

Financial Statements of

**POST-SECONDARY  
EMPLOYERS' ASSOCIATION**

And Independent Auditor's Report thereon

Year ended March 31, 2025



**KPMG LLP**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of Post-Secondary Employers' Association, 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 Post-Secondary Employers' Association (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 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 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.

*KPMG LLP*

Chartered Professional Accountants

Vancouver, Canada  
June 11, 2025

# POST-SECONDARY EMPLOYERS' ASSOCIATION

## Statement of Financial Position

March 31, 2025, with comparative information for 2024

	2025	2024
<b>Financial assets</b>		
Cash and cash equivalents	\$ 2,535,418	\$ 2,511,840
Accounts receivable	5,113	-
Other receivables	67,678	22,722
	<u>2,608,209</u>	<u>2,534,562</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	901,011	827,716
Deferred revenue (note 3)	231,880	105,685
Deferred lease liability (note 4)	105,225	115,332
	<u>1,238,116</u>	<u>1,048,733</u>
Net financial assets	1,370,093	1,485,829
<b>Non-financial assets</b>		
Tangible capital assets (note 5)	420,028	301,876
Prepaid expenses	25,535	27,951
	<u>445,563</u>	<u>329,827</u>
Commitments (note 7)		
Accumulated surplus (note 6)	<u>\$ 1,815,656</u>	<u>\$ 1,815,656</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:

 Douglas Campbell  
2025.06.11 16:27:57  
-07'00' Director

# POST-SECONDARY EMPLOYERS' ASSOCIATION

## Statement of Operations and Accumulated Surplus

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

	2025 Budget <small>(note 11)</small>	2025 Actual	2024 Actual <small>(note 14)</small>
<b>Revenue:</b>			
Operating and member services (note 3(a))	\$ 2,722,568	\$ 2,682,322	\$ 1,173,871
Annual assessments	639,284	639,285	639,284
Benefits association allowance	250,000	355,224	144,315
Human resources database grant	240,000	240,000	240,000
Interest income	100,000	90,283	168,503
Member services - Learning and development	45,000	153,463	6,602
Bargaining fees and cost recoveries (note 3(b))	-	87,722	1,000,000
	3,996,852	4,248,299	3,372,575
<b>Expenses (note 9):</b>			
Member service - Collective bargaining	2,408,606	2,644,152	2,491,315
Operating	740,596	752,990	808,945
Member services - Learning and development	106,000	153,463	-
Human resources database	431,694	342,470	322,907
Benefits association allowance	309,956	355,224	-
	3,996,852	4,248,299	3,623,167
Annual deficit	-	-	(250,592)
Accumulated surplus, beginning of year	1,815,656	1,815,656	2,066,248
Accumulated surplus, end of year	\$ 1,815,656	\$ 1,815,656	\$ 1,815,656

See accompanying notes to financial statements.

# POST-SECONDARY EMPLOYERS' ASSOCIATION

## Statement of Changes in Net Financial Assets

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

	2025 Budget (note 11)	2025 Actual	2024 Actual
Annual deficit	\$ -	\$ -	\$ (250,592)
Tangible capital assets:			
Acquisition of tangible capital assets	(85,000)	(193,170)	(117,587)
Amortization of tangible capital assets	47,000	75,018	50,535
	(38,000)	(118,152)	(67,052)
Other non-financial assets:			
Acquisition of prepaid expenses	-	(116,265)	(71,262)
Use of prepaid expenses including amortization of prepaid rent of \$2,416 (2024 - \$2,417)	-	118,681	73,679
	-	2,416	2,417
Decrease in net financial assets	(38,000)	(115,736)	(315,227)
Net financial assets, beginning of year	1,485,829	1,485,829	1,801,056
Net financial assets, end of year	\$ 1,447,829	\$ 1,370,093	\$ 1,485,829

See accompanying notes to financial statements.

# POST-SECONDARY EMPLOYERS' ASSOCIATION

## Statement of Cash Flows

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

	2025	2024
Cash flows provided by (used in):		
Operating activities:		
Annual deficit	\$ -	\$ (250,592)
Items not affecting cash:		
Amortization of tangible capital assets	75,018	50,535
Amortization of prepaid rent included in prepaid expenses	2,416	2,417
	77,434	(197,640)
Changes in non-cash operating items:		
Accounts receivable	(5,113)	-
Other receivables	(44,956)	(10,184)
Accounts payable and accrued liabilities	73,295	348,071
Deferred revenue	126,195	(55,618)
Deferred lease liability	(10,107)	(10,108)
	216,748	74,521
Investing activities:		
Acquisition of tangible capital assets	(193,170)	(117,587)
Increase (decrease) in cash and cash equivalents	23,578	(43,066)
Cash and cash equivalents, beginning of year	2,511,840	2,554,906
Cash and cash equivalents, end of year	\$ 2,535,418	\$ 2,511,840
Cash and cash equivalents are comprised of:		
Cash	\$ 380,931	\$ 103,127
Central Deposit Program	2,154,487	2,408,713
	\$ 2,535,418	\$ 2,511,840

See accompanying notes to financial statements.

