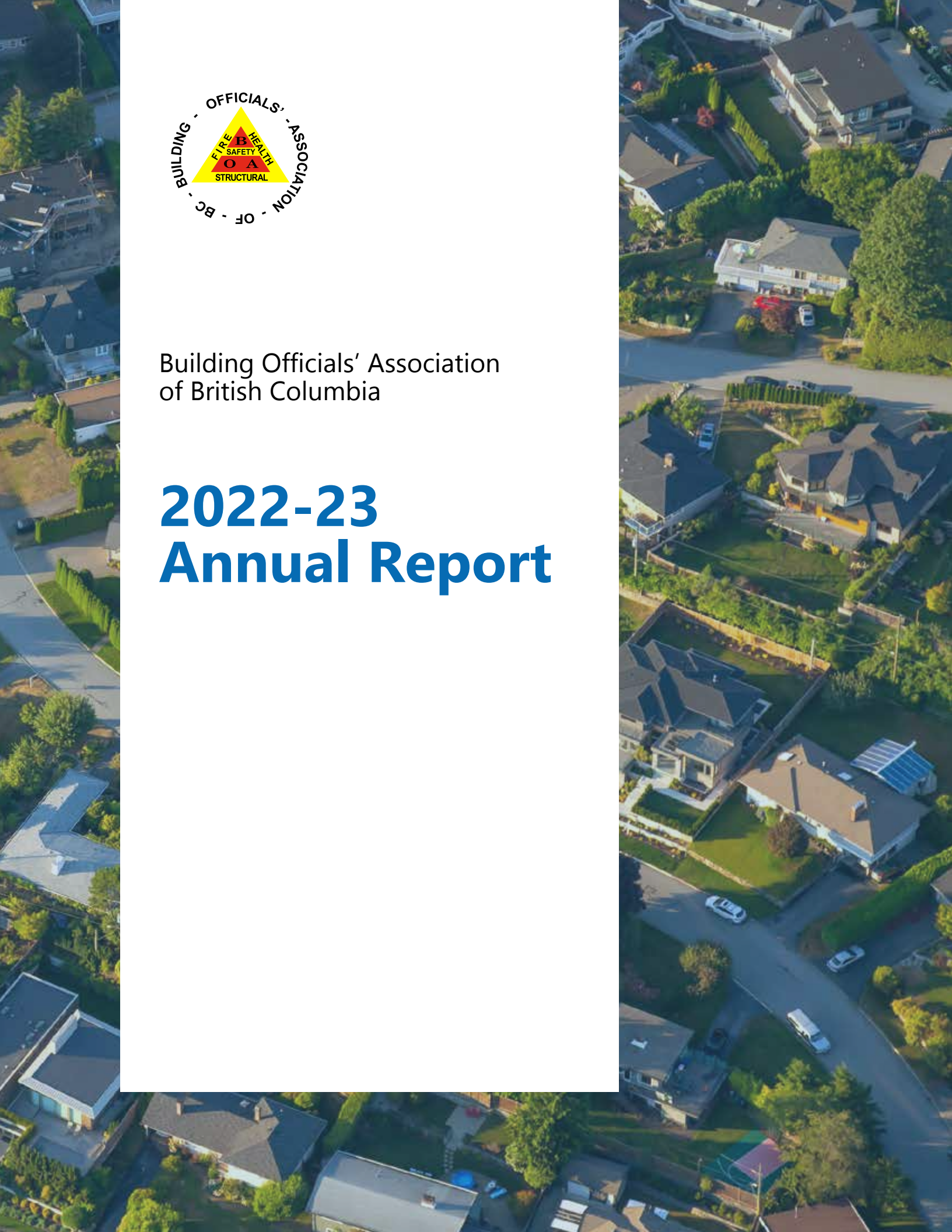




Building Officials' Association
of British Columbia

2022-23 Annual Report



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President's Message

It is my pleasure to present to you the 2022-23 Annual Report of the Building Officials' Association of British Columbia (Association).

Over the past year, the Executive Committee (Executive) focused on the strategic priorities articulated in the new Association strategic plan: Governance, Education, Professionalism, and Relationships. Improvements to financial forecasting and the introduction of new committees and working groups ensured that organizational resources and structures were aligned to support efforts in each of these four priority areas.

Key results from 2022-23 include:

- adding nearly 150 new members to the Association;
- striking a working group to consult stakeholders about enhancing certification and designation programs;
- working with the Province to amend the *Building Officials' Association Act* to enable the Association to hold online meetings of members and the Executive;
- increasing the number and diversity of professional development offerings for members;
- starting to develop code update training for the 2024 B.C. Building Code;
- increasing the number of consultations and stakeholder engagements attended by the Association; and
- introducing additional means to gather feedback about programs and services from members and stakeholders.

These and other achievements described in this report were the result of incredible efforts of our staff, volunteers, and many partner organizations throughout the building regulatory system. On behalf of the Executive, I would like to thank all of those who helped make 2022-23 such a successful year for the Association. Thank you all!

[Original Signed]

Brian Champlin

President

Building Officials' Association of B.C.



Organizational Performance

The Association collects feedback from members, students, and stakeholders to drive the continuous improvement of its programs and services. The annual member survey, which was conducted again in fall 2022, is an important source of data for assessing organizational performance and identifying improvement opportunities while feedback is also collected from students who complete online Association courses and participants in zone meetings. The Association uses focused engagement sessions with members and stakeholders to support specific program reviews and projects.

