

Consolidated Financial Statements of

B.C. General Employees' Union

December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF B.C. GENERAL EMPLOYEES' UNION

Opinion

We have audited the consolidated financial statements of B.C. General Employees' Union (the "Union"), which comprise:

- the consolidated balance sheet as at December 31, 2024;
- the consolidated statement of revenues and expenses for the year then ended;
- the consolidated statement of changes in fund balances for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Union as at December 31, 2024, and its consolidated results of operations and its consolidated 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 Consolidated Financial Statements* section of our report. We are independent of the Union in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Union'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 Union or to cease operations, or has no realistic alternative but to do so.

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

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Union'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 Union'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 consolidated 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 Union to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ♦ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Union to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Union's audit. We remain solely responsible for our audit opinion.

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.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
May 14, 2025

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B.C. General Employees' Union

Consolidated balance sheet

As at December 31

	Consolidated 2024	Consolidated 2023
Assets	\$	\$
Current assets		
Cash	18,096,409	25,527,040
Accounts receivable	9,036,997	8,625,301
Due from components (Note 11)	-	121,937
Marketable securities (Note 3)	150,026,103	123,759,557
Prepaid expenses	1,830,865	841,435
Deposits (Note 6)	2,000,000	-
	180,990,374	158,875,270
Investment (Note 4)	15,250	15,250
Properties under development (Note 5)	22,937,466	22,658,111
Property development costs (Note 6)	11,026,248	5,663,415
Deposits, long-term (Note 6)	4,393,509	110,000
Amounts held in trust (Note 7)	112,433	180,729
Equipment under capital lease (Note 8)	28,774	39,031
Property and equipment (Notes 9)	40,160,971	39,225,374
	259,665,025	226,767,180
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Notes 10)	10,458,987	12,239,138
Due to components (Note 11)	950,223	-
Current portion of capital lease obligations (Note 12)	8,069	10,202
	11,417,279	12,249,340
Capital lease obligations (Note 12)	21,448	29,517
Amounts held in trust (Note 7)	112,433	180,729
Supplemental leave benefits liability (Note 13)	3,675,245	3,716,089
	15,226,405	16,175,675
Fund balances		
Invested in property and equipment	40,160,225	39,224,686
Invested in properties under development	33,963,714	28,321,526
Unrestricted	500,000	500,000
Internally restricted (Note 14)		
Campaign reserve	8,500,000	5,990,474
Area office, land and building reserve	11,849,398	8,205,354
Bargaining reserve	6,500,000	3,000,000
Contingency reserve	5,295,000	4,580,000
Capital expenditures reserve	5,074,663	6,000,000
Convention reserve	-	1,900,000
Restricted Defence Fund	132,595,620	112,869,465
	244,438,620	210,591,505
	259,665,025	226,767,180

Amounts held in trust (Note 7); Commitments (Note 15); Contingencies (Note 17).

Approved on behalf of the Provincial Executive



President



Treasurer

B.C. General Employees' Union

Consolidated statement of revenues and expenses

Year ended December 31

	Operations Fund (Note 2(b))	Restricted Defence Fund	Consolidated 2024	Consolidated 2023
	\$	\$	\$	\$
Revenues				
Members' dues	102,507,410	-	102,507,410	92,773,072
Less:				
Allocations to components, 6.50% of dues revenue	(6,662,982)	-	(6,662,982)	(6,030,251)
	95,844,428	-	95,844,428	86,742,821
Investment income, net (Note 3)	4,859,205	20,168,624	25,027,829	20,136,762
Rent, net	244,225	-	244,225	360,531
Affiliation remittances and other	213,292	-	213,292	129,371
	101,161,150	20,168,624	121,329,774	107,369,485
Expenses				
Salaries and employee benefits (Note 16)	54,833,152	-	54,833,152	49,780,036
Building and administration (Schedule)	10,712,319	-	10,712,319	10,606,340
Conventions and conferences	4,610,786	-	4,610,786	1,509,815
Affiliation fees	3,170,630	-	3,170,630	2,975,026
Bargaining	2,366,577	-	2,366,577	1,239,523
Campaigns, strategic partnerships, communications and donations (Schedule)	2,030,627	-	2,030,627	2,048,866
Hearings, arbitration and legal	2,147,604	-	2,147,604	1,827,718
Education	1,736,241	-	1,736,241	2,927,305
Travel and relocation	1,408,297	-	1,408,297	1,339,787
Provincial Executive and committees	1,385,990	-	1,385,990	1,614,835
Other member services (Note 19 and Schedule)	1,142,570	-	1,142,570	863,000
Automotive	573,065	-	573,065	585,518
Professional fees	519,428	-	519,428	445,581
Joint committee meetings	182,180	-	182,180	139,457
Supplemental leave benefits (Note 13)	169,816	-	169,816	241,965
Strike expenses (recovery)	-	442,469	442,469	(3,297)
	86,989,282	442,469	87,431,751	78,141,475
Excess of revenues over expenses	14,171,868	19,726,155	33,898,023	29,228,010

