Financial Statements of

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

And Independent Auditor's Report thereon

Year ended March 31, 2026

KPMG LLP
777 Dunsmuir Street, 11th floor
Vancouver, BC V7Y 1K3
Canada
Tel 604 691 3000
Fax 604 691 3031

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Community Social Services Employers' Association of British Columbia, and to the Minister 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 statements of financial position as at March 31, 2026, March 31, 2025, and April 1, 2024
- the statements of operations and accumulated surplus for the years ended March 31, 2026 and March 31, 2025
- the statements of remeasurement gains and losses for the years ended March 31, 2026 and March 31, 2025
- the statements of changes in net financial assets for the years ended March 31, 2026 and March 31, 2025
- the statements of cash flows for the years ended March 31, 2026 and March 31, 2025
- 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 as at March 31, 2026, March 31, 2025, and April 1, 2024 and for the years ended March 31, 2026 and March 31, 2025 of the Association are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Financial Reporting Framework

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

Our opinion is not modified in respect of this matter.

Emphasis of Matter – Comparative Information

We draw attention to Note 2(b) to the financial statements which describes that the Association adopted Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia with a transition date of April 1, 2024. These standards were applied retrospectively by management to comparative information presented in these financial statements.

Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

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

Report on Other Legal and Regulatory Requirement

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

- whether, in our opinion, these financial statements fairly reflect, in all material respects, for the period under review, the financial position of the Entity and the results of its operations. In accordance with Canadian generally accepted auditing standards, because the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia are not considered a fair presentation financial reporting framework, our opinion stated above cannot contain this statement.
- whether, in our opinion, these financial statements are prepared in accordance with generally accepted accounting principles. These financial statements were prepared in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. Note 2(a) to the financial statements describes the significant differences between such basis of accounting and Canadian public sector accounting standards. As a result, our opinion stated above refers to the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia and not to generally accepted accounting principles.
- whether these financial statements are prepared on a basis consistent with the basis on which the financial statements that related to the preceding period were prepared. We report that, in our opinion, the significant accounting policies applied in preparing financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of Province of British Columbia have been applied, after giving retrospective effect to the first-time adoption of the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of Province of British Columbia, on a basis consistent with that of the preceding period.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada

May 26, 2026

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Statements of Financial Position

March 31, 2026, March 31, 2025 and April 1, 2024

	March 31, 2026	March 31, 2025	April 1, 2024
Financial assets			
Cash (note 3)	$ 4,900,651	$ 2,108,756	$ 4,389,666
Term deposit (note 4)	350,000	3,000,000	-
Investments, at fair value (note 5)	676,464	690,967	653,162
Accounts receivable	83,185	145,904	879,336
	6,010,300	5,945,627	5,922,164
Liabilities			
Accounts payable and accrued liabilities	505,488	239,849	1,417,019
Deferred revenue (note 7)	4,781,177	4,747,916	4,020,743
Deferred capital contribution (note 8)	556,981	390,645	-
Obligations under capital leases (note 9)	68,219	10,134	22,410
Asset retirement obligation (note 10)	-	301,131	132,874
	5,911,865	5,689,675	5,593,046
Net financial assets	98,435	255,952	329,118
Non-financial assets			
Tangible capital assets (note 11)	296,291	193,132	82,228
Prepaid expenses	132,257	108,639	120,739
	428,548	301,771	202,967
Accumulated surplus	$ 526,983	$ 557,723	$ 532,085
Accumulated surplus is comprised of:			
Accumulated surplus (note 12)	$ 434,708	$ 434,708	$ 434,007
Accumulated remeasurement gains	92,275	123,015	98,078
	$ 526,983	$ 557,723	$ 532,085

Commitments (note 13)

See accompanying notes and schedule to financial statements.

Approved on behalf of the Board:

Director

Dawn Hein, Treasurer

Director

Adam Calvert, Board Chair

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Statements of Operations and Accumulated Surplus

