

2010 Annual Report



Excellence and Innovation in Human Resources and Labour Relations

Cssea

FROM THE BOARD



It's a privilege to write this year's annual report on behalf of your Board of Directors. It is fair to say my first year as Board Chair has been more eventful than expected, given the challenges that impacted on key human resource/labour relations issues in our sector. These challenges were very much on the Board's agenda.

The CSSEA Board is a diverse group with representatives from member agencies, funders and the Public Sector Employers' Council Secretariat. CSSEA's role is to "balance the interests" of these groups. This year, your Board worked particularly hard to ensure that the strong views held by the various groups represented were expressed in a way that contributes to understanding rather than enmity.

Constructive discussion at the Board level contributed to the successful outcome of contentious human resource issues such as Municipal Pension Plan (MPP) funding and the pending resolution of the long-standing long-term disability unfunded liability issue. It was also the driving force behind the spring's Town Hall Meetings.

With respect to the Town Hall Meetings, Board representatives and CEO, Lorne Rieder, met with member agencies across the province. These meetings were a great success in connecting with members and engaging in candid discussion on a variety of topics. We have developed an action plan based on your feedback and I look forward to presenting that plan to you at this year's AGM. During the Town Hall Meetings and throughout the year, we heard consistent feedback about the high quality of service members receive from their HRLR Consultants and the value of the training and conferences CSSEA orchestrates. Our goal is to ensure all perceptions of CSSEA mirror those of the training and consulting services.

Looking ahead, we will seek to conclude a new collective agreement that meets the needs of the various stakeholders in our sector. There is still much to be done to strengthen CSSEA's communications. Gathering and presenting data to support the needs of the sector remains critical. These and other activities will dominate the year ahead as we work to deliver the best possible HRLR support.

A handwritten signature in black ink, appearing to read 'Dale Cuthbertson', with a stylized flourish at the end.

Dale Cuthbertson
Board Chair

Financial statements of

**Community Social Services
Employers' Association of B.C.**

March 31, 2010

Community Social Services Employers' Association of B.C.

March 31, 2010

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Deloitte & Touche LLP
2800 - 1055 Dunsmuir Street
4 Bentall Centre
P.O. Box 49279
Vancouver BC V7X 1P4
Canada

Tel: 604-669-4466
Fax: 604-685-0395
www.deloitte.ca

Auditors' Report

To the Members of
Community Social Services Employers' Association of B.C.

We have audited the statement of financial position of Community Social Services Employers' Association of B.C. (the "Association") as at March 31, 2010 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2010 and the results of its operations, changes in net assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Society Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Chartered Accountants
June 22, 2010

Community Social Services Employers' Association of B.C.

Statement of operations
year ended March 31, 2010

	2010	2009
	\$	\$
Revenue		
Provincial Operating Grant	2,469,255	2,294,039
Fees	250,375	245,263
Consulting, Health Benefits Trust	45,000	45,000
Interest	58,561	115,680
	2,823,191	2,699,982
Expenditures		
Salaries and benefits	1,971,055	1,887,785
Consulting	184,980	218,245
Occupancy	179,450	178,723
Directors and committees	139,834	101,482
Travel and training	119,914	172,853
Legal, accounting and other professional services	98,759	94,230
Telephone and facsimile	37,027	35,904
Amortization	36,654	75,767
Equipment	26,849	12,283
Non-recoverable GST	17,867	20,940
Photocopy and printing	15,374	27,444
Member education	13,265	15,007
Office supplies	13,032	17,260
Delivery	4,208	6,876
Loss on disposal of equipment	800	-
	2,859,068	2,864,799
Deficiency of revenue over expenditures	(35,877)	(164,817)

Community Social Services Employers' Association of B.C.