B.C. General Service Employees' Union

Consolidated statement of changes in fund balances

Year ended December 31

	Operations Fund (Note 2(b))					Consolidated 2024	Consolidated 2023
	Invested in property and equipment	Invested in properties under development	Unrestricted	Internally Restricted (Note 14)	Restricted Defence Fund		
	\$	\$	\$	\$	\$	\$	\$
Fund balances, beginning of year	39,224,686	28,321,526	500,000	29,675,828	112,869,465	210,591,505	180,843,317
Excess of revenues over expenses	-	-	14,171,868	-	19,726,155	33,898,023	29,228,010
Actuarial gain (loss) (Note 13)	-	-	(50,908)	-	-	(50,908)	520,178
Amortization of property and equipment	(2,265,850)	-	-	2,265,850	-	-	-
Development costs	-	5,642,188	-	(5,642,188)	-	-	-
Purchase of property and equipment	3,191,187	-	-	(3,191,187)	-	-	-
Principal repayments, capital lease obligations	10,202	-	(10,202)	-	-	-	-
Interfund transfers							
2024 Operating expenditures	-	-	1,900,000	(1,900,000)	-	-	-
2024 Operating budget			(2,588,036)	2,588,036			
2024 Unrestricted fund balance	-	-	(13,422,722)	13,422,722	-	-	-
Fund balances, end of year	40,160,225	33,963,714	500,000	37,219,061	132,595,620	244,438,620	210,591,505

B.C. General Employees' Union

Consolidated statement of cash flows

Year ended December 31

	Consolidated 2024	Consolidated 2023
	\$	\$
Operating activities		
Excess of revenues over expenses	33,898,023	29,228,010
Items not involving the outlay of funds		
Amortization	2,265,850	2,057,651
Supplemental leave benefits expense (Note 13)	169,816	241,965
Unrealized gain on investments (Note 3)	(21,157,686)	(19,935,830)
	15,176,003	11,591,796
Net changes in operating working capital		
Accounts receivable	(411,697)	4,686
Prepaid expenses	(989,430)	(287,402)
Accounts payable and accrued liabilities	(1,780,151)	196,330
Due (from) to components	1,072,160	(1,861,085)
Supplemental leave benefits paid	(261,568)	(462,813)
	12,805,317	9,181,512
Investing activities		
Proceeds from sale (purchase) of marketable securities, net	(5,108,862)	7,198,494
Acquisition of land	(279,355)	-
Development costs	(5,362,833)	(4,026,262)
Purchase of property and equipment	(3,191,187)	(862,836)
Deposits paid on purchase of land and building	(2,000,000)	-
Deposits, long-term	(4,283,509)	(110,000)
	(20,225,746)	2,199,396
Financing activity		
Principal repayments, capital lease obligations	(10,202)	(30,006)
Net cash inflow (outflow)	(7,430,631)	11,350,902
Cash position, beginning of year	25,527,040	14,176,138
Cash position, end of year	18,096,409	25,527,040
Supplemental cash flow information		
Purchase of property and equipment by capital lease	-	41,106
Interest paid on capital lease obligations	1,340	1,585

B.C. General Employees' Union

Notes to the consolidated financial statements

Year ended December 31, 2024

1. Nature of organization

The B.C. General Employees' Union (the "Union") is a democratic union providing services to its members who work for the government of the Province of British Columbia, or its boards, agencies, commissions, and Crown corporations, or in the broader public and private sectors. B.C. government workers formed a precursor organization in 1919. The Union was founded in 1942 and gained full bargaining rights under the *Labour Relations Code* of British Columbia in 1974. As a labour organization, the Union is exempt from income taxes under section 149(1)(k) of the *Income Tax Act* (Canada).