Overall Perceptions of Performance

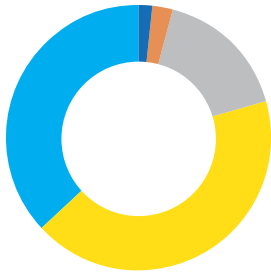
The annual member survey provides the data needed to inform Association performance measures. The survey also provides an opportunity to collect feedback from qualified officials and local authorities about training needs, specific program changes, and workforce capacity.

The Association received over 320 responses to its member survey in 2022. Overall, the results showed a general improvement in member perceptions of the Association, particularly with respect to the value received from the Association and the future direction of the organization. The 2022 results (with % change from 2021 in brackets) are as follows:

- 77% said the Association performs an extremely/very important role (-3%)
- 53% said the Association is extremely/very effective in its role (+3%)
- 68% said the Association provides significant/good value to members (+9%)
- 56% said they are extremely/very confident in Association direction (+9%)

Importance of Role, 2022-23

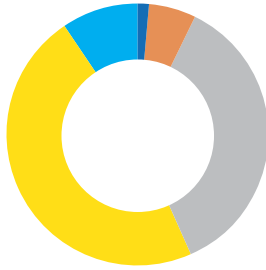
76% feel that the Association plays an 'extremely' or 'very' important role in the building regulatory system.



- Extremely Important
- Very Important
- Somewhat Important
- Not Important
- Not At All Important

Effectiveness in Role, 2022-23

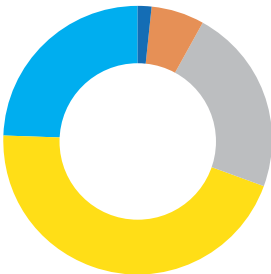
53% feel that the Association is 'extremely' or 'very' effective in performing that role.



- Extremely Effective
- Very Effective
- Somewhat Effective
- Not Effective
- Not At All Effective

Value to Members, 2022-23

68% feel they receive significant or good value from the Association.



- Significant Value
- Good Value
- Some Value
- Little Value
- No Value

Confidence in Direction, 2022-23

56% are 'extremely' or 'very' confident that the Association is on the right track.



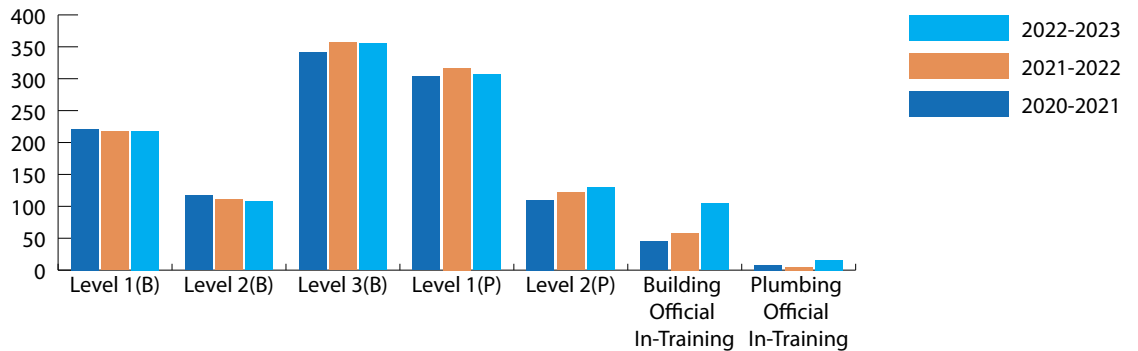
- Extremely Confident
- Very Confident
- Somewhat Confident
- Not Confident
- Not At All Confident

Building and Plumbing Official Workforce

Qualified Officials

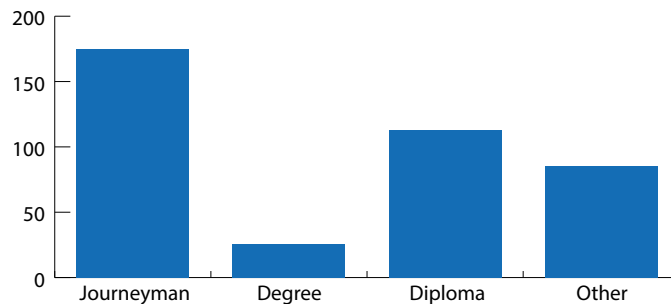
At the end of 2022-23, there were 1,061 Association members. 806 were qualified building officials and 470 were qualified plumbing officials. There continues to be a high number of 'dual qualified' officials with 352 individuals being qualified as both building and plumbing officials.

Number of Qualified Officials Per Fiscal Year, 2020-2023



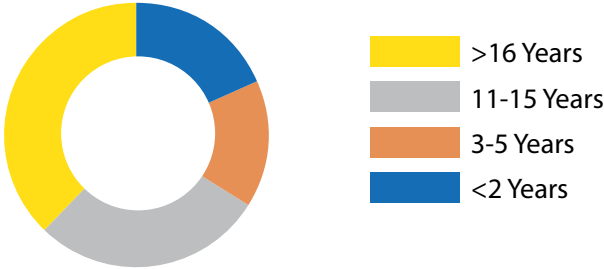
Qualified officials generally hold one or more post-secondary credentials related to construction, such as a journeyman certificate or a technologist diploma, and most choose to enter the career only after gaining significant industry experience. For example, a majority of respondents to the 2022 member survey indicated that they had at least 10 years of industry experience before becoming a qualified official. Over 40% indicated that they expected to keep working as a qualified official for more than a decade while nearly 10% indicated that they would consider retiring in the next two years.