Years ended March 31, 2026 and 2025

	2026 Budget (note 2(l))	2026 Actual	2025 Actual
Revenue:			
Provincial government funding:			
General	$ 4,900,464	$ 4,111,795	$ 3,767,695
Child Care ("ECE") and Early Intervention Program ("EIP") Implementation	-	577,836	1,774,593
Fees	382,242	416,279	354,328
Investment income, net (note 6)	144,000	206,251	312,214
Other income	-	61,389	-
	5,426,706	5,373,550	6,208,830
Expenses (note 15):			
Human resources and labour relations	1,762,626	1,844,422	1,668,145
General	1,436,261	1,600,056	1,428,605
Research and knowledge management	1,839,488	1,280,298	1,271,511
Membership	182,706	163,416	158,470
Bargaining	187,244	485,358	1,681,398
	5,408,325	5,373,550	6,208,129
Annual surplus	18,381	-	701
Accumulated surplus, beginning of year	434,708	434,708	434,007
Accumulated surplus, end of year	$ 453,089	$ 434,708	$ 434,708

See accompanying notes and schedule to financial statements.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Statements of Remeasurement Gains and Losses

Years ended March 31, 2026 and 2025

		2026		2025
Accumulated remeasurement gains, beginning of year	$	123,015	$	98,078
Unrealized gains (loss) generated during the year from:				
Investments		(8,650)		37,805
Remeasurement gains realized and reclassified to the statement of operations and accumulated surplus from:				
Investments (note 6)		(22,090)		(12,868)
Net remeasurement gains (loss) for the year		(30,740)		24,937
Accumulated remeasurement gains, end of year	$	92,275	$	123,015

See accompanying notes and schedule to financial statements.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Statements of Changes in Net Financial Assets

Years ended March 31, 2026 and 2025

	2026 Budget (note 2(l))	2026 Actual	2025 Actual
Annual surplus	$ 18,381	$ -	$ 701
Acquisition of tangible capital assets	(112,885)	(156,916)	(23,958)
Addition of tangible capital assets relating to capital lease	-	(77,739)	-
Addition of tangible capital assets relating to contributed asset as operating lease inducement	-	(70,302)	-
Addition of tangible capital assets relating to retirement obligations	-	-	(168,257)
Amortization of tangible capital assets	79,799	201,798	81,311
Acquisition of prepaid expenses	-	(193,587)	(180,855)
Use of prepaid expenses	-	169,969	192,955
	(14,705)	(126,777)	(98,103)
Effect of net remeasurement gains (loss)	-	(30,740)	24,937
Decrease in net financial assets	(14,705)	(157,517)	(73,166)
Net financial assets, beginning of year	255,952	255,952	329,118
Net financial assets, end of year	$ 241,247	$ 98,435	$ 255,952

See accompanying notes and schedule to financial statements.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Statements of Cash Flows

Years ended March 31, 2026 and 2025

	2026	2025
Cash provided by (used in):		
Operating activities:		
Annual surplus	$ -	$ 701
Items not affecting cash:		
Amortization of tangible capital assets	201,798	81,311
Recognition of revenue from deferred capital contributions (note 8)	(18,664)	(74,355)
Gain on derecognition of asset retirement obligation	(57,594)	-
Interest accrued not yet received	(3,659)	(116,131)
	121,881	(108,474)
Asset retirement obligation expenditures	(243,537)	-
Changes in non-cash operating items:		
Accounts receivable	72,231	849,563
Prepaid expenses	(23,618)	12,100
Accounts payable and accrued liabilities	195,337	(1,177,170)
Deferred revenue	33,261	727,173
	155,555	303,192
Capital activities:		
Acquisition of tangible capital assets	(156,916)	(23,958)
Investing activities:		
Net acquisition of investments	(22,090)	(12,868)
Net redemption (purchase) of term deposit	2,650,000	(3,000,000)
	2,627,910	(3,012,868)
Financing activities:		
Capital lease repayments	(19,654)	(12,276)
Receipt of capital contribution (note 8)	185,000	465,000
	165,346	452,724
Increase (decrease) in cash	2,791,895	(2,280,910)
Cash, beginning of year	2,108,756	4,389,666
Cash, end of year	$ 4,900,651	$ 2,108,756
Non-cash transactions:		
Addition of tangible capital assets relating to asset retirement obligations	$ -	$ 168,257
Addition of tangible capital assets relating to capital lease	77,739	-
Addition of tangible capital assets relating to contributed asset as operating lease inducement	70,302	-

See accompanying notes and schedule to financial statements.

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

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

Regulation 257/2010 requires all taxpayer supported organizations to adopt Canadian public sector accounting standards ("PSAS") issued by the Canadian Public Sector Accounting Board ("PSAB") without any PS 4200 series.

Regulation 198/2011 requires that contributions for the purpose of acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset, in each case for use in providing services, are recorded and referred to as deferred capital contributions and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded.