2. Significant accounting policies

These consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and reflect the following significant accounting policies:

(a) Principles of consolidation

These consolidated financial statements include the accounts of the following:

- i) General and Defence Funds of the Union
- ii) The Union's wholly owned companies:
 - Solidarity Holdings Ltd.; and
 - Workers' Capital Holding Corp. and its individual bare trust companies holding each of the Union's real estate properties.
- iii) Affordable BC Housing Society (the "Society"), of which the Union is the sole member, and the Society's wholly owned company:
 - Royal Oak Affordable Housing Corp. (dissolved March 25, 2024).

All transactions and balances between the above entities have been eliminated. The shares of the wholly owned companies are held in trust for the Union. These consolidated financial statements do not include the assets, liabilities, revenues, and expenses of the components and locals.

(b) Fund accounting

The Union prepares its consolidated financial statements using the concept of fund accounting. A description of each fund is as follows:

The Operations Fund reports the Union's unrestricted resources, the amounts invested in properties and equipment and properties under development, the balances and transactions of the Union's General Fund, the entities listed above in Note 2(a), and the following internally restricted reserves:

- Campaign reserve – for additional or extraordinary campaign, organizing, and communication expenses;
- Area office, land, and building reserve – for the purchase of area office, land, and buildings;
- Bargaining reserve – for renegotiating sectoral collective agreements;
- Capital expenditures reserve – for capital expenditures related to equipment, furniture, and additions to existing land and buildings;
- Contingency reserve – for contingencies; and
- Convention reserve – for triennial constitutional conventions.

The Defence Fund reports restricted resources to be used in the event of job action.

B.C. General Employees' Union

Notes to the consolidated financial statements

Year ended December 31, 2024

2. Significant accounting policies (continued)

(c) *Investment*

The investment where the Union exerts significant influence is accounted for using the cost method.

(d) *Investment properties*

The investment properties are recorded at cost and represent properties under development.

Amortization for the building will commence when available for use using the declining balance basis at 5% per annum.

(e) *Development costs*

Development costs include costs directly attributable to development activities. Revenue earned and expenses incurred prior to completion of development are recorded in development costs. No amortization is taken until development is complete and the property is available for use.

(f) *Property and equipment*

Property and equipment are recorded at cost less accumulated amortization. Amortization is calculated at the following annual rates:

Buildings	Declining-balance basis	5%
Building improvements	Straight-line basis	10 to 15 years
Furniture and equipment	Straight-line basis	7 years
Computer equipment	Straight-line basis	3 years
Parking lot and road	Declining-balance basis	4%
Vehicles	Declining-balance basis	30%

Equipment under capital lease is amortized on the straight-line basis over a term of three to five years, based on the terms of the lease.

Leasehold improvements are amortized on the straight-line basis over the initial term of the lease (five years) and one renewal period (five years).

(g) *Impairment of long-lived assets*

The Union reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable as compared to the sum of expected undiscounted future cash flows resulting from its use and eventual disposition.

The Union records an impairment loss in the period when it is determined that the carrying amount of the asset exceeds the undiscounted estimate of future cash flows from the asset. Any impairment loss is measured as the difference between the carrying amount and estimated fair value of the asset.

B.C. General Employees' Union

Notes to the consolidated financial statements

Year ended December 31, 2024

2. Significant accounting policies (continued)

(h) *Revenue recognition*

Members' dues are recognized in the period to which they relate and are treated as unrestricted revenue.

The Union follows the deferral method of accounting. 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.

Rent, interest, and investment income are recognized in the period earned. Realized gains and losses on the sale of investments are recognized on the settlement date. Unrealized gains and losses are included in the determination of investment income at year end.

(i) *Supplemental leave benefits*

The Union provides supplemental leave benefits under a defined benefit plan and accrues its liability under the plan. The plan is unfunded and actuarial valuations are prepared for accounting purposes. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in the consolidated statement of changes in fund balances in the period incurred. The last actuarial valuation prepared by the actuary was at December 31, 2023. Actuarial valuations are performed every three years and an extrapolation of the results is done on an annual basis.

(j) *Multi-employer pension plan*

The Union accounts for its participation in the Public Service Pension Plan, a multi-employer contributory defined benefit plan, as if it was a defined contribution plan. This is due to the fact that the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets, and cost to the individual employers participating in the Plan.