Educational Background of Qualified Officials, 2022-23

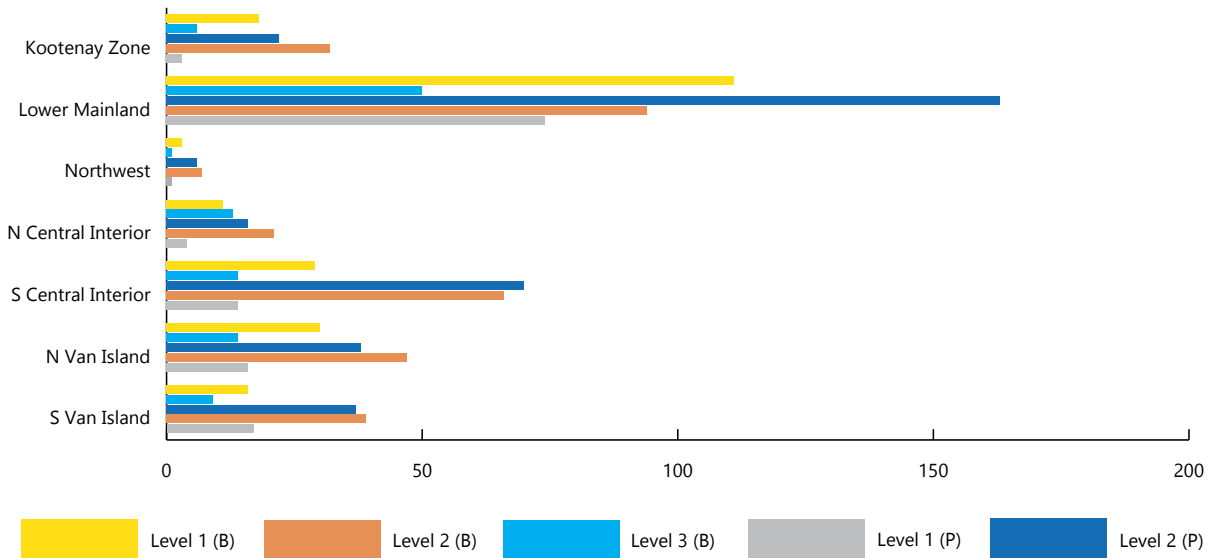


The Association issued 147 new building official, 44 plumbing official, and 70 new trainee qualifications in 2022-23. There are no significant changes in the distribution of qualified officials across the province. As shown in the following graph, over 50% of all qualified officials are employed by local governments in the Lower Mainland while less than 1% of qualified officials work in the Northwest Zone.

Industry Experience Before Qualification, 2022-23



Number of Qualified Officials by Zone, 2022-2023

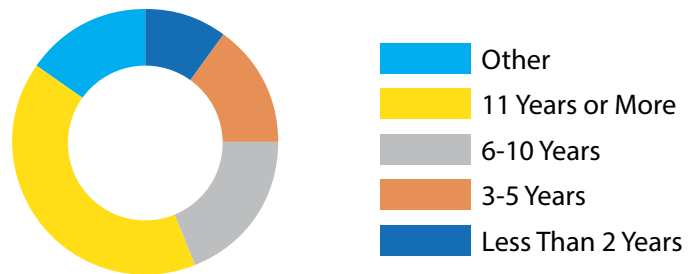


Certified and Designated Officials

The Association continues to offer certification and designation programs under the *Building Officials’ Association Act* to both building and plumbing officials. Qualified officials must gain experience working for a local authority to be eligible for certification. An individual may also be eligible to use the Registered Building Official or Building Code Qualified titles after completing the technical exams and, in the case of the former, satisfying work experience requirements.

There continues to be strong interest amongst qualified officials in obtaining certification and designations. Seventy-four new building certifications and 36 new plumbing certifications were issued in 2022-23. This increased the overall number of certified building and plumbing officials to 514 and 322 respectively. Further, 29 new RBO titles were granted along with three additional BCQ titles. There are now 334 RBOs and 43 individuals who hold the BCQ designation.

Career Intentions of Qualified Officials, 2022-23



Competency Framework



Outcome 1: The Association implements a quality, competency-based framework for training, examinations, and continuing professional development (CPD) for building and plumbing officials using a phased approach.

Much of the Association competency framework was developed and implemented prior to the expiry of the February 2021 deadline for all building and plumbing officials to become qualified under the *Building Act*. The Association is now focused on the continuous improvement of this framework to support the growth and development of a competent and professional workforce of qualified officials.

This past fiscal year, the Association refined its competency framework by implementing performance measures and introducing new surveys to collect more feedback on educational offerings and needs. These changes will help assess educational offerings and provide information to guide future continuous development activities.

Results from the 2022 member survey indicate that the Association is providing education that is generally accessible and relevant to the work of qualified officials, with a relevance of 82% (no change) and accessibility of 82% (-4%).

Student feedback is also used to guide program development. One theme in student feedback is that the Association needs to better support those trying to complete online courses and prepare to write qualification exams. This is especially true for students who are enrolled in the level one building code course and, in many cases, are trying to enter the occupation and obtain their first qualification.

The Association has responded to this feedback by starting to develop a course advising service for students. This service will allow students to book appointments with experienced officials to get assistance with understanding codes, building regulations, or other course content. In 2022-23, the Association identified qualified officials wanting to work as course advisors and started assessing technology options to allow students to book appointments online.

Other feedback collected in 2022-23 indicated that the qualified officials were seeking additional support and resources to address topics related to professional practice such as:

- ethics and conflicts of interest;
- verbal communications;
- report writing;
- plan reviews;
- site inspections; and
- the role of registered professionals.