Statement of changes in net assets
year ended March 31, 2010

	2010						2009	
	Invested in capital assets	Restricted for capital assets	Restricted for labour relations activities	Restricted for project activities	Restricted for wind up activities	Unrestricted	Total	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance, beginning								
of year	113,861	67,193	378,861	109,193	1,250,000	275,234	2,194,342	2,359,159
Purchase of capital assets	46,175	-	(6,624)	-	-	(39,551)	-	-
Deficiency of revenue over expenditures	(36,654)	-	-	-	-	777	(35,877)	(164,817)
Transfer	(2,399)	(39,551)	(80,957)	99,748	-	23,159	-	-
Balance, end of year	120,983	27,642	291,280	208,941	1,250,000	259,619	2,158,465	2,194,342

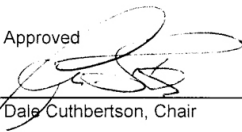
Community Social Services Employers' Association of B.C.

Statement of financial position
as at March 31, 2010

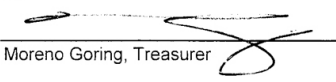
	2010	2009
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	2,651,825	2,797,333
Accounts receivable	52,847	79,734
Prepaid expenses	72,290	36,790
	2,776,962	2,913,857
Equipment (Note 3)	120,983	113,861
	2,897,945	3,027,718
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	95,600	214,205
Deferred revenue	573,073	573,723
Current portion of tenant inducements	6,113	6,113
Current portion of lease obligation (Note 6)	6,724	5,714
	681,510	799,755
Deferred tenant inducements	27,508	33,621
Obligation under capital lease (Note 6)	30,462	-
	739,480	833,376
Net assets		
Invested in capital assets	120,983	113,861
Restricted (Note 4)	1,777,863	1,805,247
Unrestricted	259,619	275,234
	2,158,465	2,194,342
	2,897,945	3,027,718

Commitments (Note 5)

Approved



Dale Cuthbertson, Chair



Moreno Goring, Treasurer

Community Social Services Employers' Association of B.C.

Statement of cash flows
year ended March 31, 2010

	2010	2009
	\$	\$
Operating activities		
Deficiency of revenue over expenditures	(35,877)	(164,817)
Items not affecting cash		
Tenant inducements	(6,113)	(6,113)
Amortization of capital assets	36,654	75,767
Loss on disposal of equipment	800	-
	(4,536)	(95,163)
Changes in non-cash working capital		
Accounts receivable	26,887	113,284
Prepaid expenses	(35,500)	(8,914)
Accounts payable	(118,605)	35,046
Deferred revenue	(650)	(36,322)
	(132,404)	7,931
Investing activities		
Capital asset purchases	(6,624)	(35,791)
Proceeds from sale of equipment	1,600	-
	(5,024)	(35,791)
Financing activity		
Payment on capital lease	(8,080)	(5,894)
Net cash outflow	(145,508)	(33,754)
Cash and cash equivalents, beginning of year	2,797,333	2,831,087
Cash and cash equivalents, end of year	2,651,825	2,797,333
Cash and cash equivalents consist of		
Cash	49,884	295,466
Short-term investments	2,601,941	2,501,867
	2,651,825	2,797,333
Supplemental non-cash transaction		
Purchase of equipment under capital lease	39,551	-

Community Social Services Employers' Association of B.C.

Notes to the financial statements

March 31, 2010

1. Incorporation and nature of operations

The Community Social Services Employers' Association of B.C. (the "Association") was constituted on January 13, 1994 under the Society Act of British Columbia, to coordinate and provide human resource planning and development and labour relations management services to its members. The Association is a non-taxable entity as defined by the Income Tax Act.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and reflect the following significant accounting policies:

(a) Financial instruments

The Association has elected to use the exemption provided by the Canadian Institute of Chartered Accountants ("CICA") permitting not-for-profit organizations not to apply the following Sections of the CICA Handbook: 3862 and 3863, which would otherwise have applied to the financial statements of the Association for the year ended March 31, 2009. The Association applies the requirements of Section 3861 of the CICA Handbook.

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired, their characteristics and the Association's designation of such instruments. Settlement date accounting is used.

(i) Held-for-trading

Cash and cash equivalents have been designated as held-for-trading and are measured at fair value. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in investment income.

(ii) Loans and receivables

Accounts receivable have been designated as loans and receivables and are accounted for at amortized cost using the effective interest method.

(iii) Other liabilities

Accounts payable and accrued liabilities are recorded at amortized cost using the effective interest method and include all financial liabilities, other than obligations under capital leases.

