

**B.C. Federation of Labour
Occupational Health and Safety Centre
Financial Statements**
For the year ended March 31, 2025

**B.C. Federation of Labour
Occupational Health and Safety Centre
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For the year ended March 31, 2025

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Independent Auditor's Report

To the Executive Council of the Occupational Health and Safety Centre of the B.C. Federation of Labour:

Opinion

We have audited the Occupational Health and Safety Centre (the "Centre") financial statements of the B.C. Federation of Labour (the "BCFED"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements and schedules, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

Other Matter

The accompanying financial statements are specific to the financial position and results of operations of the Centre, an element of the financial statements of the BCFED. The financial statements have been prepared to provide information to the Directors and to the Workers' Compensation Board ("WorkSafe BC"), and as a result, may not be suitable for another purpose.

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 accounting standards for not-for-profit organizations, 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 Centre'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 Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre'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 these 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 Centre'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 Centre'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 Centre 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.

We 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.

Port Moody, British Columbia

July 10, 2025

MNP **LLP**

Chartered Professional Accountants

B.C. Federation of Labour
Occupational Health and Safety Centre
Statement of Financial Position
As at March 31, 2025

	2025	2024
Assets		
Current		
Cash	1,951,010	1,743,171
Accounts receivable	186,601	126,790
Term deposits (Note 3)	2,272,574	2,164,091
Prepaid expenses	26,514	27,810
	4,436,699	4,061,862
Capital assets (Note 4)	619,597	550,500
	5,056,296	4,612,362
Liabilities		
Current		
Accounts payable and accruals	295,017	233,206
Deferred contributions (Note 5)	1,800,277	1,744,490
Due to BCFED General Fund (Note 6)	992,430	560,002
	3,087,724	2,537,698
Commitments (Note 7)		
Contingency (Note 8)		
Net Assets		
Unrestricted	1,348,975	1,524,164
Invested in capital assets	619,597	550,500
	1,968,572	2,074,664
	5,056,296	4,612,362

Approved on behalf of the Board

e-Signed by Sussanne Skidmore
2025-07-10 16:18:07:07 PDT
President

e-Signed by Hermender Singh Kailley
2025-07-10 16:31:37:37 PDT
Secretary - Treasurer

The accompanying notes are an integral part of these financial statements

B.C. Federation of Labour
Occupational Health and Safety Centre
Statement of Operations
For the year ended March 31, 2025

	2025	2024
Revenue		
WCB project funds	2,876,652	3,799,648
Course registration fees	769,662	762,135
Interest and other	355,652	197,786
Total revenue	4,001,966	4,759,569
Expenses		
Accounting and legal fees	19,411	55,701
Advertising and sponsorships	4,237	15,276
Amortization	92,438	80,602
Bank charges and other	19,691	122,285
Benefits <i>(Schedule 1)</i>	940,896	773,940
Conferences, registrations and meeting expenses	137,375	53,740
Consultants and contractors <i>(Schedule 1)</i>	153,924	50,861
Office supplies	45,469	33,439
Property tax and insurance	25,387	23,821
Publication	124,812	136,958
Rent - office	189,805	159,728
Repairs and maintenance	47,809	-
Salaries <i>(Schedule 1)</i>	1,820,822	1,665,718
Technology	242,369	292,029
Telecommunications and freight	41,041	33,839
Training - staff	26,075	24,265
Travel	176,497	129,190
Total expenses	4,108,058	3,651,392
Excess (deficiency) of revenue over expenses	(106,092)	1,108,177

The accompanying notes are an integral part of these financial statements

B.C. Federation of Labour
Occupational Health and Safety Centre
Statement of Changes in Net Assets
For the year ended March 31, 2025

	<i>Unrestricted</i>	<i>Invested in capital assets</i>	2025	2024
Net assets, beginning of year	1,524,164	550,500	2,074,664	966,487
Excess (deficiency) of revenue over expenses	(13,654)	(92,438)	(106,092)	1,108,177
Purchase of capital assets	(161,535)	161,535	-	-
Net assets, end of year	1,348,975	619,597	1,968,572	2,074,664