With respect to code or technical matters, members suggested that the Association provide more education focused on:

- the plumbing code;
- secondary suites;
- energy and zero carbon step codes;
- firestopping;
- change in occupancy classification; and
- spatial separations.

Some of these topics have been identified in previous surveys and the Association is taking steps to address this feedback. In the short term, CPD offerings have and will continue to be delivered to address professional practice and technical topics commonly raised by members. Longer-term, the Association will prioritize education focused on these needs in upcoming planning and budgeting processes.



Code Training



Outcome 2: The Association develops, delivers and continuously improves its code-related training for building and plumbing officials at all levels.

Development

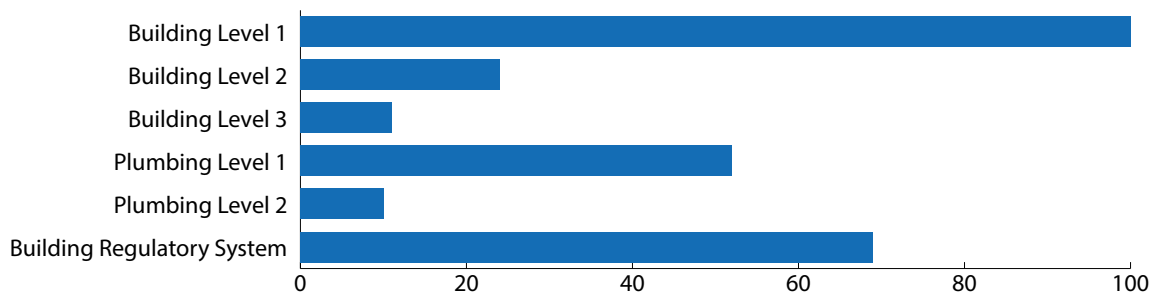
The Association will start updating its online building code courses once 2024 code update training is completed. In addition to aligning with current technical standards and requirements, the updates will address student feedback, and increase the use of interactive learning elements to improve the learning experience.

Work will also be done to provide plumbing officials with access to updated code education. The Association will also collaborate with Camosun College to update its plumbing code course, which supports students preparing for the level one qualification exam, and its own materials for the level 2 plumbing seminar.

Delivery

In 2022-23, the Association processed 266 registrations for online building code courses that help prepare students to successfully complete their qualification exams. Registrations continue to be highest for the level one building code course. With respect to the plumbing code, 52 students completed the Camosun course and 10 students completed the level 2 seminar.

2022-23 Course Registrations





The Association offers the Introduction to the Building Regulatory System course to support the building official in training qualification. In 2022-23, 69 students registered for this course that provides an overview of the legislative and administrative foundations of the building regulatory system.

In 2022-23, the Association implemented surveys to collect feedback from students who register for its online building code courses. There were nearly 70 responses submitted over the past

year, the majority of which came from students registered in the level one building code course. 73% of students indicated that they were 'very satisfied' or 'satisfied' with the course while 10% were 'very dissatisfied' or 'dissatisfied.' Some respondents noted there are opportunities to improve the clarity of the content by addressing editorial issues and updating external documents referenced in the course.

Professional Development



Outcome 3: The Association develops, delivers and continuously improves its CPD program for building and plumbing officials at all levels.

The *Building Act* requires that qualified officials, like most other regulated occupations, to complete ongoing professional development to maintain their credentials and right to practice. Qualified officials are generally required to submit evidence of completing 10 points of professional development by December 31 of each calendar year.

In 2022-23, qualified officials reported more than 13,000 points of professional development activities.¹ More than 9300 of the points claimed were obtained through webinars and meetings while many officials also attended conferences (1850 points) or completed courses (1730 points). While points claimed for conference attendance increased significantly over the past two years when in-person gatherings were restricted because of COVID-19, it appears that the online training, presentations, and meetings that were commonplace during the pandemic will continue to represent a significant portion of professional development for qualified officials, particularly those working outside of urban centers.

To meet demand for online service delivery, the Association hosted or promoted 48 CPD sessions in 2022-23, which is an increase over the 32 sessions in the previous fiscal year and three times the number of sessions offered in 2020-21. Examples of sessions offered include (number of registrants in parentheses):

- ICC Education Day (18)
- ICC Inspector Skills (50)
- BCIT Energy Step Code (64)
- BCIT Mass Timber (79)
- BOABC Step Code Implementation (321)
- HRAI HVAC for BC Building Officials (22)
- Camosun College Plumbing Plumbing Code Overview Course (52)
- CASA Sprinkler Standards & Plan Reviews (146)