The reduction of the deferred capital contributions and the recognition of the revenue are accounted for in the fiscal period during which the tangible capital asset is used to provide services. If the depreciable tangible capital asset funded by a deferred contribution is written down, a proportionate share of the deferred capital contribution is recognized as revenue during the same period.

2. Significant accounting policies (continued):

(a) Basis of accounting (continued):

Contributions restricted for specific purposes other than those for the acquisition or development of a depreciable tangible capital asset are recorded as deferred capital contributions and recognized in revenue in the year in which the stipulation or restriction on the contributions have been met. For British Columbia tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian Public Sector Accounting Standards ("PSAS") which requires government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410. As a result, revenue recognized in the statements of operations and accumulated surplus and certain related deferred capital contributions in the statements of financial position would be recorded differently under PSAS.

(b) First-time adoption of the framework:

In fiscal 2026, the Association adopted the framework described in note 2(a). These are the first financial statements prepared in accordance with the framework.

In accordance with the transitional provisions in PSAS, the Association has adopted the changes retrospectively, subject to certain exemptions allowed under these standards. The transition date is April 1, 2024, and all comparative information provided has been presented by applying the framework.

Transition exemptions:

The Association has not elected to use any of the exemptions under the first-time adoption provisions of PSAS.

Accumulated surplus:

The adoption of the framework did not result in adjustments to accumulated surplus as at March 31, 2025 and April 1, 2024.

Annual surplus:

The adoption of the framework did not result in adjustments to annual surplus for the year ended March 31, 2025.

Material adjustments:

The adoption of the framework resulted in the reclassification of $390,645 as at March 31, 2025 (April 1, 2024 - nil) from deferred revenue to deferred capital contributions.

2. Significant accounting policies (continued):

(c) Revenue recognition:

Restricted grants and contributions are reported as revenue depending on the nature of the restrictions on the use of the funds by the contributors as follows:

(*i*) Contributions for the purpose of acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are recorded in accordance with Regulation 198/2011 which requires that they be recorded and referred to as deferred capital contributions and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded. The reduction of the deferred capital contributions and the recognition of the revenue are accounted for in the fiscal period during which the tangible capital asset is used to provide services.

(*ii*) Contributions restricted for specific purposes other than those for the acquisition or development of a depreciable tangible capital asset are recorded as deferred contributions and recognized in revenue in the year in which the stipulation or restriction on the contributions have been met.

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.

(d) 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.

(e) 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.

2. Significant accounting policies (continued):

(e) Segments (continued):

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.

(f) 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

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 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.

(g) 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(f).

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.

(h) 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.

2. Significant accounting policies (continued):

(h) Financial instruments (continued):

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.

(i) 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.

(j) 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.

(k) 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.

(l) 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 12, 2025.

3. Cash:

As at March 31, 2026, included in cash was $4,549,550 (March 31, 2025 - $1,738,546, April 1, 2024 - $4,173,762) held in a prime-linked savings account.

4. Term deposit:

As at March 31, 2026, a term deposit was held with a maturity of May 16, 2026 and interest rate of 3.10%. As at March 31, 2025, a term deposit was held with a maturity of May 13, 2025 and interest rate of 4.40%. No term deposit was held as at April 1, 2024.

5. Investments:

The table below summarizes the investments held by the Association as at year-end:

	March 31, 2026	March 31, 2025	April 1, 2024
Investments, at fair value:			
Fixed income mutual fund	$ 308,226	$ 295,377	$ 277,518
Equities	363,165	391,285	373,085
Cash account	5,073	4,305	2,559
	$ 676,464	$ 690,967	$ 653,162

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, 2026 and 2025, there were no transfers of securities between the different levels.

6. Investment income, net:

	2026	2025
Interest	$ 174,823	$ 301,740
Dividends	15,878	5,580
Realized gain on investments	22,090	12,868
Less: investment manager, custodian fees and other	(6,540)	(7,974)
	$ 206,251	$ 312,214

7. Deferred revenue:

The composition of and changes in deferred revenue for the years ended March 31, 2026 and March 31, 2025, are as follows:

	March 31, 2025	Funds received or receivable	Revenue recognized	Other addition	March 31, 2026
Non-Union Data Collection Initiative	$ -	$ 326,244	$ (268,309)	$ -	$ 57,935
CSS Compensation Standard Project	87,723	-	(8,347)	-	79,376
Bargaining Activities 25/26	234,000	119,427	(52,798)	-	300,629
Asset Retirement Obligation 25/26	144,000	-	(144,000)	-	-
24/25 Compensation Increase	21,932	-	(21,932)	-	-
25/26 Compensation Increase	-	82,000	(60,246)	-	21,754
Collective Agreement implementation	4,200,260	788,201	(805,194)	52,166	4,235,433
Learning Hub	-	32,000	(25,600)	-	6,400
Other	60,001	108,000	(88,351)	-	79,650
	$ 4,747,916	$ 1,455,872	$ (1,474,777)	$ 52,166	$ 4,781,177

	April 1, 2024	Funds received or receivable	Revenue recognized	Other 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
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
Other	22,917	116,592	(79,508)	-	60,001
	$ 4,020,743	$ 3,233,585	$ (2,491,111)	$ (15,301)	$ 4,747,916

8. Deferred capital contributions:

The composition of and changes in deferred capital contributions for the years ended March 31, 2026 and March 31, 2025 are as follows:

	March 31, 2025	Funds received or receivable	Revenue recognized	March 31, 2026
IT One Time Infrastructure	$ 390,645	$ 185,000	$ (18,664)	$ 556,981

	April 1, 2024	Funds received or receivable	Revenue recognized	March 31, 2025
IT One Time Infrastructure	$ -	$ 465,000	$ (74,355)	$ 390,645

During the year ended March 31, 2026, amounts recognized as revenue include nil (2025 - $67,700) relating to eligible expenditures which were not eligible to be capitalized under the Association's accounting policies.

9. Obligations under capital leases:

The Association has entered into equipment leases with varying maturity dates until December 2030. The minimum lease payments required under the agreement for the years ending March 31 are as follows:

	March 31, 2026	March 31, 2025	April 1, 2024
2025	$ -	$ -	$ 15,509
2026	-	10,339	7,755
2027	16,013	-	-
2028	16,013	-	-
2029	16,013	-	-
2030	16,013	-	-
2031	15,969	-	-
Total minimum lease payments	80,021	10,339	23,264
Less: amount representing interest at 4.45% (March 31, 2025 - 4.30%, April 1, 2024 - 4.30%) per annum	(11,802)	(205)	(854)
	$ 68,219	$ 10,134	$ 22,410

10. Asset retirement obligation:

The Association's asset retirement obligation ("ARO") consisted of costs to remove leasehold improvements and trade fixtures at the end of an office lease. During the year ended March 31, 2025, the additional ARO liability of $168,257 was recognized based on a current valuation incorporating input from discussions with the landlord and contractor's estimate received in March 2025. During the year ended March 31, 2026, the Association completed these removals. The actual costs incurred were $243,537, and the remaining carrying value of the ARO liability of $57,594 has been derecognized and recorded as other income.

The Association has not recorded a liability for future restoration costs for its current office lease because management estimates that such costs will be minimal.

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

	2026	2025
Balance, beginning of year	$ 301,131	$ 132,874
Revaluation	-	168,257
Settlement of obligation	(243,537)	-
Derecognition of remaining liability	(57,594)	-
Balance, end of year	$ -	$ 301,131

11. Tangible capital assets:

	Leased office equipment	Furniture and fixtures	Computer and communication equipment	Leasehold improvements	Total
Cost:					
As at March 31, 2025	$ 70,164	$ 182,609	$ 261,131	$ 486,444	$ 1,000,348
Additions	77,739	70,302	29,416	127,500	304,957
Disposals	(70,164)	-	-	(486,444)	(556,608)
	77,739	252,911	290,547	127,500	748,697
Accumulated amortization:					
As at March 31, 2025	64,724	173,693	239,291	329,508	807,216
Amortization expense	12,507	8,813	19,259	161,219	201,798
Disposals	(70,164)	-	-	(486,444)	(556,608)
	7,067	182,506	258,550	4,283	452,406
Net book value, March 31, 2026	$ 70,672	$ 70,405	$ 31,997	$ 123,217	$ 296,291

	Leased office equipment	Furniture and fixtures	Computer and communication equipment	Leasehold improvements	Total
Cost:					
As at April 1, 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 April 1, 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

12. Accumulated surplus:

	March 31, 2026	March 31, 2025	April 1, 2024
Unrestricted	$ 334,700	$ 377,084	429,599
Capital assets fund	56,126	13,742	4,408
Bargaining fund	43,882	43,882	-
	$ 434,708	$ 434,708	$ 434,007

13. 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, 2026, March 31, 2025, and April 1, 2024, the line of credit has a nil outstanding balance.

