

2026	\$ 10,339
Less: amount representing interest at 4.30% per annum	205
	\$ 10,134

9. Asset retirement obligation:

The Association's asset retirement obligation ("ARO") consists of costs to remove leasehold improvements and trade fixtures at the end of its office lease. The additional ARO liability is based on current valuation which incorporates input from recent discussions with current landlord and contractors estimate received in March 2025.

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

	2025	2024
Balance, beginning of year	\$ 132,874	\$ 99,501
Revaluation	168,257	28,862
Accretion expense	-	4,511
Balance, end of year	\$ 301,131	\$ 132,874

10. Tangible capital assets:

	Leased office equipment	Furniture and fixtures	Computer and communication equipment	Leasehold improvements	Total
Cost:					
As at March 31, 2024	\$ 70,164	\$ 182,609	\$ 251,883	\$ 318,187	\$ 822,843
Additions	-	-	23,958	168,257	192,215
Disposals	-	-	(14,710)	-	(14,710)
	70,164	182,609	261,131	486,444	1,000,348
Accumulated amortization:					
As at March 31, 2024	49,215	171,464	239,897	280,039	740,615
Amortization expense	15,509	2,229	14,104	49,469	81,311
Disposals	-	-	(14,710)	-	(14,710)
	64,724	173,693	239,291	329,508	807,216
Net book value, March 31, 2025	\$ 5,440	\$ 8,916	\$ 21,840	\$ 156,936	\$ 193,132

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2025

10. Tangible capital assets (continued):

	Leased office equipment	Furniture and fixtures	Computer and communication equipment	Leasehold improvements	Total
Cost:					
As at March 31, 2023	\$ 70,164	\$ 182,609	\$ 244,455	\$ 289,325	\$ 786,553
Additions	-	-	7,428	28,862	36,290
	70,164	182,609	251,883	318,187	822,843
Accumulated amortization:					
As at March 31, 2023	33,706	168,678	206,344	243,395	652,123
Amortization expense	15,509	2,786	33,553	36,644	88,492
	49,215	171,464	239,897	280,039	740,615
Net book value, March 31, 2024	\$ 20,949	\$ 11,145	\$ 11,986	\$ 38,148	\$ 82,228

11. Accumulated surplus:

	2025	2024
Unrestricted	\$ 377,084	\$ 429,599
Capital assets fund	13,742	4,408
Bargaining fund	43,882	-
	\$ 434,708	\$ 434,007

12. 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, 2025, 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:

2026	\$ 143,308
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COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2025

13. 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.

14. Expenses by object:

	2025	2024
Salaries and benefits	\$ 2,757,367	\$ 2,990,801
Child Care ("ECE") and Early Intervention Program ("EIP") Implementation payment	1,774,593	1,295,350
Occupancy	482,916	477,283
Consulting	513,750	476,914
Legal, accounting and other professional services	118,153	107,719
Travel and training	112,422	94,396
Directors and committees	103,694	118,100
Amortization	81,311	88,492
Office supplies	77,143	80,521
Photocopy and printing	29,415	62,172
Employer Health Tax	50,781	45,522
Telephone and internet	37,126	35,064
Equipment	23,359	31,071
Non-recoverable GST	24,210	19,623
Delivery	15,988	6,765
Member education	5,901	6,241
Accretion	-	4,511
	\$ 6,208,129	\$ 5,940,545

15. Pension plan:

The Association and its employees contribute to the Municipal Pension Plan (the "Plan"), a multi-employer jointly trusted 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, 2023, the Plan has about 256,341 active members and approximately 128,903 retired members.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2025

15. Pension plan (continued):

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, 2025, the Association paid \$210,842 (2024 - \$198,863) for employer contributions to the Plan, and the Association's employees paid \$194,086 (2024 - \$183,911) for employee contributions to the Plan.

16. Employee and contractor remuneration:

For the year ended March 31, 2025, the Association paid total remuneration of \$1,908,670 (2024 - \$2,096,683) to 16 (2024 - 18) employees and contractors for services, 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, 2025 and 2024.

17. 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, 2025.

(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 is held with a Canadian credit union. The Association's maximum exposure to credit risk is limited to the carrying amount of this balance in the financial statements. 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 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.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2025

17. Financial risk and capital management (continued):

(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, 2025, the Association placed funds into a prime-linked savings account and fixed rate term deposit.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Segment Revenue and Expenses

Schedule 1

Year ended March 31, 2025, with comparative information for 2024

	Human Resources and Labour Relations	General	Research and Knowledge Management	Membership	Bargaining	2025 Total	2024 Total
Revenue:							
Provincial government:							
General	\$ -	\$ 3,157,900	\$ 609,795	\$ -	\$ -	\$ 3,767,695	\$ 3,240,434
Child Care ("ECE") and Early Intervention Program ("EIP") Implementation	133,497	-	-	-	1,641,096	1,774,593	1,295,350
Fees	79,058	78,161	17,728	179,381	-	354,328	712,498
Investment income, net	-	312,214	-	-	-	312,214	299,456
	212,555	3,548,275	627,523	179,381	1,641,096	6,208,830	5,547,738
Expenses:							
Salaries and benefits	1,265,126	663,855	828,386	-	-	2,757,367	2,990,801
Child Care ("ECE") and Early Intervention Program ("EIP") Implementation payments	133,497	-	-	-	1,641,096	1,774,593	1,295,350
Occupancy	-	482,916	-	-	-	482,916	477,283
Consulting	200,549	25,761	226,957	55,383	5,100	513,750	476,914
Legal, accounting and other professional services	1,685	29,136	83,450	-	3,882	118,153	107,719
Travel and training	35,287	37,682	20,497	12,196	6,760	112,422	94,396
Directors and committees	660	13,115	5,595	78,772	5,552	103,694	118,100
Amortization	-	74,656	6,655	-	-	81,311	88,492
Office supplies	26,765	18,347	30,197	1,822	12	77,143	80,521
Photocopy and printing	126	9,005	2,790	1,384	16,110	29,415	62,172
Employer Health Tax	-	46,700	4,081	-	-	50,781	45,522
Telephone and internet	-	-	37,126	-	-	37,126	35,064
Equipment	-	2,968	12,023	8,368	-	23,359	31,071
Non-recoverable GST	3,890	11,572	6,843	-	1,905	24,210	19,623
Delivery	560	6,991	6,911	545	981	15,988	6,765
Member education	-	5,901	-	-	-	5,901	6,241
Accretion	-	-	-	-	-	-	4,511
	1,668,145	1,428,605	1,271,511	158,470	1,681,398	6,208,129	5,940,545
Annual surplus (deficiency)	\$ (1,455,590)	\$ 2,119,670	\$ (643,988)	\$ 20,911	\$ (40,302)	\$ 701	\$ (392,807)