

DRAFT Financial Statements of

**BUILDING OFFICIALS'
ASSOCIATION OF BRITISH
COLUMBIA**

Year ended March 31, 2016
(Unaudited)

REVIEW ENGAGEMENT REPORT

To the Members 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, 2016 and the statements of revenue and expenses and net assets 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 accounting standards for not-for-profit organizations.

DRAFT

Chartered Professional Accountants

Burnaby, Canada

BUILDING OFFICIALS' ASSOCIATION OF BRITISH COLUMBIA

Statement of Revenue and Expenses and Net Assets

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Year ended March 31, 2016, with comparative information for 2015

(Unaudited)

	2016	2015
Revenue:		
Membership fees	\$ 251,906	\$ 240,275
Conference fees	148,104	163,442
Examination fees	25,798	33,730
Education - workshops and seminars	81,056	251,199
Interest and miscellaneous	45,536	30,327
	<u>552,400</u>	<u>718,973</u>
General and administrative expenses:		
Administrative service	247,472	254,031
Conference	115,125	123,708
Education and certification	153,745	263,620
IT services and maintenance	35,739	10,344
Foreign exchange differences	(26)	144
Interest and bank charges	3,122	1,303
Office and miscellaneous	111,335	72,783
	<u>666,512</u>	<u>725,933</u>
Deficiency of revenue over expenses before the undernoted item	(114,112)	(6,960)
Education grant	13,333	-
Deficiency of revenue over expenses	(100,779)	(6,960)
Net assets, beginning of year	317,924	324,884
Net assets, end of year	<u>\$ 217,145</u>	<u>\$ 317,924</u>

See accompanying notes to financial statements.

BUILDING OFFICIALS' ASSOCIATION OF BRITISH COLUMBIA

Statement of Cash Flows

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Year ended March 31, 2016, with comparative information for 2015

(Unaudited)

	2016	2015
Cash provided by (used in):		
Operations:		
Deficiency of revenue over expenses	\$ (100,779)	\$ (6,960)
Changes in non-cash operating working capital	45,294	(10,382)
Decrease in cash	(55,485)	(17,342)
Cash, beginning of year	521,308	538,650
Cash, end of year	\$ 465,823	\$ 521,308

See accompanying notes to financial statements.

BUILDING OFFICIALS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements

DRAFT

Year ended March 31, 2016

(Unaudited)

Nature of 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.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Association's significant accounting policies are as follows:

(a) Revenue recognition:

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

(b) 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.

(c) 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.

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association has not elected to carry any such financial instruments at fair value.

BUILDING OFFICIALS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

DRAFT

Year ended March 31, 2016

(Unaudited)

1. Significant accounting policies (continued):

(d) Financial instruments (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(e) Deferred revenue:

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

2. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$9,084 (2015 - \$5,711) relating to goods and services taxes.

BUILDING OFFICIALS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

DRAFT

Year ended March 31, 2016

(Unaudited)

3. Deferred revenue:

	Education Grant	Membership fees	Conference	2016	2015
Balance, beginning of year	\$ -	\$ 148,040	\$ 33,924	\$ 181,964	\$ 202,890
Amount received during the year	40,000	185,349	23,477	248,826	181,964
Amount amortized to revenue during the year	(13,333)	(148,040)	(33,924)	(195,297)	(202,890)
Balance, end of year	\$ 26,667	\$ 185,349	\$ 23,477	\$ 235,493	\$ 181,964

4. Commitments:

The Association is committed to payments for rent and common costs of the office premises until September 30, 2021. Below are the commitment amounts for the next 5 years and thereafter.

2017	\$ 8,179
2018	10,325
2019	10,532
2020	10,738
2021	10,944
Thereafter	5,576
	<u>\$ 56,294</u>