(k) *Income taxes*

As a labour organization, the Union is not subject to income taxes under section 149(1)(k) of the *Income Tax Act* (Canada). However, its wholly owned companies follow the taxes payable method of accounting for income taxes. Under this method, current income taxes are recognized as incurred and payable in the current year.

(l) *Measurement uncertainty*

The preparation of consolidated financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reported period.

Areas requiring the use of estimates include the recoverability of accounts receivable, the estimated useful lives of property and equipment, estimated useful lives of investment properties, net recoverable amount of property and equipment and investment properties, valuation of investments, accrued liabilities, and supplemental leave benefits liability. The Union believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

B.C. General Employees' Union

Notes to the consolidated financial statements

Year ended December 31, 2024

2. Significant accounting policies (continued)

(m) Financial instruments

The Union initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Union subsequently measures all its financial assets and financial liabilities at amortized cost, except for marketable securities which are measured at fair value.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down would be recognized in the statement revenues and expenses. In the event a previously recognized impairment loss should be reversed, the amount of the reversal is recognized in the statement of revenues and expenses provided it is not greater than the original amount prior to write-down.

For any financial instrument that is measured at amortized cost, the instrument's cost is adjusted by the transaction costs that are directly attributable to their origination, issuance, or assumption.

Financial assets measured at amortized cost include cash, accounts receivable, and due from components.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, capital lease obligations, and supplemental leave benefits liability.

The Union has designated its marketable securities to be measured at fair value.

3. Marketable securities

The Union's investments are comprised of equity and debt securities and are carried at their fair value based on the quoted market prices of the securities at December 31, 2024. The composition of marketable securities, classified as current assets, is as follows:

	2024		2023	
	Fair value	Cost	Fair value	Cost
	\$	\$	\$	\$
Short-term investments	929,055	931,654	555,807	555,807
Fixed income funds	5,668,103	5,553,416	5,084,149	5,048,798
Equity funds	143,428,945	54,548,413	118,119,601	50,317,423
	150,026,103	61,033,483	123,759,557	55,922,028
Represented by				
General Fund	28,441,288	12,212,656	23,671,302	11,423,497
Defence Fund	121,584,815	48,820,827	100,088,255	44,498,531
	150,026,103	61,033,483	123,759,557	55,922,028

For the year ended December 31, 2024, the total realized gain (2023 - loss) on the sale of marketable securities was \$1,836,270 (2023 - \$601,134) and total unrealized gain (2023 - gain) on fair market value changes was \$21,157,686 (2023 - \$19,935,830).

B.C. General Employees' Union

Notes to the consolidated financial statements

Year ended December 31, 2024

4. Investment

	2024	2023
	\$	\$
Investment with Significant Influence		
West Kootenay Labour Centre Holding Society	15,250	15,250

The Union is a member of the Society through its contribution of \$15,250 towards the purchase and upkeep of the Society's property and holds a 37.5% interest in the Society.

The investment does not have a quoted market price in an active market and is recorded at cost.

5. Properties under development

	2024	2023
	\$	\$
Properties under development – Operations Fund		
Cost		
Burnaby, Palm Avenue Properties – Land	21,513,391	21,234,036
Nelson, Josephine Street Property – Land	1,424,075	1,424,075
	22,937,466	22,658,111

In April 2024, the Union paid \$279,355 to the City of Burnaby for the purchase of additional land related to the Palm Avenue project.

6. Property development costs

	2024	2023
	\$	\$
Development costs – Operations Fund		
Burnaby, Palm Avenue Properties	9,983,880	5,351,238
Nelson, Josephine Street Property	128,092	68,966
Victoria, Yates Street Property	914,276	243,211
	11,026,248	5,663,415

The Union, through the Affordable BC Housing Society, is developing its Palm Avenue, Burnaby properties (Note 5) into office space for the Union and affordable housing. The Union has paid \$4,393,508 (2023 - \$110,000) in refundable deposits related to these properties. The Union has also applied to the City of Burnaby to have the properties rezoned and has entered into contracts with a number of firms to assist with the development of the properties (Note 15).

In 2022, the Union purchased a property in Nelson, BC with plans to redevelop the site into office space for the Union and affordable housing.