The accompanying notes are an integral part of these financial statements

B.C. Federation of Labour
Occupational Health and Safety Centre
Statement of Cash Flows
For the year ended March 31, 2025

	2025	2024
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	(106,092)	1,108,177
Amortization	92,438	80,602
	(13,654)	1,188,779
Changes in working capital accounts		
Accounts receivable	(59,811)	40,868
Prepaid expenses	1,296	(4,186)
Accounts payable and accruals	61,811	(123,068)
Deferred contributions	55,787	704,429
	45,429	1,806,822
Financing		
Advances of due to BCFED General Fund	432,428	170,589
Investing		
Purchase of term deposits	(108,483)	(302,225)
Purchase of capital assets	(161,535)	(21,326)
	(270,018)	(323,551)
Increase in cash	207,839	1,653,860
Cash, beginning of year	1,743,171	89,311
Cash, end of year	1,951,010	1,743,171

The accompanying notes are an integral part of these financial statements

1. Nature of the organization

The B.C. Federation of Labour (the "BCFED") was formed to promote the principles and policies of the Canadian Labour Congress and to promote the interests of working people and BCFED's affiliates in British Columbia.

The BCFED is a not-for-profit organization under the Income Tax Act (the "Act") and as such is exempt from income taxes. In order to maintain its status as a registered not-for-profit organization under the Act, the BCFED must meet certain requirements within the Act. In the opinion of the management, these requirements have been met.

The financial statements of BCFED are comprised of three Funds, being the Occupational Health and Safety Centre (the "Centre"), the BCFED General Fund ("General Fund"), and B.C. Centre for Women in the Trades ("BCCWITT"). These financial statements have been prepared to report the financial position and results of operations of the Centre, and do not include account balances and transactions of BCFED's General Fund or BCCWITT. Financial statements of BCFED, presenting the financial position and results of operations of the Centre, General Fund, and BCCWITT are available upon request.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Fund accounting

The Centre follows the deferral method of accounting for contributions and reports using fund accounting, and maintains two funds: General Fund and Capital Asset Fund.

The General Fund accounts for the Centre's general and administrative activities and reports unrestricted funds.

The Capital Asset Fund accounts for the Centre's ownership in capital assets.

Revenue recognition

The Centre is funded under an agreement with the Workers' Compensation Board of British Columbia to provide occupational health and safety training from April 2024 through to March 2026. Course registration fees are recognized upon completion of the related conference, course, or event if collection is reasonably assured.

Term deposits

The Centre holds both redeemable and non-redeemable term deposits. Term deposits with a maturity date of one year or less are classified as current assets, and are recorded at cost with interest recorded on an accrual basis.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives:

	Rate
Computer software	10 years
Furniture and equipment	3 - 5 years
Leasehold improvements	5 years

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Centre performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the assets' carrying amount. Impairment is measured as the amount by which the assets' carrying value exceeds its fair value. Any impairment is included in excess (deficiency) of revenue over expenses for the year. Prices for similar items are used to measure fair value of long-lived assets.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess (deficiency) of revenue over expenses in the years in which they become known.

Employee future benefits

The Centre's employees participate in a multi-employer benefit plan for certain of its employees, the Municipal Pension Plan, for which there is insufficient information to apply defined benefit plan accounting because the actuary does not attribute portions of the surplus to individual employers participating in the plan. Accordingly, the Centre is not able to identify its share of the plan assets and liabilities, and therefore, the Centre uses defined contribution plan accounting for this plan.

Financial instruments

The Centre recognizes its financial instruments when the Centre becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Centre may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Centre has not made such an election during the year.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in deficiency of receipts over expenditures. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

2. Significant accounting policies *(Continued from previous page)*

Related party financial instruments

The Centre initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at cost on initial recognition.

When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

At initial recognition, the Centre may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

Financial asset impairment

The Centre assesses impairment of all of its financial assets measured at cost or amortized cost. The Centre groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default of delinquency in interest or principal payments; etc. in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Centre determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Centre reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year's excess (deficiency) of revenue over expenses.