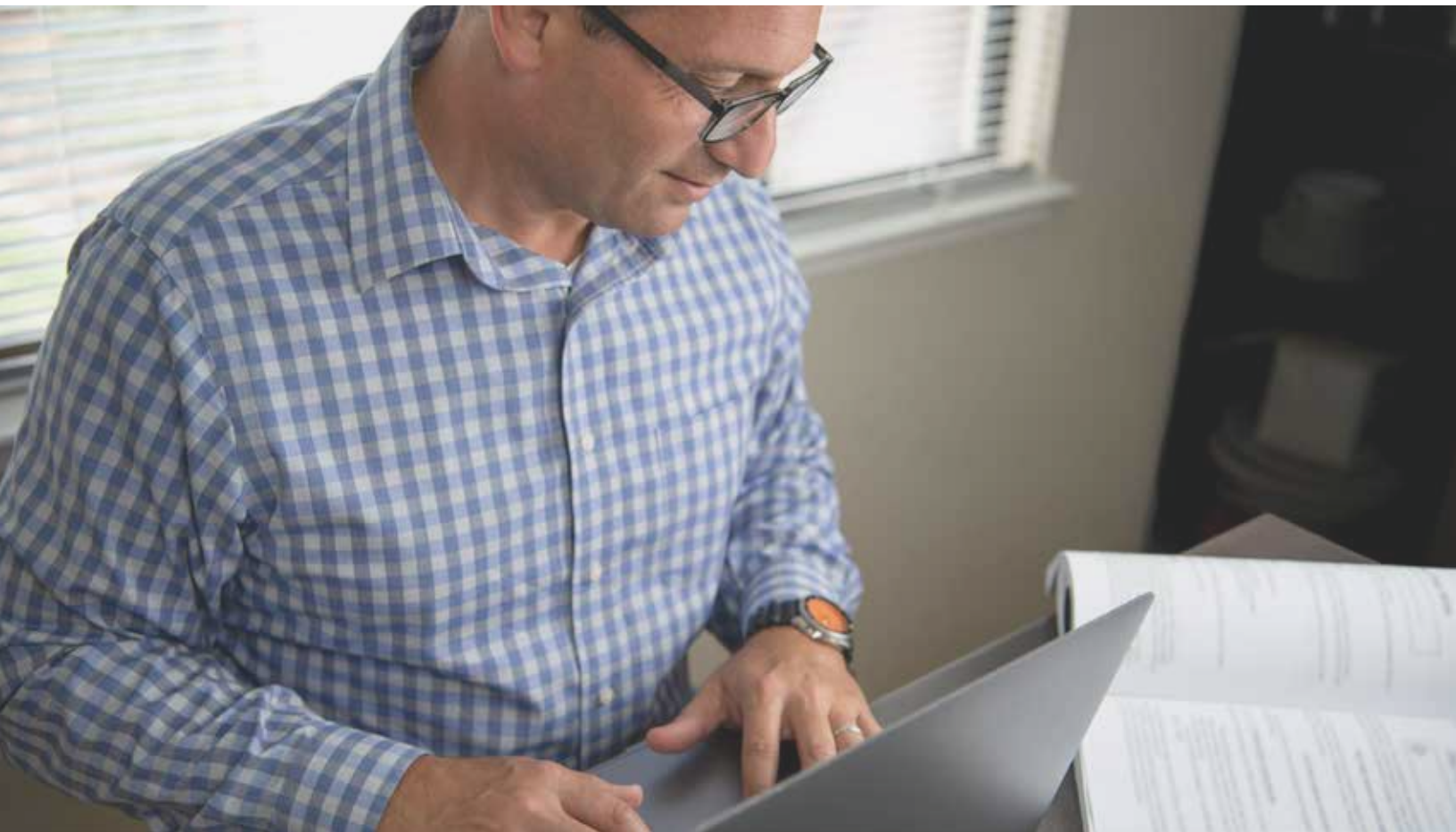
¹The schedule is established under Ministerial Order M071. One point is equivalent to approximately one hour of learning activity with some limits and exceptions.

The Association also hosts complimentary lunch and learn sessions, which provide an opportunity to address topics or questions identified through feedback received from members. In 2022-23, these sessions drew an average of 250 registrants and addressed topics such as spatial separations, plans reviews, and the new Architects Regulation.

In-person activities will continue to be offered where feasible to supplement online learning opportunities. For example, the Association held its first annual conference since COVID-19 pandemic was declared in March 2020. Twenty-four different breakout sessions were offered to the nearly 170 delegates

who attended the event. A trade show featuring product manufacturers, educational institutes, professional associations and regulatory bodies also provided valuable networking opportunities for those in attendance.

Zone meetings are longstanding and important professional development opportunities that are supported by the Association. More information about zone meetings is provided later in this report.



Code Update Training



Outcome 4: The Association develops, delivers and continuously improves B.C. Building Code change seminars or code education sessions as needed.

The *Building Act* requires all qualified officials to complete update training when a new code or significant revision is adopted in B.C. Under the Administrative Agreement, the Association needs to develop online education that provides access to education across the province.

In 2022-23, the Association started meeting with partner organizations to discuss a collaborative approach to developing and delivering code update training for the next edition of the B.C. Building Code. The Building and Safety Standards Branch in the Ministry of Housing, Architectural Institute of British Columbia, Engineers and Geoscientists British Columbia, BC Housing, and Applied Science Technologists & Technicians are all participating in this initiative. It is hoped that this collaborative process will help align educational content and generate a consistent understanding of the 2024 code changes amongst practitioners and professionals across the building regulatory system.

Examinations



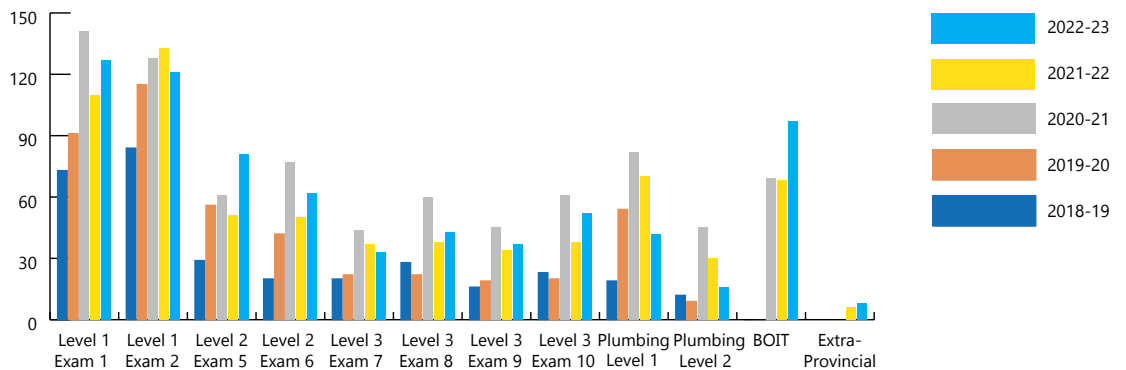
Outcome 5: The Association designs, delivers, and continuously improves qualification exams for building and plumbing officials at all levels.