(b) Revenue recognition

The Association follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Community Social Services Employers' Association of B.C.

Notes to the financial statements

March 31, 2010

2. Significant accounting policies (continued)

(c) *Use of estimates*

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the determination of net receivable value of accounts receivable, the useful life of equipment and the determination of accounts payable and accrued liabilities. Actual results could differ from those estimates.

(d) *Cash and cash equivalents*

Cash and cash equivalents consist of cash on hand and term deposits with an original maturity of ninety days or less.

(e) *Equipment*

Equipment is recorded at cost and amortization is provided as follows:

Leased office equipment	Over remaining term of lease
Furniture and fixtures	20% declining balance method
Computer and communication equipment	3 years straight-line
Leasehold improvements	Over remaining term of lease

(f) *Impairment of long-lived assets*

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. An impairment loss is recognized when the carrying value of a long-lived asset intended for use exceeds the sum of the undiscounted cash flows expected from its use and eventual disposition. The impairment loss is measured as the excess of the carrying value of the asset over its fair value.

(g) *Deferred revenue*

Deferred revenue represents government grants received for specific expenditures expected to be incurred in subsequent years.

(h) *Deferred tenant inducements*

Deferred tenant inducements represent lease allowances received from the landlord and are amortized over the term of the lease.

(i) *Changes in accounting policies*

Effective April 1, 2009, the Association adopted the amended CICA Handbook Section 4400, *Financial Statement Presentation by Not-for-Profit Organizations*. The amendments require the reporting of certain gross revenues in the statement of operations and additional disclosures when a not-for-profit organization classifies its expenses by function and allocates a portion of their fundraising and general support costs to another function. The adoption of these amendments does not have any impact to the Association.

Community Social Services Employers' Association of B.C.

Notes to the financial statements
March 31, 2010

2. Significant accounting policies (continued)

(i) Changes in accounting policies (continued)

On April 1, 2009, the Association adopted the amendments made to Section 1000, *Financial Statement Concepts*. The amended section requires an entity to demonstrate that any amount that is presented as an asset meets the conceptual definition of an asset or is permitted to be recorded as an asset under specific CICA Handbook sections. The adoption of these amendments has not resulted in any change in how the Association accounts for its transactions.

In January 2009, the Emerging Issues Committee ("EIC") of the CICA issued the EIC-173, *Credit Risk and the Fair Value of Financial Assets and Financial Liabilities*. This abstract requires that an entity's own credit risk (for financial liabilities) and the credit risk of the counterparty (for financial assets) should be taken into account in determining the fair value of financial assets and financial liabilities, including derivatives instruments. The new guidance did not have any impact on the valuation of the Association's financial assets and liabilities, or its net assets.

3. Equipment

	2010		2009	
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Leased office equipment	39,552	2,116	37,436	10,014
Furniture and fixtures	147,931	139,899	8,032	10,041
Computer and communication equipment	429,006	412,660	16,346	23,860
Leasehold improvements	189,659	130,490	59,169	69,946
	806,148	685,165	120,983	113,861

4. Restricted net assets

	2010	2009
	\$	\$
Restricted for wind down costs (a)	1,250,000	1,250,000
Restricted for capital assets	27,642	67,193
Restricted for labour relations activities	291,280	378,861
Restricted for project activities	208,941	109,193
	1,777,863	1,805,247

These internally restricted amounts are not available for other purposes without approval of management and the Executive Committee of the Association.

- (a) This is a contingency fund for wind down costs in the event that the Association ceases operation.

Community Social Services Employers' Association of B.C.

Notes to the financial statements

March 31, 2010

5. Commitments

(a) The Association has a \$100,000 letter of credit outstanding at March 31, 2010 (2009 - \$100,000).

(b) The Association entered into a lease effective October 1, 1995, expiring 2016. The base rental commitments for the fiscal years ending March 31 are as follows:

	\$
2011	73,356
2012	79,469
2013	85,582
2014	88,639
2015	91,695
Thereafter	45,848
	464,589

6. Obligation under capital lease

The equipment leases entered into by the Association expire in 2015. The minimum lease payments required under the agreement are as follows:

	\$
2011	9,465
2012	9,465
2013	9,465
2014	9,465
2015	7,100
	44,960
Less: Amount representing interest at 7.9%	(7,774)
	37,186
Less: Current portion	(6,724)
	30,462

Under the terms of the lease, the Association is responsible for additional per copy maintenance fee.

