

***DRAFT*** Financial Statements of

**BUILDING OFFICIALS' ASSOCIATION  
OF BRITISH COLUMBIA**

Year ended March 31, 2011  
(Unaudited)

## **REVIEW ENGAGEMENT REPORT**

To the Directors of Building Officials' Association of British Columbia

We have reviewed the statement of financial position of Building Officials' Association of British Columbia (the "Association") as at March 31, 2011 and the statements of revenue and expenses and net assets changes in fund balance and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Association.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Burnaby, Canada  
April 13, 2011

# BUILDING OFFICIALS' ASSOCIATION OF BRITISH COLUMBIA

Statement of Financial Position

**DRAFT**

March 31, 2011, with comparative figures for 2010  
(Unaudited)

	2011	2010
<b>Assets</b>		
Current assets:		
Cash	\$ 564,517	\$ 601,674
Accounts receivable	2,638	2,911
Prepaid expenses	5,493	11,858
	<u>\$ 572,648</u>	<u>\$ 616,443</u>

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 38,563	\$ 19,317
Deferred revenue (note 3)	180,185	191,483
	<u>218,748</u>	<u>210,800</u>
Net assets:		
Unrestricted	353,900	405,643
	<u>\$ 572,648</u>	<u>\$ 616,443</u>

Commitments (note 5)

See accompanying notes to unaudited financial statements.

# BUILDING OFFICIALS' ASSOCIATION OF BRITISH COLUMBIA

Statement of Revenue and Expenses and Retained Earnings

## **DRAFT**

Year ended March 31, 2011, with comparative figures for 2010

(Unaudited)

	2011	2010
Revenue:		
Membership fees	\$ 151,895	\$ 109,280
Conference fees	86,299	90,232
Interest and miscellaneous	20,482	16,849
Examination fees	73,735	28,900
Education - workshops and seminars	98,391	81,941
	430,802	327,202
Expenses:		
Administrative service	180,857	173,400
Awards and recognition	435	-
Conference	84,487	89,789
Education and certification	120,197	106,035
Equipment and maintenance	10,599	21,443
Office and miscellaneous	85,970	53,120
	482,545	443,787
Excess (deficiency) of revenue over expenses	(51,743)	(116,585)
Net assets, beginning of year	405,643	522,228
Net assets, end of year	\$ 353,900	\$ 405,643

See accompanying notes to unaudited financial statements.

# BUILDING OFFICIALS' ASSOCIATION OF BRITISH COLUMBIA

Statement of Cash Flows

## **DRAFT**

Year ended March 31, 2011, with comparative figures for 2010

(Unaudited)

	2011	2010
Cash provided by (used in):		
Operations:		
Deficiency of revenue over expenses	\$ (51,743)	\$ (116,585)
<u>Change in non-cash working capital</u>	<u>14,586</u>	<u>54,949</u>
	(37,157)	(61,636)
Investments:		
<u>Decrease in term deposits</u>	<u>-</u>	<u>459,593</u>
Increase (decrease) in cash	(37,157)	397,957
Cash, beginning of year	601,674	203,717
<u>Cash, end of year</u>	<u>\$ 564,517</u>	<u>\$ 601,674</u>

See accompanying notes to unaudited financial statements.

# **BUILDING OFFICIALS' ASSOCIATION OF BRITISH COLUMBIA**

Notes to Financial Statements

***DRAFT***

Year ended March 31, 2011

(Unaudited)

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## **1. Operations:**

Building Officials' Association of British Columbia (the "Association") was incorporated in 1954 under the Building Officials' Act of British Columbia. The primary objective of the Association is the promotion of uniform building regulations and cooperation between building officials, the building industry, government and the public. The Association is exempt from income and capital taxes under section 149(1)(l) of the Income Tax Act.

## **2. Significant accounting policies:**

### (a) Basis of presentation:

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

### (b) Revenue recognition:

Revenue from examination and conference fees are recognized when the services are provided. Amounts charged for membership are recognized as revenue as earned. Education fees are recognized as revenue when the seminars and workshop are held.

### (c) Contributed services:

The Association and its members benefit from contributed services in the form of volunteer time for various committees. Because of the difficulty in determining their fair value, these contributed services are not recognized in the financial statements.

### (d) Use of estimates:

The preparation of financial statements 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 year. Actual results could differ from those estimates.

# BUILDING OFFICIALS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

**DRAFT**

Year ended March 31, 2011

(Unaudited)

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## 2. Significant accounting policies (continued):

### (e) Financial instruments:

The Association classifies its cash and term deposits as held for trading. Held for trading financial instruments are measured at fair value and all gains and losses are included in the statement of revenue and expenses in the period in which they arise. Accounts receivable are classified as loans and receivables and accounts payable and accrued liabilities are classified as other financial liabilities and are carried at amortized cost. Loans and receivables and other financial liabilities are carried at amortized cost, which approximated fair value due to their short-term nature.

It is management's opinion that the Association is not exposed to significant interest currency, or credit risk arising from these financial instruments.

### (f) Deferred revenue:

Deferred revenue comprises advance payments for membership, conference and examination fees.

### (g) Revisions to Not-for-Profit accounting standards:

Effective April 1, 2012, the Association's current accounting framework will no longer exist. In December 2010 the Canadian Institute of Chartered Accountants ("CICA") in conjunction with the Accounting Standards Board ("AcSB") issued Part III – Accounting Standards for Not-for-Profit Organizations ("Part III") of the CICA Handbook. Part III is effective for fiscal years commencing on or after January 1, 2012 and provides Canadian private sector not-for-profit organizations with a new financial reporting framework. The Association has the option to apply International Financial Reporting Standards (IFRS) or the newly approved accounting standards for Not-for-Profit Organizations.

The Association has elected to adopt the new accounting standards for not-for-profit organizations effective April 1, 2012.

The Association is evaluating the impact of adopting the new accounting standards for not-for-profit organizations; differences on adoption are expected to be minimal.

# BUILDING OFFICIALS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

## **DRAFT**

Year ended March 31, 2011

(Unaudited)

### 3. Deferred revenue:

	Membership fees	Conference	Examination fees	Total 2011	Total 2010
Balance, beginning of year	\$ 126,125	\$ 48,423	\$ 16,935	\$ 191,483	\$ 139,355
Amount amortized to revenue during the year	(126,125)	(48,423)	(16,935)	(191,483)	(139,355)
Amount received during the year related to next year	168,165	12,020	-	180,185	191,483
Balance, end of year	\$ 168,165	\$ 12,020	\$ -	\$ 180,185	\$ 191,483

### 4. Capital disclosures:

The Association's capital consists of its unrestricted net assets. The Association's objective when managing capital is to safeguard its assets and to ensure that adequate capital is managed for future requirements. The procedures in place to achieve these goals include establishing effective internal controls and the review and approval of annual budgets and ongoing review of interim financial statements by the board of directors.

### 5. Commitments:

The Association is committed to payments for rent and common costs of the office premises until May 31, 2013. Below are the commitment amounts for the next three years.

2012	\$	7,104
2013		7,104
2014		1,184
	\$	15,392