In 2024, the Union, through Affordable BC Housing Society (Note 2), entered into a contract to purchase land in Victoria, BC for \$21,000,000. As at December 31, 2024, a total of \$2,000,000 in deposits were paid and included in Deposits in the consolidated balance sheet.

B.C. General Employees' Union

Notes to the consolidated financial statements

Year ended December 31, 2024

7. Amounts held in trust

The following amounts are included in the Union's consolidated balance sheet:

	2024	2023
	\$	\$
Deferred Salary Leave Plan To afford employees the opportunity of taking a one-year leave of absence with partial pay by deferring salary for four years and taking leave in the fifth year.	2,371	55,281
Vancouver Talmud Torah Association Trust To subsidize BCGEU union dues payable by and for the benefit of the instructors at the Vancouver Talmud Torah Association.	110,062	125,448
	112,433	180,729

Assets held in trust are liquid assets held with a Canadian financial institution.

Component Funds held in trust are not included in the Union's consolidated balance sheet (see Note 2(a)).

	2024	2023
	\$	\$
Component funds held in trust	5,991,901	2,199,045

B.C. General Employees' Union

Notes to the consolidated financial statements

Year ended December 31, 2024

7. Amounts held in trust (continued)

The following amounts have not been included in the Union's consolidated balance sheet as they are jointly governed funds with non-related third parties:

	2024	2023
	\$	\$
Health Science Professionals Professional Development Funds		
For professional development of members covered by the Health Sciences Professionals collective agreement.	397,652	652,368
Health Science Professionals Professional Bodies Funds		
For reimbursement of membership fees for members covered by the Health Sciences Professionals collective agreement.	837,857	1,792,632
Mental Wellness and Professional Development Supports Funds		
For supporting CBA members in the areas of mental wellness and professional development, aligned with the Health Human Resources Strategy.	20,503,897	-
For supporting HSP members in the areas of mental wellness and professional development, aligned with the Health Human Resources Strategy.	2,470,185	-
Joint Community Social Services Retraining Fund		
For retraining and providing professional development support for laid-off employees.	304,741	343,992
For development of training initiatives identified by the Joint Training committee.	631,325	614,042
Community Social Services Early Intervention Program		
For the purpose of provisioning a Community Social Services Early Intervention Program ("CCSEIP") coordinator.	151,197	-
Joint Community Health Retraining Fund		
For retraining members of certain labour organizations which make up the Community Bargaining Association, of which the Union is a member.	1,852,829	1,877,510
Community Health Enhanced Disability Management Program Fund		
To facilitate an employee-centered, proactive, appropriate, and customized disability management program for members with occupational and non-occupational illness or injury.	1,154,069	827,638
	28,303,752	6,108,182

B.C. General Employees' Union

Notes to the consolidated financial statements

Year ended December 31, 2024

8. Equipment under capital lease

	2024			2023
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Equipment under capital lease	51,283	22,509	28,774	39,031

9. Property and equipment

	2024			2023
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Land	14,015,618	-	14,015,618	14,015,618
Buildings	39,098,400	18,634,969	20,463,431	21,540,453
Furniture and equipment	10,223,319	8,992,417	1,230,902	863,936
Computer equipment	3,840,654	3,607,431	233,223	223,523
Parking lot and road	524,960	164,626	360,334	338,371
Vehicles	167,657	161,907	5,750	8,215
Building improvements	2,725,554	152,194	2,573,360	501,627
Leasehold improvements	10,409,341	9,130,988	1,278,353	1,733,631
	81,005,503	40,844,532	40,160,971	39,225,374

No indicators of impairment have been identified by the Union for the year ended December 31, 2024.

10. Government remittances

Included in accounts payable and accrued liabilities are government remittances payable of \$215,965 (2023 - \$207,773 payable).

B.C. General Employees' Union

Notes to the consolidated financial statements

Year ended December 31, 2024

11. Due to (from) components

	2024	2023
	\$	\$
Dues allocations payable	1,792,197	816,711
Less: Advances to cover expenses, non-interest-bearing	841,974	938,648
	950,223	(121,937)

12. Capital lease obligations

Future minimum payments under capital lease obligations are as follows:

	\$
2025	8,997
2026	8,997
2027	8,997
2028	4,500
Total minimum lease payments	31,491
Imputed interest at 4.57%	1,974
	29,517
Less: current obligation	8,069
Long-term obligation	21,448

Interest of \$1,340 (2023 - \$1,585) on account of capital leases was paid during the year and is included in office expense (Schedule). The Union's capital lease obligation has a maturity date expiring in June 2028.