Development

In 2022-23, the Association released updated question banks for plumbing official exams. These changes included updated diagrams and developing new questions to address gaps between the existing exam content and regulated scopes of practice for plumbing officials established under the *Building Act*.

Looking ahead, the Association will be updating all qualification exams for building and plumbing officials following adoption of the 2024 B.C. Building Code. New exam content will also need to be developed to reflect changes to energy efficiency requirements and introduction of the zero-carbon step code in May 2023.

Number of Exams Per Fiscal Year, 2018-23



Exam Delivery

There were 723 exams written in 2022-23, which is a slight increase over the previous fiscal year. The level one building official exams continue to see the highest number of registrations while both level two building official exams and the building official in-training exam also saw increased registrations over the previous year. Registrations for the level one and two plumbing official exams decreased after a period of growing registrations.

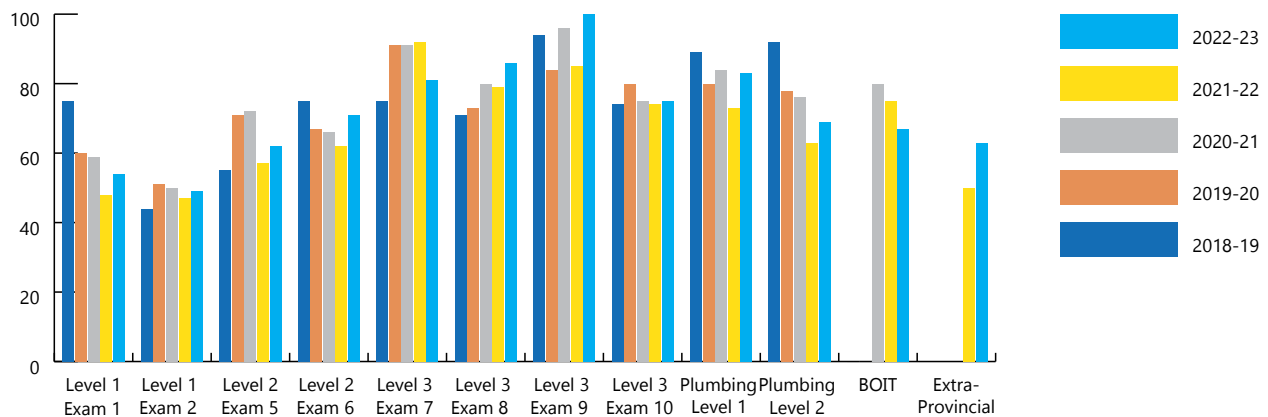
When compared to the previous fiscal year, students successfully completed more exams in 2022-23. Only exam seven, which is required for level three qualification, and the building official in-training exam saw declines in candidate pass rates.

The ICC reports exam results to the Association and this aggregate data is used to identify specific code items and subjects that are challenging for students and could be addressed in updates to

online courses or through future professional development offerings. In 2022-23, exam results showed that students were challenged most by questions related to lateral bracing, interior finishing, HVAC, fire protection, and safety, and service spaces.

Looking across exam results over the past five fiscal years, there are no clear patterns or trends. The lowest pass rates are associated with the level one building official exams. As indicated in past annual reports, lower pass rates for these exams may be attributed to the lack of mandatory training or other criteria that candidates must satisfy before being eligible to write exams.

Exam Pass Rates Per Fiscal Year, 2018-23



Annual Compliance



Outcome 6: Building officials pay an administration fee and report CPD points to the Registrar of Qualified Building Officials annually.

2022-23 was the second year that all qualified officials were required to complete mandatory CPD and file an annual report under the *Building Act*.

Like last fiscal year, compliance with these requirements continues to be strong amongst qualified officials. In 2022-23, 21 officials failed to complete their required number of CPD points and, as a result, their qualifications were removed from the register by the Registrar.

In 2022-23, the Association consulted stakeholders about enhancing year end reporting processes for qualified officials. A 'grace period' application was established to provide officials with the opportunity to have an additional month to complete their CPD. Another type of application was also developed to address circumstances where an official had qualifications removed from the registry for not completing required CPD or filing an annual report but needs those qualifications reinstated to return to work as a building or plumbing official. These changes will help increase the consistency and transparency of the program administration.

Online Member Forum



Outcome 7: The Association hosts an online discussion forum for B.C. Building Code interpretation and application questions on the Association's website.

The online member forum provides Association members with a secure place to share information, seek advice from others, and discuss code interpretations and application. Forum activity was consistent with activity from the previous year, with 40 new posts added and a total of 128 responses to those posts.

Zone Meetings



Outcome 8: Building Code interpretation and application questions are routinely discussed at the Association’s Regional Zone meetings.

Association zones all meet regularly throughout the year and provide important professional development opportunities for qualified officials and other members. Regular topics of discussion include code questions, interpretations from the Code Interpretation Committee, decisions from the Building Code Appeal Board, and permitting or inspection practices.