# POST-SECONDARY EMPLOYERS' ASSOCIATION

Notes to Financial Statements

Year ended March 31, 2025

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## 1. Operations:

Post-Secondary Employers' Association (the "Association") is a government/member-funded not-for-profit organization registered under the *Societies Act* (British Columbia) and operating under the authority of the *Public Sector Employers Act* (British Columbia). The Association is exempt from income taxes under Section 149 of the *Income Tax Act*.

The members of the Association consist of 19 public sector employers in the post-secondary sector of British Columbia. The mandate of the Association is to provide services to its members. These services are grouped into the following key areas: to bargain, collectively, on behalf of its members and to bind its members to collective agreements; to maintain a human resource database for its members; and to advise on labour relations and human resource practices for its members.

## 2. Significant accounting policies:

### (a) Basis of accounting:

These financial statements are prepared by management in accordance with Canadian public sector accounting standards established by the Canadian Public Sector Accounting Board.

### (b) Cash and cash equivalents:

Cash and cash equivalents include short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

### (c) Revenue recognition:

Government transfers for operating purposes are recognized as revenues 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. Transfers are initially recorded as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations and accumulated surplus as the stipulations are met.

Revenue related to fees for service 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 are deferred.

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

# POST-SECONDARY EMPLOYERS' ASSOCIATION

Notes to Financial Statements

Year ended March 31, 2025

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## 2. Significant accounting policies (continued):

### (d) Financial instruments:

The Association's financial instruments include cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities. All of the Association's 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. The Association does not carry financial instruments at fair value and there are no unrealized gains or losses as at March 31, 2025 (2024 - nil). As a result, the Association does not have a statement of remeasurement gains and losses.

### (e) Deferred lease liability:

Deferred lease liability includes amounts related to lease inducements and deferred rent liability for step-rent payments.

Lease inducements received and total rent payments are amortized on a straight-line basis over the term of the licence agreement for the office premises including the one five-year renewal (note 7(a)). The unamortized portion of lease inducements and deferred rent liability, being the difference between the straight-line rent expense and the actual rent payments paid, are reflected on the statement of financial position as deferred lease liability (note 4).

### (f) Tangible capital assets:

Tangible capital assets are initially recorded at cost, which include amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets.

The cost, less residual value, of tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Rate
Leasehold improvements	Term of the licence agreement including renewals
Computer hardware	3 years
Furniture and equipment	3 years
Website	5 years

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# POST-SECONDARY EMPLOYERS' ASSOCIATION

Notes to Financial Statements

Year ended March 31, 2025

## 2. Significant accounting policies (continued):

### (f) Tangible capital assets (continued):

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 and accumulated surplus.

### (g) Expenses:

Expenses are reported on an accrual basis. The cost of all goods consumed, and services received during the year is expensed. Certain expenses are allocated to various functions based on the estimated amount attributable to each function. Such allocations are reviewed regularly by management. The Association reports its expenses by function and provides supplementary information about expenses by object (note 9).

### (h) Pension 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) 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.

## 3. Deferred revenue:

Deferred revenue is comprised of the following as at March 31:

	2024	Amounts received or receivable	Amounts recognized as revenue	2025
Public Sector Employer's Council (a)	\$ -	\$ 3,094,839	\$ 2,863,420	\$ 231,419
Deferred revenue - other (b)	105,685	250,000	355,224	461
	<u>\$ 105,685</u>	<u>\$ 3,344,839</u>	<u>\$ 3,218,644</u>	<u>\$ 231,880</u>

(a) Deferred Public Sector Employers' Council ("PSEC") funding consists of funds received from PSEC where stipulations were not met as at March 31, 2025.

(b) Deferred revenue - other relates to funds from Hub International Ltd. for benefit administration services that had not yet been provided as at March 31, 2025.

# POST-SECONDARY EMPLOYERS' ASSOCIATION

Notes to Financial Statements

Year ended March 31, 2025

## 4. Deferred lease liability:

The deferred lease liability is comprised of the following, as at March 31:

	2025	2024
Lease inducements	\$ 81,705	\$ 91,812
Deferred rent liability for step-rent	23,520	23,520
	<b>\$ 105,225</b>	<b>\$ 115,332</b>

## 5. Tangible capital assets:

	Leasehold improvements	Computer hardware	Furniture and equipment	Website	2025 Total	2024 Total
Cost:						
Opening balance	\$ 274,024	\$ 98,545	\$ 131,201	\$ 253,667	\$ 757,437	\$ 639,850
Additions	-	16,297	-	176,873	193,170	117,587
Closing balance	274,024	114,842	131,201	430,540	950,607	757,437
Accumulated amortization:						
Opening balance	106,439	78,308	129,998	140,816	455,561	405,026
Amortization	18,480	16,980	897	38,661	75,018	50,535
Closing balance	124,919	95,288	130,895	179,477	530,579	455,561
Net book value	<b>\$ 149,105</b>	<b>\$ 19,554</b>	<b>\$ 306</b>	<b>\$ 251,063</b>	<b>\$ 420,028</b>	<b>\$ 301,876</b>