B.C. General Employees' Union

Notes to the consolidated financial statements

Year ended December 31, 2024

13. Supplemental leave benefits liability

The Union is committed to providing certain supplemental leave benefits under a defined benefit plan. The benefits are based on length of service and final earnings.

An actuarial report prepared in March 2024 provided the Union with a valuation of the total benefits liability at December 31, 2023 and a projection of the current service costs for 2023 and a total benefits liability obligation as at December 31, 2023.

In March 2025, the actuaries revised their projection of the December 31, 2024 obligation to reflect a discount rate of 4.4% as compared to the rate of 4.6% used in their earlier report. The resulting actuarial loss of \$50,908 (2023 - \$520,178 gain) is recognized as a separate component within the consolidated statement in fund balances.

The Plan is unfunded as no assets have been allocated to the plan. As a result, the Plan's obligation of \$3,675,245 (2023 - \$3,716,089) is also the plan's deficit.

The valuation and projection were based on the following assumptions regarding discount rates and employees' compensation levels during their active period of employment:

	2024	2023
	%	%
Discount rate	4.40	4.60
Rate of compensation and benefits increase	3.00	3.00
	\$	\$
Supplemental leave benefits expense consists of the following:		
Current service cost	34,038	29,243
Interest cost on accrued benefit obligation	135,778	212,722
Supplemental leave benefits expense	169,816	241,965

Total benefits paid in the year were \$261,568 (2023 - \$462,813).

B.C. General Employees' Union

Notes to the consolidated financial statements

Year ended December 31, 2024

14. Internally restricted fund balances

							2024	2023
	Campaign reserve	Area office, land and building reserve	Bargaining reserve	Capital expenditures reserve	Contingency reserve	Convention reserve	Total	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Fund balance, beginning of year	5,990,474	8,205,354	3,000,000	6,000,000	4,580,000	1,900,000	29,675,828	16,669,945
Amortization of property and equipment	-	-	-	2,265,850	-	-	2,265,850	-
Development costs	-	(5,642,188)	-	-	-	-	(5,642,188)	-
Purchase of property and equipment	-	-	-	(3,191,187)	-	-	(3,191,187)	-
Interfund transfers:								
2024 operating expenditures	-	-	-	-	-	(1,900,000)	(1,900,000)	-
2024 operating budget	(350,000)	5,611,036	(1,610,000)	-	(1,063,000)	-	2,588,036	8,906,556
2024 unrestricted fund balance	2,859,526	3,675,196	5,110,000	-	1,778,000	-	13,422,722	4,099,327
Fund balance, end of year	8,500,000	11,849,398	6,500,000	5,074,663	5,295,000	-	37,219,061	29,675,828

In 2024, the Provincial Executive approved transferring all but \$500,000 of what would otherwise be the Union's unrestricted fund balance as of December 31, 2024, to make the contingency reserve equal to 5% of 2025 budgeted members' dues revenue, to bring the bargaining reserve up to \$6.5 million, to bring the campaign reserve up to \$8.5 million, and the remainder to be put into the area office, land, and building reserve.

15. Commitments

- (a) The Union is committed to operating lease payments for premises and office equipment over the next five years as follows:

	\$
2025	554,515
2026	567,734
2027	450,411
2028	67,689
2029	22,347
	1,662,696

The leases have maturity dates up to April 2029.

B.C. General Employees' Union

Notes to the consolidated financial statements

Year ended December 31, 2024

15. Commitments (continued)

- (b) The Union has the following significant obligations, as of December 31, 2024, for contracts related to properties under development.

	\$
Architectural service	3,767,000
Project management	5,489,000
Long-term obligation	9,256,000

16. Multi-employer pension plan

Employees of the Union are members of the Public Service Pension Plan ("PSPP" or the "Plan"), a multi-employer contributory defined benefit plan. The regular employer contribution for 2024 was \$3,736,831 (2023 - \$3,273,695) and is included in salaries and employee benefits expense.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of plan funding. The most recent actuarial valuation for the Plan at March 31, 2023 indicated a surplus of approximately \$4.491 billion. The actuary does not attribute portions of the surplus to individual employers. The plan covers approximately 76,000 active employees, of which approximately 366 are employees of the Union.

