

Financial Statements of

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

Year ended March 31, 2019



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INDEPENDENT AUDITORS' REPORT

To the Members of the Community Social Services Employers' Association of British Columbia, and to the Minister of Finance

Report on the Financial Statements

Opinion

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

- the statement of financial position as at March 31, 2019
- 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 CSSEA as at March 31, 2019, 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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of CSSEA 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 CSSEA'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 CSSEA or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 CSSEA'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 CSSEA's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause CSSEA 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'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Vancouver, Canada
June 10, 2019

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Statement of Financial Position

March 31, 2019, with comparative information for 2018

	2019	2018
Financial assets:		
Cash	\$ 61,389	\$ 89,088
Term deposits (note 3)	750,000	1,250,000
Investments (note 4)	509,882	-
Accounts receivable	60,497	63,555
	1,381,768	1,402,643
Liabilities:		
Accounts payable and accrued liabilities	249,112	198,710
Deferred revenue (note 6)	64,369	17,849
Obligations under capital leases (note 7)	48,070	62,889
	361,551	279,448
Net financial assets	1,020,217	1,123,195
Non-financial assets:		
Tangible capital assets (note 8)	96,460	119,823
Prepaid expenses	72,983	64,085
	169,443	183,908
Accumulated surplus	\$ 1,189,660	\$ 1,307,103
Accumulated surplus is comprised of:		
Accumulated surplus (note 12)	\$ 1,179,778	\$ 1,307,103
Accumulated remeasurement gains	9,882	-
	\$ 1,189,660	\$ 1,307,103

Commitments (note 9)
Contractual rights (note 10)

See accompanying notes to financial statements.

Approved on behalf of the Board:

 _____ Director

 _____ Director

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Statement of Operations and Accumulated Surplus

Year ended March 31, 2019, with comparative information for 2018

	2019 Budget	2019 Actual	2018 Actual
	(Note 2(i))		
Revenue:			
Provincial government funding	\$ 2,649,255	\$ 2,623,269	\$ 2,618,179
Fees	371,441	364,080	390,280
Investment income, net (note 5)	21,700	29,289	22,469
	3,042,396	3,016,638	3,030,928
Expenses (note 11):			
Human resources and labour relations	1,060,757	1,031,335	1,066,387
General	981,760	995,116	994,550
Research and knowledge management	751,888	701,520	693,275
Membership	228,090	224,170	195,994
Bargaining	139,767	191,822	29,058
	3,162,262	3,143,963	2,979,264
Annual surplus (deficit)	(119,866)	(127,325)	51,664
Accumulated surplus, beginning of year	1,307,103	1,307,103	1,255,439
Accumulated surplus, end of year (note 12)	\$ 1,187,237	\$ 1,179,778	\$ 1,307,103

See accompanying notes to financial statements.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Statement of Remeasurement Gains and Losses

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Accumulated remeasurement gains (losses), beginning of year	\$ -	\$ -
Unrealized gains generated during the year from: Investments	11,020	-
Remeasurement losses realized and reclassified to the Statement of Operations from: Investments	(1,138)	-
Net remeasurement gains for the year	9,882	-
Accumulated remeasurement gains, end of year	\$ 9,882	\$ -

See accompanying notes to financial statements.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Statement of Changes in Net Financial Assets

Year ended March 31, 2019, with comparative information for 2018

	2019 Budget	2019 Actual	2018 Actual
	(Note 2(i))		
Annual surplus (deficit)	\$ (119,866)	\$ (127,325)	\$ 51,664
Acquisition of tangible capital assets	-	(17,858)	(29,478)
Amortization of tangible capital assets	28,051	41,221	37,943
Acquisition of prepaid expenses	-	(102,366)	(116,818)
Use of prepaid expenses	-	93,468	99,747
	(91,815)	(112,860)	43,058
Effect of remeasurement gain	-	9,882	-
Increase (decrease) in net financial assets	(91,815)	(102,978)	43,058
Net financial assets, beginning of year	1,123,195	1,123,195	1,080,137
Net financial assets, end of year	\$ 1,031,380	\$ 1,020,217	\$ 1,123,195

See accompanying notes to financial statements.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Statement of Cash Flows

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ (127,325)	\$ 51,664
Items not affecting cash:		
Amortization of tangible capital assets	41,221	37,943
	(86,104)	89,607
Changes in non-cash operating working capital:		
Accounts receivable	3,058	(10,600)
Prepaid expenses	(8,898)	(17,071)
Accounts payable and accrued liabilities	50,402	26,533
Deferred revenue	46,520	(171,303)
	4,978	(82,834)
Capital activities:		
Acquisition of tangible capital assets	(17,858)	(29,478)
Investing activities:		
Redemption of term deposits	500,000	(67,300)
Purchase of investments	(500,000)	-
	-	(67,300)
Financing activities:		
Capital lease repayments	(14,819)	(15,007)
Decrease in cash	(27,699)	(194,619)
Cash, beginning of year	89,088	283,707
Cash, end of year	\$ 61,389	\$ 89,088

See accompanying notes to financial statements.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended March 31, 2019

1. Operations:

The Community Social Services Employers' Association of British Columbia (the "Association") was constituted on January 13, 1994, under the Society Act (British Columbia), to coordinate and provide human resources planning and development and labour relations management services to its members. The Association transitioned to the new Societies Act (British Columbia) which became effective November 28, 2016 on December 20, 2016. The Association is exempt from income taxes under Section 149 of the Income Tax Act.