In 2022-23, the Association hosted 14 zone meetings with 723 registrants in attendance.

Those in attendance heard presentations from speakers on topics such as radon gas, code harmonization, FireSmart programs, heritage buildings, air barriers, and other topics..

The Association introduced a new survey in February 2023 to start collecting feedback from zone meeting participants about the quality and relevance of the presentations, meeting administration, and agenda topics for future meetings. This information can be used to help improve zone meetings for members and, at a broader level, identify learning needs or challenges in the building regulatory system. As only one zone meeting survey was issued during the 2022-23 fiscal year, the reporting of results will begin in the annual report for 2023-24.

Governance and Operational Support

In addition to the activities and results that are already described and speak to specific outcomes in the Administrative Agreement, the Association undertook other work to meet operational and strategic needs.

- The Executive Committee held six meetings and twenty-seven committee meetings to conduct Association business.
- The Executive approved the 2023-26 Association Business Plan that identifies projects and work that the Association will undertake to address priorities in the 2022-27 Strategic Plan: Governance, Relationships, Education, Professionalism. The business plan includes a three-year budget forecast to support its business goals.
- The Association collaborated with the Province to amend the *Building Officials' Association Act* to allow members to meet and vote online. These changes will help qualified officials access professional development opportunities and provide the Association with additional ways to engage members.
- The Executive oversaw the development of bylaws to enable new legislative authorities that allow the Association to hold online meetings and address specific administrative issues. These amendments will be presented to members at the 2023 annual general meeting.
- The Association has started using social media to provide information about educational opportunities that are relevant to qualified officials. There were 200 new followers of the Association LinkedIn page. Additionally, there were more than 67,000 visits to the Association website in 2022-23.
- The Executive initiated a review of the Association's certification and designation programs to determine how they could be updated to provide more value to practitioners, stakeholders and the public. The next step for the working group is to consult members then start developing recommendations to address feedback received through the consultation and other forums.
- There were more than 800 responses to surveys issued by the Association in 2022-23. Over the past three years, the Association has started conducting the annual member survey and specific surveys for participants in zone meetings and registrants in online courses.
- The Association continued to expand its use of technology to improve service delivery and engage officials. In 2022-23, the Association started planning to consolidate its online service delivery into the member portal. This change will help the Association streamline service delivery for members and other clients and provide more opportunities to establish performance measures for key processes and collect other operational data.
- The Association increased its participation in external committees and consultations related to the built environment. For example, the Association participated in consultations about changes to the Architects Regulation, development approvals, and existing buildings. It also continues to be represented on the Energy Step Code Council and its Communications and Capacity Building Committee, the ESC Local Government Peer Network, and Building Advisory Committee at EGBC.
- The Association issued five student awards to help individuals become building and plumbing officials.



2022-23 Financial Statements

Management's Comments on the 2022-23 Financial Statements

The financial statements and review engagement report prepared by KPMG show the Association ended its 2022-23 fiscal year with a positive budget balance of approximately \$214,000 and no outstanding liabilities. The 2022-23 balance will be used to help fund future educational offerings and other program enhancements.

Revenues

Total revenues in 2022-23 were \$1,262,000, which exceeded the budget forecast by nearly \$150,000. This increase can be attributed to higher-than-expected revenue from course registrations and professional development offerings.

Expenses

The Association's expenditures in 2022-23 were \$1,048,000, which was \$47,000 below budget. Lower than expected expenses were the result of lower administrative and contract fees.



KPMG LLP
Metro Tower I
Suite 2401 - 4710 Kingsway
Burnaby BC V5H 4M2
Canada
Tel 604 527-3600
Fax 604 527-3636

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of Building Officials' Association of British Columbia

We have reviewed the accompanying financial statements of Building Officials' Association of British Columbia (the "Association"), which comprise the statement of financial position as at March 31, 2023, the statements of revenue and expenses and net assets and cash flows for the year then ended, and notes, comprising 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 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Building Officials' Association of British Columbia as at March 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

[Original Signed]

Chartered Professional Accountants

Burnaby, Canada

May 24, 2023

BUILDING OFFICIALS' ASSOCIATION OF BRITISH COLUMBIA

Balance Sheet

March 31, 2023, with comparative information for 2022

	2023	2022
Assets		
Current assets:		
Cash	\$ 801,226	\$ 525,526
Accounts receivable	4,489	23,080
Investments (note 2)	-	75,000
Prepaid expenses	48,792	43,880
	<u>854,507</u>	<u>667,486</u>
Investments (note 2)	51,000	50,000
Equipment (note 3)	7,490	8,862
	<u>\$ 912,997</u>	<u>\$ 726,348</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 75,018	\$ 99,855
Deferred revenue (note 5)	174,162	136,319
	<u>249,180</u>	<u>236,174</u>
Long-term debt (note 6)	-	40,000
	<u>249,180</u>	<u>276,174</u>
Net assets:		
Unrestricted	663,817	450,174
	<u>\$ 912,997</u>	<u>\$ 726,348</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:

[Original Signed]

Director

[Original Signed]

