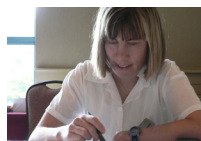
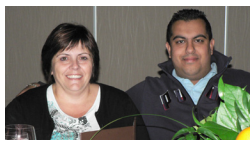


Annual Report 2011



Growth through resilience

Excellence and Innovation in Human Resources and Labour Relations



Cssea

FROM THE BOARD



2011 started off with an undeniable air of uncertainty. With bargaining still hanging in the balance, it was clear members approached this year with nervousness and anxiety. Much of those feelings, however, have recently eased with the successful negotiation of tentative collective agreements. On behalf of the board, I wish to thank bargaining team members for their unwavering dedication over the past 22 months and congratulate them on achieving success despite a challenging political and economic landscape.

With the conclusion of 2010 bargaining, members can now focus on looking forward to the future growth of the sector. As we move ahead, an integral figure will be our new CEO, Gentil Mateus. The selection of Gentil culminated from an extensive four-month search during which several highly qualified and charismatic potential leaders were interviewed. The selection committee was especially impressed with Gentil's extensive background in the public sector and his humble, grassroots vision for engaging with membership. With his stated desire to meet and speak with as many members as possible, I am excited for you to meet Gentil and am hopeful he will invigorate the sector and implement fresh ideas and practices.

Other measures were taken this year to ensure CSSEA continues to function effectively and in a member-centric manner. The review of our membership criteria is one recent example. The board, at the direction of government, reviewed and determined it would maintain the \$250,000 funding threshold for membership. The board also determined this funding threshold would apply to the unionized component of partially unionized agencies. This ensures stability in the sector and consistency of membership. It also encourages inclusion and a broad community of interest, in that agencies, both large and small, can benefit from the services CSSEA provides.

The strengthening of CSSEA's employee conflict of interest policy represents another positive step for the future of CSSEA. Protection of strategic operations is significant for all businesses, whether public or private; it is especially important in CSSEA's case, where staff often possess sensitive knowledge that should be safeguarded. This new policy will continue to ensure the viability of CSSEA's operations and encourage transparency between staff and stakeholders.

The board will continue to investigate ways to ensure CSSEA remains responsive to member needs. With the proposal of a special resolution at the 2010 AGM that called for proxy voting at future AGMs, for instance, the board is now working with staff to research remote access possibilities. We value member feedback and endeavour to remain as proactive, receptive and inclusive to members as possible. We hope you will participate in this ongoing dialogue.

A stylized, handwritten signature in black ink, consisting of a large, flowing 'B' and 'F'.

Bill Fildes
Board Chair

Financial statements of

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

March 31, 2011

Community Social Services Employers' Association of B.C.

March 31, 2011

Table of contents

<i>Independent Auditor's Report</i>	1
Statement of operations	2
Statement of changes in net assets	3
Statement of financial position	4
Statement of cash flows	5
Notes to the financial statements	6-10

Independent Auditor's Report

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

We have audited the accompanying financial statements of Community Social Services Employers' Association of B.C. (the "Association"), which comprise the statement of financial position as at March 31, 2011, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte + Touche LLP

Chartered Accountants
Vancouver, British Columbia
May 17, 2011

Membre de / Member of Deloitte Touche Tohmatsu Limited

Community Social Services Employers' Association of B.C.

Statement of operations
year ended March 31, 2011

	2011	2010
	\$	\$
Revenue		
Provincial Operating Grant	2,497,615	2,469,255
Fees	218,946	250,375
Consulting Healthcare Benefit Trust	30,000	45,000
Interest	43,128	58,561
	2,789,689	2,823,191
Expenditures		
Salaries and benefits	1,917,769	1,971,055
Consulting	274,464	184,980
Occupancy	178,874	179,450
Travel and training	171,981	119,914
Directors and committees	134,389	139,834
Legal, accounting and other professional services	90,860	98,759
Non-recoverable HST	42,218	17,867
Amortization	34,293	36,654
Telephone and facsimile	33,978	37,027
Member education	18,541	13,265
Equipment	16,428	26,849
Photocopy and printing	14,278	15,374
Office supplies	11,507	13,032
Delivery	5,239	4,208
Loss on disposal of equipment	-	800
	2,944,819	2,859,068
Deficiency of revenue over expenditures	(155,130)	(35,877)

Community Social Services Employers' Association of B.C.