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

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 and recognized as revenue in the statement of operations and accumulated surplus when stipulations are met.

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

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

Interest income is recognized on an accrual basis.

(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, 2019

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 maintenance and replacement of all tangible capital assets and software.

(iii) Bargaining fund:

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

(d) Segments:

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

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

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

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

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

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

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

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2019

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 executor 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) 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.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2019

2. Significant accounting policies (continued):

(f) Financial instruments (continued):

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.

(g) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and the disclosure of contingent assets and liabilities for the reporting period. Areas requiring significant management estimates include the fair value of investments, allowance for doubtful accounts, and the useful lives of tangible capital assets for amortization purposes. Actual results could differ from these estimates.

(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) 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 19, 2018.

3. Term deposits:

Term deposits held at March 31 represent the following:

Purchase Date	Maturity Date	2019	2018
June 16, 2017	June 16, 2018	\$ -	\$ 250,000
September 20, 2017	September 20, 2018	-	250,000
September 21, 2017	September 21, 2018	-	250,000
September 22, 2017	September 22, 2018	-	250,000
September 22, 2017	September 22, 2018	-	250,000
September 19, 2018	September 19, 2019	250,000	-
September 19, 2018	September 19, 2019	250,000	-
September 19, 2018	September 19, 2019	250,000	-
Total		\$ 750,000	\$ 1,250,000

The interest rate for term deposits held at March 31, 2019 is 1.70% (2018 - 1.40%).

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2019

4. Investments:

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

	2019	2018
Investments at fair value:		
Fixed income securities	\$ 212,554	\$ -
Canadian equities	285,202	-
Cash account	12,126	-
Total	\$ 509,882	\$ -

Fixed income securities consist of bonds maturing between 2020 and 2027, at rates varying between 1.25% and 3.752%.

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

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

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

5. Investment income, net:

	2019	2018
Interest	\$ 22,312	\$ -
Dividend	9,309	-
Less: investment manager and custodian fees	(2,332)	-
	\$ 29,289	\$ -

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2019

6. Deferred revenue:

	Balance, March 31, 2018	Funds received	Funds receivable	Funds expended	Balance, March 31, 2019
WorkSafeBC Cost Reduction Project	\$ -	\$ 100,000	\$ 14,986	\$ 114,986	\$ -
Non-Union Data Collection Initiative	-	171,000	-	153,715	17,285
Other deferred revenue	17,849	200,541	-	171,306	47,084
	\$ 17,849	\$ 471,541	\$ 14,986	\$ 440,007	\$ 64,369

7. Obligations under capital leases:

The equipment leases entered into by the Association expire in 2022. The minimum lease payments required under the agreement for the years ended March 31 are as follows:

2020	\$ 17,057
2021	17,057
2022	17,057
	51,171
Less: amount representing interest at 3.9% per annum	3,101
	\$ 48,070

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2019

8. Tangible capital assets:

	Leased office equipment	Furniture and fixtures	Computer and communication equipment	Leasehold improvements	Total
Cost:					
As at March 31, 2018	\$ 77,896	\$ 170,864	\$ 136,857	\$ 206,651	\$ 592,268
Additions	-	-	17,858	-	17,858
	77,896	170,864	154,715	206,651	610,126
Accumulated amortization:					
As at March 31, 2018	15,400	162,478	95,648	198,919	472,445
Expense	15,773	1,677	20,959	2,812	41,221
	31,173	164,155	116,607	201,731	513,666
Net book value, March 31, 2019	\$ 46,723	\$ 6,709	\$ 38,108	\$ 4,920	\$ 96,460

	Leased office equipment	Furniture and fixtures	Computer and communication equipment	Leasehold improvements	Total
Cost:					
As at March 31, 2017	\$ 77,896	\$ 170,864	\$ 117,454	\$ 196,576	\$ 562,790
Additions	-	-	19,403	10,075	29,478
	77,896	170,864	136,857	206,651	592,268
Accumulated amortization:					
As at March 31, 2017	-	160,381	77,545	196,576	434,502
Expense	15,400	2,097	18,103	2,343	37,943
	15,400	162,478	95,648	198,919	472,445
Net book value, March 31, 2018	\$ 62,496	\$ 8,386	\$ 41,209	\$ 7,732	\$ 119,823

9. Commitments:

(a) Line of credit available:

The Association has a \$250,000 line of credit which bears interest at prime plus 2%. As at March 31, 2019, the line of credit has an interest rate of 5.45% and nil (2018 - nil) outstanding balance.