Director

BUILDING OFFICIALS' ASSOCIATION OF BRITISH COLUMBIA

Statement of Earnings and 's Equity

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Revenue:		
Membership dues and fees	\$ 524,154	\$ 549,345
Annual registrations	39,150	7,050
Continuing professional development	66,393	9,568
Conference and Annual General Meeting	184,728	-
Examination fees	15,630	17,445
Online training	217,448	231,005
Job posting	68,150	79,439
Grants, sponsorships and partnerships	102,500	117,500
Interest and miscellaneous	4,168	549
	<u>1,222,321</u>	<u>1,011,901</u>
General and administrative expenses:		
Amortization	6,319	8,727
Bad debts	2,076	-
Bank and service charges	20,841	22,364
Conference and Annual General Meeting	180,667	4,246
Education and training delivery	86,277	44,419
Education and training development	44,198	95,818
IT services and maintenance	58,925	43,809
Office administration and operations	139,878	147,926
Salaries and benefits	509,279	440,980
	<u>1,048,460</u>	<u>808,289</u>
Excess of revenue over expenses before the undernoted item	173,861	203,612
Other income:		
Management fees (note 7)	39,500	34,875
Other income	282	4,758
	<u>39,782</u>	<u>39,633</u>
Excess of revenue over expenses	213,643	243,245
Net assets, beginning of year	450,174	206,929
Net assets, end of year	\$ 663,817	\$ 450,174

See accompanying notes to financial statements.

BUILDING OFFICIALS' ASSOCIATION OF BRITISH COLUMBIA

Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 213,643	\$ 243,245
Item not involving cash:		
Amortization	6,319	8,727
	219,962	251,972
Changes in non-cash operating working capital	25,685	194,724
	245,647	446,696
Financing:		
Repayment of long-term debt	(40,000)	-
Investing:		
Purchase of equipment	(4,947)	(8,717)
Purchase (maturity) of investments	75,000	(125,000)
	70,053	(133,717)
Increase in cash	275,700	312,979
Cash, beginning of year	525,526	212,547
Cash, end of year	\$ 801,226	\$ 525,526

See accompanying notes to financial statements.

BUILDING OFFICIALS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended March 31, 2023

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) Equipment:

Equipment are stated at cost, less accumulated amortization. Amortization is provided using the straight-line method and following annual rates:

Asset	Rate
Computer	3 years
Furniture and fixtures	3 years
Computer software	3 years

The carrying amount of an item of equipment is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount is not recoverable and exceeds its fair value.

(b) Government assistance:

Government assistance related to current expenses and revenue is included in the determination of net income for the year. During the prior year, the Company received government assistance related to the Canada Emergency Business Account ("CEBA") and recorded this as part of other income (note 5).

BUILDING OFFICIALS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(c) 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. A receivable is recognized if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions from grants, sponsorships and partnerships 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 contributions from grants, sponsorships and partnerships are recognized as revenue in the year in which the related expenses are recognized.

(d) 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.

(e) 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.

(f) 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)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(f) 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 year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(g) Investments:

The Association has investments consist of investments in redeemable guaranteed investment certificates with various terms of maturity from the date of purchase.

(h) Deferred revenue:

Deferred revenue comprises advance payments for membership, conference and examination fees, and grants and special reserve fund received by the Association. These items are recorded as revenue when earned.

(i) Related party transactions:

Monetary and non-monetary related party transactions and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of operations, except when the transaction is an exchange of a product or property held-for-sale in the normal course of operations. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount.

All other related party transactions are measured at the carrying amount.

BUILDING OFFICIALS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2023

2. Investments:

As at March 31, 2023, the Association has a five year non-redeemable GIC bearing interest at 2% per annum maturing on January 19, 2027.

3. Equipment:

			2023	2022
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	\$ 5,442	\$ 4,485	\$ 957	\$ 533
Computer	30,945	26,256	4,689	4,641
Computer software	5,533	3,688	1,844	3,688
	\$ 41,920	\$ 34,429	\$ 7,490	\$ 8,862

4. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$5,654 (2022 - \$6,315) relating to goods and services taxes.

5. Deferred revenue:

	2023	2022
Balance, beginning of year	\$ 136,319	\$ 9,450
Amount received during the year	174,162	136,319
Amount amortized to revenue during the year	(136,319)	(9,450)
Balance, end of year	\$ 174,162	\$ 136,319

BUILDING OFFICIALS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2023

6. Government assistance and long-term debt:

During fiscal 2021, the Company applied for and received the Canada Emergency Business Account ("CEBA") program loan for \$60,000 as an interest free loan. The loan is non-interest bearing to December 31, 2023, with monthly interest payments required at 5% per annum commencing January 1, 2024 to maturity on December 31, 2025. If an event of default has not occurred, up to 25% of the loan will be forgiven if at least 75% of the loan has been repaid on or prior to December 31, 2023. Given the government has the intention to forgive 25% of the loan, the Association has recognized the \$20,000 forgivable portion during the 2021 fiscal year end as government assistance and has recorded it as other income. The loan was repaid in the current year end.

7. Related party transactions:

During the year, the Association charged management fees of \$39,500 (2022 - \$34,875) to Alliance of Canadian Buildings Officials' Association ("ACBOA"). The Association is a member of ACBOA.

During the year, ACBOA charged annual membership fees of \$6,804 (2022 - \$3,239) to the Association.

The transactions are in the normal course of operations or business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

8. Financial risk:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Association deals with creditworthy counterparties to mitigate the risk of financial loss from defaults. The Association monitors the credit risk of members through historical membership data. There has been no change to the risk exposures from 2022.

BUILDING OFFICIALS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2023

8. Financial risk: (continued):

(b) Liquidity risk:

Liquidity risk is the risk that the Association will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Association manages its liquidity risk by monitoring its operating requirements. The Association prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2022.



ABOUT BOABC

We are an Association with over 1100 members primarily representing local government Building Officials and those involved in building design, construction, testing and research.

Suite 224
186 – 8120 No. 2 Road
Richmond, BC
V7C 5J8

info@boabc.org

(604) 270-9516