## 6. Accumulated surplus:

	2025	2024
Invested in tangible capital assets	\$ 420,028	\$ 301,876
Unappropriated	1,395,628	1,513,780
	<b>\$ 1,815,656</b>	<b>\$ 1,815,656</b>

## 7. Commitments:

- (a) The Association has a five-year licence agreement for its office premises, which was renewed for another five years on April 1, 2023. The licence agreement includes one additional five-year renewal term up to the expiry of the term of the original lease held by Health Employers' Association of British Columbia with the ultimate landlord. The term of the original lease is fifteen years with one five-year renewal term.

# POST-SECONDARY EMPLOYERS' ASSOCIATION

Notes to Financial Statements

Year ended March 31, 2025

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## 7. Commitments (continued):

(a) (continued):

The minimum payments, including basic rent, operating costs and property tax, required under the licence agreement including renewal terms in each of next five fiscal years and thereafter, including the optional renewal term, are approximately as follows:

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2026	\$ 114,825
2027	114,825
2028	114,825
2029	119,529
2030	119,529
Thereafter	358,587
	<hr/> \$ 942,120

(b) The Association has an equipment lease agreement with Xerox. The lease term is for 66 months, expiring on November 25, 2028.

The minimum payments required under the lease in the next fiscal year are as follows:

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2026	\$ 3,175
2027	3,175
2028	3,175
2029	1,588
	<hr/> \$ 11,113

## 8. Pension plan:

The Association and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan) (the "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, 2023, the Plan has about 256,000 active members and approximately 129,000 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 most recent actuarial valuation for the Municipal Pension 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 as at December 31, 2024, with results available in 2025.

# POST-SECONDARY EMPLOYERS' ASSOCIATION

Notes to Financial Statements

Year ended March 31, 2025

## 8. Pension plan (continued):

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.

During the year ended March 31, 2025, the Association paid \$174,053 (2024 - \$144,884) for employer contributions to the Plan for 18 (2024 - 14) active members in the Plan from the Association.

## 9. Expenses by object:

	2025	2024
Amortization	\$ 75,018	\$ 50,535
Accounting, legal and other professional services	1,174,662	1,139,713
Conferences, membership and workshops	153,975	43,590
Meetings and travel	61,249	69,910
Office expenses and other	185,791	163,527
Salaries and benefits	2,597,604	2,155,892
	<u>\$ 4,248,299</u>	<u>\$ 3,623,167</u>

## 10. 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.

Government fundings are provided primarily by the Province of British Columbia (the "Province") and the Ministry of Post-Secondary Education and Future Skills. The Association is dependent on the fundings from these sources.

Payroll services are provided to the Association by the British Columbia Institute of Technology, one of the members of the Association, on a nil charge basis.

The Association has a licence agreement with the Health Employers Association of British Columbia, a commonly controlled entity, to lease office space (note 7(a)).

The Association has an existing master service agreement with BCNET, a commonly controlled entity, for various services. During the year ended March 31, 2025, a new service exhibit was initiated with BCNET relating to a Negotiated Request for Proposal (NRFP) for a new benefit provider for the sector.

# POST-SECONDARY EMPLOYERS' ASSOCIATION

Notes to Financial Statements

Year ended March 31, 2025

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## 11. Budget reporting:

The budget information reported in the statement of operations and accumulated surplus and statement of changes in net financial assets was approved by the Board of Directors on March 13, 2024.

## 12. Disclosure of remuneration:

During the year ended March 31, 2025, the Association paid total remuneration of \$2,357,747 (2024 - \$1,984,742) to 15 (2024 - 12) employees and contractors for services, each of whom received total annual remuneration of \$75,000 or greater.

In addition, the Association paid remuneration in the amount of \$26,338 (2024 - \$19,513) to one member (2024 - one) on the Board of Directors in the capacity as the Chair of the Board. In accordance with the bylaws of the Association, no other members of the Board were paid a remuneration.

## 13. Financial risks:

### (a) Credit risk:

The Association has limited exposure to credit risk associated with its cash and cash equivalents, and accounts receivable. The Association is not exposed to significant credit risk as the receivables are primarily due from governments. Cash and cash equivalents is held with a Canadian chartered bank and the Province of British Columbia's Central Deposit Program. 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 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. 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) The Association is not subject to any significant interest rate or market risks related to its financial instruments. There have been no changes to these risks from the prior year.

## 14. Comparative figures:

Certain comparative figures have been reclassified to conform to the presentation used in the current year. There was no impact on annual deficit, accumulated surplus, or net financial assets as a result of these changes.