17. Contingencies

There are human rights complaints that have been filed jointly against certain employers and the Union. As the Union's share of any potential liability cannot be estimated at this time, no amounts have been recorded in these financial statements.

18. BCGEU Diane L. Wood International Solidarity and Humanity Fund

The Union committed \$279,000 (2023 - \$272,000) to its BCGEU Diane L. Wood International Solidarity and Humanity Fund for international solidarity and development projects. As at December 31, 2024, \$119,009 (2023 - \$109,858) of committed funds have yet to be spent.

B.C. General Employees' Union

Notes to the consolidated financial statements

Year ended December 31, 2024

19. Financial instruments

(a) *Liquidity risk*

Liquidity risk is the risk that the Union will encounter difficulty in meeting obligations associated with financial liabilities.

The Union is exposed to liquidity risk with respect to its accounts payable and supplemental leave benefits liability. The Union's cash on hand and cash flow from operations provides a substantial portion of the Union's cash requirements. Additional cash requirements can be met with the sale of marketable securities, or the use of the available credit facility.

(b) *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 Union's exposure to credit risk with respect to accounts receivable is minimal since over 93% of the accounts receivable as at December 31, 2024 (2023 - 96%) are receivable from well-established employers for members' dues deducted from members' wages. Members' dues are received from employers on a regular basis.

The Union's exposure to credit risk with respect to its cash and marketable securities is minimized since these items are held at well-capitalized Canadian financial institutions. In addition, the government of the Province of British Columbia, with its *Financial Institutions Act*, has, through the Credit Union Deposit Insurance Corporation, guaranteed the full value of the Union's cash, all of which is held at credit unions in British Columbia.

(c) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

Interest rate risk consists of two components:

- i. To the extent that payments made or received on the Union's monetary assets and liabilities are affected by changes in prevailing market interest rates, the Union is exposed to interest rate cash flow risk.
- ii. To the extent that the market rates differ from interest rates on the Union's monetary assets and liabilities, the Union is exposed to interest rate price risk.

Interest rate risk arises from the possibility that changes in interest rates will affect the value of fixed income securities held by the Union and accrued supplemental leave payable. The value of fixed income securities will generally rise when interest rates fall and decrease when market rates rise.

(d) *Other price risk*

Other price risk arises as a result of trading in equity securities. Fluctuations in the market expose the Union to a risk of loss. The Union mitigates this risk through controls to monitor and limit concentration levels.

B.C. General Employees' Union

Notes to the consolidated financial statements

Year ended December 31, 2024

19. Financial instruments (continued)

(e) Foreign currency risk

As of December 31, 2024, 34% (2023 - 41%) of the marketable securities are invested in U.S. equities with an additional 11% (2023 - 14%) invested in other non-Canadian equities. Foreign currency risk arises due to changes in foreign currency exchange rates on the Union's foreign securities.

20. Comparative figures

Certain comparative figures were reclassified to conform to the presentation adopted in the current year.

B.C. General Employees' Union

Schedule: Consolidated schedule of rent revenue, net and expenses

Year ended December 31, 2024

	Consolidated 2024	Consolidated 2023
	\$	\$
Building and administration		
Building	2,656,712	2,661,063
Information technology	2,451,349	1,934,065
Office (Note 12)	1,456,437	2,060,082
Telephone and utilities	997,112	966,619
Rent	697,621	738,633
Postage	204,576	188,227
Amortization of property and equipment	2,238,255	2,029,366
Amortization of property and equipment under capital lease	10,257	28,285
	10,712,319	10,606,340
Campaigns, strategic partnerships, communications and donations		
Campaigns, strategic partnerships and charitable donations	1,574,253	1,613,689
Internal and external communications	456,374	435,177
	2,030,627	2,048,866
Other member services		
BCGEU Diane L. Wood International Solidarity and Humanity Fund (Note 18)	269,849	254,850
Activist recognition events	347,987	221,447
Scholarships and welfare	287,740	169,040
Cross component committees	164,376	124,296
Workplace leadership	71,487	91,445
Membership activities	30,064	27,668
Union observers	44,393	25,000
Hospitality workers' health and welfare benefits plan recovery	(73,326)	(50,746)
	1,142,570	863,000