(b) Operating lease:

In October 2025, the Association entered into a license agreement for its office premises which is accounted for as an operating lease. The lease expires on March 31, 2033. The base lease payments for the next 5 years ending March 31 and thereafter are as follows:

2027	$	139,468
2028		139,468
2029		149,430
2030		149,430
2031		149,430
Thereafter		298,860
	$	1,026,086

14. 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.

15. Expenses by object:

		2026		2025
Salaries and benefits	$	3,288,374	$	2,757,367
ECE and EIP Implementation payment		577,836		1,774,593
Occupancy		423,750		482,916
Consulting		311,918		513,750
Legal, accounting and other professional services		142,690		118,153
Travel and training		73,518		112,422
Directors and committees		91,644		103,694
Amortization		201,798		81,311
Office supplies		81,182		77,143
Photocopy and printing		8,142		29,415
Employer Health Tax		52,653		50,781
Telephone and internet		42,492		37,126
Equipment		37,189		23,359
Non-recoverable GST		24,710		24,210
Delivery		9,294		15,988
Member education		6,360		5,901
	$	5,373,550	$	6,208,129

16. Pension plan:

The Association and its employees contribute to the Municipal Pension Plan (the "Plan"), a multi-employer jointly trusteed 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, 2024, the Plan has about 273,035 active members and approximately 133,390 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, 2024, indicated a $2,675 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be at December 31, 2027, with results available in fall 2028.

During the year ended March 31, 2026, the Association paid $230,939 (2025 - $210,842) for employer contributions to the Plan, and the Association's employees paid $213,575 (2025 - $194,086) for employee contributions to the Plan.

17. Employee and contractor remuneration:

For the year ended March 31, 2026, the Association paid total remuneration of $2,256,777 (2025 - $1,908,670) to 19 (2025 - 16) 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, 2026 and 2025.

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, 2026.

(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.

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 manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and through its annual budget process. 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.

(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. The Association manages market risk through its investment policy.

(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.

There has been no change in risk exposure from fiscal 2025.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Segment Revenue and Expenses

Schedule 1

Year ended March 31, 2026, with comparative information for 2025

	Human Resources and Labour Relations	General	Research and Knowledge Management	Membership	Bargaining	2026 Total	2025 Total
Revenue:							
Provincial government:							
General	$ 25,600	$ 3,510,720	$ 522,677	$ -	$ 52,798	$ 4,111,795	$ 3,767,695
ECE and EIP Implementation	145,276	-	-	-	432,560	577,836	1,774,593
Fees	100,682	91,921	18,333	205,343	-	416,279	354,328
Investment income, net	-	206,251	-	-	-	206,251	312,214
Other income	-	61,389	-	-	-	61,389	-
	271,558	3,870,281	541,010	205,343	485,358	5,373,550	6,208,830
Expenses:							
Salaries and benefits	1,571,859	769,324	900,498	-	46,693	3,288,374	2,757,367
ECE and EIP Implementation payments	145,276	-	-	-	432,560	577,836	1,774,593
Occupancy	-	423,750	-	-	-	423,750	482,916
Consulting	76,423	63,662	131,573	40,260	-	311,918	513,750
Legal, accounting and other professional services	233	38,016	103,128	-	1,313	142,690	118,153
Travel and training	24,688	9,804	19,594	15,937	3,495	73,518	112,422
Directors and committees	-	6,007	7,846	77,609	182	91,644	103,694
Amortization	-	185,641	16,157	-	-	201,798	81,311
Office supplies	24,220	27,670	23,610	5,558	124	81,182	77,143
Photocopy and printing	-	6,851	-	1,291	-	8,142	29,415
Employer Health Tax	-	48,439	4,214	-	-	52,653	50,781
Telephone and internet	-	-	42,492	-	-	42,492	37,126
Equipment	500	415	20,151	15,854	269	37,189	23,359
Non-recoverable GST	1,150	15,170	7,121	547	722	24,710	24,210
Delivery	73	5,307	3,914	-	-	9,294	15,988
Member education	-	-	-	6,360	-	6,360	5,901
	1,844,422	1,600,056	1,280,298	163,416	485,358	5,373,550	6,208,129
Annual surplus (deficiency)	$ (1,572,864)	$ 2,270,225	$ (739,288)	$ 41,927	$ -	$ -	$ 701