The Centre reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess (deficiency) of revenue over expenses in the year the reversal occurs.

Leases

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. Assets under capital leases are amortized using the declining balance method, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

The Centre has an operating lease with a related party for use of its operating premises (see Note 7).

3. Term deposits

The Centre holds seven term deposits (2024 - seven term deposits) with Community Savings Credit Union bearing interest at rates ranging from 2.50% to 4.50% (2024 - 3.00% to 4.50%) and maturity dates from April 2025 to October 2025 (2024 - September 2024 to March 2025).

**B.C. Federation of Labour
Occupational Health and Safety Centre
Notes to the Financial Statements**
For the year ended March 31, 2025

4. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2025 Net book value</i>	<i>2024 Net book value</i>
Computer software	956,895	355,425	601,470	530,240
Furniture and equipment	12,444	12,444	-	-
Leasehold improvements	21,326	3,199	18,127	20,260
	990,665	371,068	619,597	550,500

5. Deferred contributions

Deferred contributions consist of course registration fees and facilitator costs of \$78,276 (2024 - \$75,860) received that relate to courses to be conducted subsequent to year-end, and WorkSafe BC funding of \$1,722,001 (2024 - \$1,668,630) received that relates to the period from April 1, 2025 to March 31, 2026.

6. Due to BCFED General Fund

Amounts due to BCFED General Fund are unsecured, non-interest bearing and have no fixed terms of repayment.

7. Commitments

The Centre has entered into an operating lease with the B.C. Federation of Labour, a related party, for use of its operating premises. This lease expires on November 30, 2032.

The Centre's minimum obligations under the lease agreement for its operating premises for the next five fiscal years and thereafter are as follows:

2026	366,549
2027	394,944
2028	397,525
2029	425,920
2030	428,501
Thereafter, to 2032	913,792
	2,927,231

8. Contingency

The Centre has been named as a respondent in a complaint with the BC Human Rights Tribunal made by a former employee. This complaint remains at an early stage, and as Tribunal processes are subject to many uncertainties, it is not possible to predict the ultimate outcome of this complaint or to estimate the loss, if any, which may result.

Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. In the opinion of management, based on the advice and information provided by its legal counsel, final determination of this matter will not materially affect the Centre and its financial position or results of operations.

9. Financial instruments

The Centre, as part of its operations, carries a number of financial instruments. It is management's opinion that the Centre is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Centre is exposed to interest rate risk with respect to its term deposits.

Liquidity risk

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Centre manages liquidity risk by maintaining an adequate amount of liquid assets with various maturities in order to ensure that it can meet all of its financial obligations as they come due.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Centre's main credit risk relates to its accounts receivable. The Centre manages its credit risk by performing regular investigation into delinquent accounts and provides allowances for potentially uncollectible accounts receivable. The Centre has not made any provisions for doubtful accounts at year-end.

B.C. Federation of Labour
Occupational Health and Safety Centre Fund
Schedule 1 - Schedule of Salaries, Benefits, and Contractor Expenses
For the year ended March 31, 2025

	<u>2025</u>	<u>2024</u>
Salaries:		
Directors and management	\$ 483,880	\$ 441,714
Facilitators	852,914	757,336
Administration staff	<u>484,028</u>	<u>466,668</u>
Total Salaries	<u>1,820,822</u>	<u>1,665,718</u>
Benefits:		
Medical benefits	165,190	114,582
Canada Pension Plan and Employment Insurance premiums	239,154	221,616
Retirement plan contributions	229,306	162,547
Wage loss indemnity, AD&D, Life insurance and long-term disability	99,550	78,460
Other benefits	<u>207,696</u>	<u>196,735</u>
Total Benefits	<u>940,896</u>	<u>773,940</u>
Contractors:		
OH&S Program	14,701	17,232
Mental Health Program	11,822	2,890
Community Education Program	72,630	30,739
Human resources and accounting	<u>54,771</u>	<u>-</u>
Total Contractors	<u>153,924</u>	<u>50,861</u>
Total salaries, benefits, and contractor expenses	<u>\$ 2,915,642</u>	<u>\$ 2,490,519</u>