Statement of changes in net assets
year ended March 31, 2011

						2011	2010
	Internally restricted						
	Invested in capital assets	Restricted for acquisition of capital assets	Restricted for labour relations activities	Restricted for project activities	Restricted for wind up activities	Unrestricted	Total
	\$	\$	\$	\$	\$	\$	\$
Balance, beginning of year	120,983	27,642	291,280	208,941	1,250,000	259,619	2,194,342
Deficiency of revenue over expenditures	(34,293)	-	-	-	-	(120,837)	(35,877)
Transfer	-	39,551	(112,397)	-	-	72,846	-
Balance, end of year	86,690	67,193	178,883	208,941	1,250,000	211,628	2,158,465

Community Social Services Employers' Association of B.C.

Statement of financial position
as at March 31, 2011

	2011	2010
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	2,470,353	2,651,825
Accounts receivable	198,921	52,847
Prepaid expenses	64,171	72,290
	2,733,445	2,776,962
Equipment (Note 3)	86,690	120,983
	2,820,135	2,897,945
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	96,466	95,600
Deferred revenue	579,837	573,073
Current portion of tenant inducements	24,452	6,113
Current portion of lease obligation (Note 4)	7,270	6,724
	708,025	681,510
Deferred tenant inducements	85,583	27,508
Obligation under capital lease (Note 4)	23,192	30,462
	816,800	739,480
Net assets		
Invested in capital assets	86,690	120,983
Restricted (Note 5)	1,705,017	1,777,863
Unrestricted	211,628	259,619
	2,003,335	2,158,465
	2,820,135	2,897,945

Commitments (Note 6)

Approved

J.W. (Bill) Fildes, Chair

Ron Short, Treasurer

Community Social Services Employers' Association of B.C.

Statement of cash flows
year ended March 31, 2011

	2011	2010
	\$	\$
Operating activities		
Deficiency of revenue over expenditures	(155,130)	(35,877)
Items not affecting cash		
Tenant inducements	(15,283)	(6,113)
Amortization of capital assets	34,293	36,654
Loss on disposal of equipment	-	800
	(136,120)	(4,536)
Changes in non-cash working capital		
Accounts receivable	(146,074)	26,887
Prepaid expenses	8,119	(35,500)
Accounts payable	866	(118,605)
Deferred revenue	6,764	(650)
	(266,445)	(132,404)
Investing activities		
Capital asset purchases	-	(6,624)
Proceeds from sale of equipment	-	1,600
	-	(5,024)
Financing activities		
Payment on capital lease	(6,724)	(8,080)
Tenant inducements	91,697	-
	84,973	(8,080)
Net cash outflow	(181,472)	(145,508)
Cash and cash equivalents, beginning of year	2,651,825	2,797,333
Cash and cash equivalents, end of year	2,470,353	2,651,825
Cash and cash equivalents consist of		
(Bank indebtedness) cash	(31,705)	49,884
Short-term investments	2,502,058	2,601,941
	2,470,353	2,651,825
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, 2011

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.

Externally restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Community Social Services Employers' Association of B.C.

Notes to the financial statements
March 31, 2011

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 the valuation 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. Where grants received are in excess of expenditures incurred, the Association either obtains approval to use the surplus towards future expenditures and records this as deferred revenue, or transfers the amount to accounts payable to be repaid to the funding agency.

(h) *Deferred tenant inducements*

Deferred tenant inducements represent lease allowances received from the landlord and are amortized over the term of the lease on a straight line basis.

Community Social Services Employers' Association of B.C.

Notes to the financial statements

March 31, 2011

2. Significant accounting policies (continued)

(i) Future accounting changes

New accounting framework

The CICA has issued a new accounting framework applicable to Canadian not-for-profit organizations. Effective for fiscal years beginning on or after December 21, 2012, not-for-profit organizations will have to choose between International Financial Reporting Standards, generally accepted accounting principles for not-for-profit organizations and Public Sector Accounting Standards ("PSA"). The Association currently plans to early adopt PSA without not-for-profit standards for its fiscal year beginning on April 1, 2011, as directed by Treasury Board, Province of British Columbia, and is evaluating the impact of adoption.

3. Equipment

			2011	2010
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Leased office equipment	39,552	9,888	29,664	37,436
Furniture and fixtures	147,931	141,506	6,425	8,032
Computer and communication equipment	429,006	426,798	2,208	16,346
Leasehold improvements	189,659	141,266	48,393	59,169
	806,148	719,458	86,690	120,983

4. 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:

	\$
2012	9,465
2013	9,465
2014	9,465
2015	7,099
	35,494
Less: Amount representing interest at 7.9%	(5,032)
	30,462
Less: Current portion	(7,270)
	23,192

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

Community Social Services Employers' Association of B.C.