7. Financial instruments

(a) *Fair values*

The Association's financial instruments include cash, cash equivalents, accounts receivable and accounts payable and obligation under capital lease. The fair values of these financial instruments other than obligation under capital lease approximate their carrying value due to their short-term nature.

The fair value of obligation under capital lease approximates its carrying value as it has financing conditions similar to those currently available to the Association.

Community Social Services Employers' Association of B.C.

Notes to the financial statements

March 31, 2010

7. Financial instruments (continued)

(b) Financial risk

The Association is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and current liabilities.

8. First Nations Transitional Services Society

On April 1, 2007, the Association set up a separate society to temporarily house a service contract from the Ministry of Family and Child Development for a period of one year ending May 15, 2008. Under the terms of the contract, the Ministry reimbursed the Association for all out of pocket expenses related to setting up the society. In addition, the Ministry indemnified the Association and the society. The terms of the contract were subsequently extended to September 1, 2008. As at March 31, 2010, the wind up of the society was in progress, with an effective date of September 1, 2008. This has no impact on the financial statements.

FROM THE CEO

At first glance, 2010 may be deemed by some to be a year of transition. With bargaining, for example, as yet unresolved, many of us anxiously await the outcome that will bring an end to negotiations and the implementation of new collective agreements.

Despite the conclusion of bargaining remaining an outstanding issue, CSSEA has taken many steps throughout the year to ensure the sector continues to move forward in a progressive manner. We have, for example, recently published our latest Turnover Survey Report, which we converted into an annual survey for your ease of completion. Our commitment to conducting surveys signals our continued pledge to understand and find solutions to recruitment and retention challenges in our sector. Your participation in surveys allows us to realize on our commitment and collaborate towards a shared goal of long-term staff retention.



The production of our fifth Best Practices Series guide, on Managing Succession, similarly demonstrates a continued undertaking to strengthen the social services sector through knowledge. Because such publications encourage you to create a set of standards and protocols by which to operate your agencies, they ultimately raise the profile of our sector and benefit us all. CSSEA continues to support professional development initiatives for our members, as is demonstrated through the reinstatement of our AGM Member Subsidy program. Because the sessions offered at the AGM allow for advancement in a myriad of topics, we are proud to stand behind them.

This year also gave me the opportunity to re-connect with you in a personal way. The series of Town Hall Meetings conducted this past spring gave us all an open platform through which to speak. I appreciated hearing your concerns, answering your questions and providing updates on issues weighing on your minds. The dialogue gave me an improved sense of your priorities and will ultimately allow me to cross-reference our operational goals with your preferences.

2010 has been a great year of discovery for CSSEA, one in which we were able to advance our mandate, but also look back and thoughtfully re-examine our role. It is through such acts of evaluation that we will be able to move into 2011 with a strengthened purpose and connection with you.

A handwritten signature in black ink, appearing to read "Lorne Rieder". The signature is fluid and cursive.

Lorne Rieder
Chief Executive Officer

CSSEA

Your Human Resources and Labour Relations Solutions Provider

- Shared-Cost Consulting Services
- Recruitment and Retention Solutions
- New Courses in Training and Development
- Municipal Pension Plan Updates and Training

Senior Management Team

Chief Executive Officer
Lorne Rieder

Director, Labour Relations
Services
Sandi Case

Director, Corporate Services
Karen Yow

Director, Member Services
Kathie Best

Membership by division

Aboriginal Services	4
Community Living Services	103
General Services	95
TOTAL	202

Membership by region

Kootenays	18
Lower Mainland	71
North.....	25
Thompson/Okanagan	33
Vancouver Island	55
TOTAL	202



Suite 800, 555 Burrard Street
Box 232
Vancouver, BC V7X 1M8
www.cssea.bc.ca

Toll-Free 1.800.377.3340
Tel 604.687.7220
Fax 604.687.7266
Email cssea@cssea.bc.ca