(b) Operating lease:

The Association entered into an operating lease related to the premise rent expiring September 30, 2020. The base lease payments for the years ended March 31 are as follows:

2020	\$ 174,221
2021	87,110
	\$ 261,331

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2019

10. Contractual rights:

The Association had entered into a cost sharing agreement with a third party for Information Technology ("IT") Shared Services. The agreement expired on March 31, 2019 and the Association is no longer entitled to contractual right for such receivable (2018 - \$19,200).

11. Expenses by object:

	2019	2018
Salaries and benefits	\$ 2,055,246	\$ 1,977,835
Consulting	244,353	288,597
Occupancy	322,520	313,808
Travel and training	114,166	81,480
Directors and committees	128,317	65,639
Legal, accounting and other professional services	100,057	52,452
Amortization	41,221	37,943
Office supplies	57,127	51,619
Telephone and facsimile	33,424	38,994
Non-recoverable GST	14,591	17,488
Photocopy and printing	12,789	12,703
Equipment	15,698	33,133
Delivery	2,870	4,154
Member education	1,584	3,419
	\$ 3,143,963	\$ 2,979,264

12. Accumulated surplus:

	2019	2018
Unrestricted	\$ 1,073,211	\$ 1,139,331
Capital assets fund	48,390	56,934
Bargaining fund	58,177	110,838
	\$ 1,179,778	\$ 1,307,103

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2019

13. Pension plan:

The Association and its employees contribute to the Municipal Pension Plan (the "Plan"), a multi-employer jointly trustee pension plan. The Plan is a defined benefit plan. The Board of Trustees, representing Plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. Basic pension benefits provided are based on a formula. The Plan has about 193,000 active members and approximately 90,000 retired members. Active members include 18 contributors from the Association.

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, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be December 31, 2018, with results available in 2019.

The Association paid \$156,918 (2018 - \$153,180) for employers' contributions to the Plan in fiscal 2019. The Association's employees paid \$137,818 (2018 - \$126,790) for employee's contributions to the Plan in fiscal 2019.

14. Employee and contractor remuneration:

For the year ended March 31, 2019, the Association paid total remuneration of \$1,101,130 to 10 employees (2018 - \$1,004,874 to 9 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 fiscal year.

15. 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 at March 31, 2019.

(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 as the majority of receivables are due from governments. Cash and term deposits are held with a Canadian credit union. The Association's maximum exposure to credit risk is limited to the carrying amount of financial assets of \$1,381,768 (2018 - \$1,402,643).

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2019

15. Financial risk and capital management (continued):

(b) Liquidity risk:

Liquidity risk is the risk that the Association will not be able to meet its financial obligations as they become due. The Association does not have significant liquidity risk as it has sufficient cash to meet its liabilities as they come due. Investments are held in highly liquid investments that can be disposed of when required. Accounts payable and accrued liabilities are all due within one year.

(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 fees 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.

COMMUNITY SOCIAL SERVICES EMPLOYERS' ASSOCIATION OF BRITISH COLUMBIA

Segment Revenue and Expenses

Schedule 1

Year ended March 31, 2019, with comparative information for 2018

	Human Resources and Labour Relations	General	Research and Knowledge Management	Membership	Bargaining	2019 Total	2018 Total
Revenue:							
Provincial government funding	\$ -	\$ 2,469,255	\$ 154,014	\$ -	\$ -	\$ 2,623,269	\$ 2,618,179
Fees	87,491	6,329	29,328	240,932	-	364,080	390,280
Investment income, net	-	29,289	-	-	-	29,289	22,469
	87,491	2,504,873	183,342	240,932	-	3,016,638	3,030,928
Expenses (recovery):							
Salaries and benefits	818,609	514,372	551,242	95,405	75,618	2,055,246	1,977,835
Consulting	138,648	25,873	41,025	22,871	15,936	244,353	288,597
Occupancy	-	322,520	-	-	-	322,520	313,808
Travel and training	34,217	23,312	19,731	13,102	23,804	114,166	81,480
Directors and committees	1,106	16,823	3,510	71,063	35,815	128,317	65,639
Legal, accounting and other professional services	16,881	14,473	30,642	1,840	36,220	100,057	52,452
Amortization	-	41,221	-	-	-	41,221	37,943
Office supplies	18,424	12,986	18,051	7,321	345	57,127	57,127
Telephone and facsimile	-	237	30,752	-	2,436	33,424	38,994
Non-recoverable GST	3,398	7,157	2,519	226	1,292	14,591	17,488
Photocopy and printing	52	10,772	-	1,607	358	12,789	12,703
Equipment	-	979	4,047	10,672	-	15,698	33,133
Delivery	-	2,808	-	62	-	2,870	4,154
Member education	-	1,584	-	-	-	1,584	3,419
	1,031,335	995,117	701,519	224,169	191,824	3,143,963	2,979,264
Surplus (deficiency) for the year	\$ (943,844)	\$ 1,509,756	\$ (518,177)	\$ 16,763	\$ (191,824)	\$ (127,325)	\$ 51,664