Notes to the financial statements
March 31, 2011

5. Restricted net assets

	2011	2010
	\$	\$
Internally restricted for wind down costs (a)	1,250,000	1,250,000
Internally restricted for acquisition of capital assets	67,193	27,642
Internally restricted for labour relations activities	178,883	291,280
Internally restricted for project activities	208,941	208,941
	<u>1,705,017</u>	<u>1,777,863</u>

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.

6. Commitments

- (a) The Association has a \$100,000 letter of credit outstanding at March 31, 2011 (2010 - \$100,000).
- (b) The Association entered into a lease effective October 1, 1995, expiring 2016. The base office lease rental commitments for the fiscal years ending March 31 are as follows:

	\$
2012	79,469
2013	85,582
2014	88,639
2015	91,695
2016	45,848
	<u>391,233</u>

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.

- (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.

Community Social Services Employers' Association of B.C.

Notes to the financial statements

March 31, 2011

8. Pension plan

The Association and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The Plan is a multi-employer defined benefit plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan. The Plan has about 163,000 active members and approximately 60,000 retired members.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan. The most recent valuation as at December 31, 2009 indicated an unfunded liability of approximately \$1.024 million. In the event of an unfunded liability, the Board of Trustees is required to address it through contribution adjustments shared equally by the Plan members and employers. The next valuation will be as of December 31, 2012. The Association paid \$131,566 for employers' contributions to the Plan in fiscal 2011 (2010 - \$129,876).

9. 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, 2011, 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

I approach the writing of this message with optimism. After what was sometimes a trying year, I am proud to reflect upon 2011 as the one in which our sector evolved in both maturity and professionalism.

The tentative agreements with sector unions represent a significant breakthrough. For the first time we reached agreement without the involvement of a third party and my hope is that this development is indicative of the future. All of us owe a big thank you to the representatives on the bargaining teams. There was no limit to their resolve to achieve the best possible outcome for members and I expect you will all agree with me that they reached their goal.

This AGM marks the successful implementation of the Municipal Pension Plan (MPP). Since last Spring, I have been pleased to see the high number of employees enrolled in the plan and I have faith those numbers will correlate with improved recruitment, retention and ultimately, stability in the sector. As well, government has willingly stepped up and funded the 2011 employer increases to MPP contributions and this action should be a source of optimism for the future.

Innovations in member communications are a highlight of 2011. You will have noticed our communications now take a different form, as embedded emails instead of messages with attached files. Our streamlining efforts are intended to bring you both clarity and accessibility when navigating our various communications pieces.

Surveys continue to be an important cornerstone of our operations. We have, in recent months, released our Annual Turnover survey and completed our 2012 Wages & Benefits survey in preparation for the next round of collective bargaining. Before that, we were asked by the Public Sector Employers' Council (PSEC) to distribute a one-off Benefit Cost Trend Survey. All surveys, with members' help, allow CSSEA to deliver to government an accurate picture of the sector and the challenges we face.

We continue to await the government response to the Healthcare Benefit Trust (HBT) project. The sector presented a strong case for the elimination of the existing unfunded liability and for members to be given a choice in selecting a healthcare benefit provider.

The last year has not been easy for the sector and our members have faced numerous challenges. This has not dampened my personal optimism for the future. I continue to have great confidence in those who manage our agencies and their ability to overcome adversity. Being that this will be my last address before retirement, I wish to welcome my successor, Gentil Mateus, to the CEO position. Given his experience in the public sector, human resources and collective bargaining, I believe he will find the job to be rich and rewarding. I fully expect he will take the sector forward and that you are all in very capable hands.



A handwritten signature in black ink, appearing to read 'Lorne Rieder'. The signature is fluid and cursive, with a large initial 'L' and 'R'.

Lorne Rieder
Chief Executive Officer

Senior Management Team

Chief Executive Officer
Lorne Rieder

Director, HRLR Services
Sandi Case

Director, Corporate Services
Karen Yow

Director, Member Services
Kathie Best

Membership by division

Aboriginal Services	5
Community Living Services	102
General Services	93
TOTAL	200

Membership by region

Kootenays	18
Lower Mainland	70
North	26
Thompson/Okanagan	31
Vancouver Island	55
TOTAL	200