



Building Officials' Association
of British Columbia

2020-21 Annual Report

*on the Administration
of Building Official
Qualifications*



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President's Message

I am pleased to present to you the 2020-21 Annual Report, which is a culmination of the work and dedication of the Building Officials' Association of B.C.'s (Association) staff and Executive Committee, along with the tireless efforts of many volunteers and stakeholder contributions throughout the year.

The past year has brought significant changes to the way the Association has conducted its business. Despite the challenges associated with the pandemic, we have continued to deliver on our mandate to meet the needs of our members and prepare them for the implementation of mandatory qualifications under the *Building Act*.

The pandemic forced the Association to look into using new technology to conduct meetings and share information while maintaining the health and safety of those around us, without having to rely on in person meetings to accomplish this work. More importantly, it provided the means for the Association to develop our online education, hold examinations and further continuing professional development opportunities for our members and others in our regulatory built environment.

With this new technology, came opportunities to accomplish a lot of the important work that we set out to do under the *Building Act*, while setting in motion a system of change management necessary to help modernize the building regulatory system in B.C.

Much of this important work was accomplished by our executive committee and other dedicated volunteers who have given many hours of their free time to accomplish these goals. I would like to take this is an opportunity to gratefully acknowledge this work and thank each of you for your dedication and commitment for the betterment of the Association and our members, especially

this year when so many other demands are on your plates, both professionally and personally, due to Covid. Thank you!

Also, thank you to all of our members and our local authorities for all of the work they have done to achieve the mandatory qualifications by the February 28, 2021 deadline. This achievement is a significant step towards increasing the competency of building officials and supporting a more consistent application of the B.C. Building Code across the province.

And finally, please join me on behalf of the Executive Committee in extending a heartfelt thank you to our Executive Director, Tyler Wightman, and his staff; Rawya Moustapha, Administrative Manager/Financial Controller; Catherine Ernst, Education Coordinator and Jennifer Schwaertzel, Member Services Coordinator, for their hard work, unyielding efforts, honesty, integrity, and their commitment to complete the Association's goals this year.

Thank you all for a job well done!

Brian Champlin

President
Building Officials' Association of B.C.



Operational Performance

This section of the report provides an overview of the qualified official workforce and Association achievements and operations in relation to the program outcomes and measures established in the Administrative Agreement (Agreement) between the Association and Province.

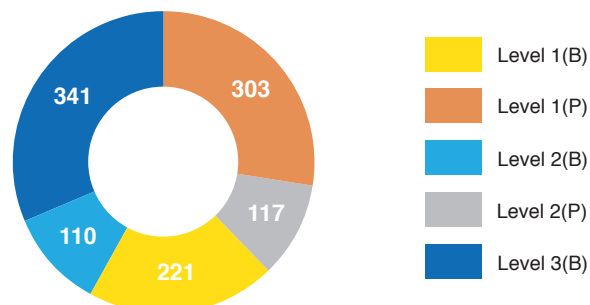
Some targets and indicators in the Agreement are specific to previous years' activities, not applicable to the 2020-21 reporting period, or not currently tracked by the Association. In these cases, alternative data or other information is provided as an update on operational activities in relation to the program outcome.

The Association is making changes to systems and business processes to enhance its data collection and reporting capabilities. As these changes are made, the Association will be providing new data and performance measures to assess its operations and progress against program outcomes in the Agreement and policy outcomes of the *Building Act*. Surveys issued to qualified officials, local authorities, and students will provide information and feedback that will be used to increase the quality, relevancy and accessibility of Association programs. Forms and other data collection points will also be reviewed to determine whether additional information can be collected to address strategic or operational business needs.

Qualified Official Workforce

There were 679 qualified building officials and 413 qualified plumbing officials working for local authorities across B.C. at the end of 2020-21. These totals include 330 individuals who are qualified as both building and plumbing officials. Looking more specifically at each technical discipline, there are more level three building officials than there are level one and two building officials combined while there are nearly three times as many level one plumbing officials as level two officials.

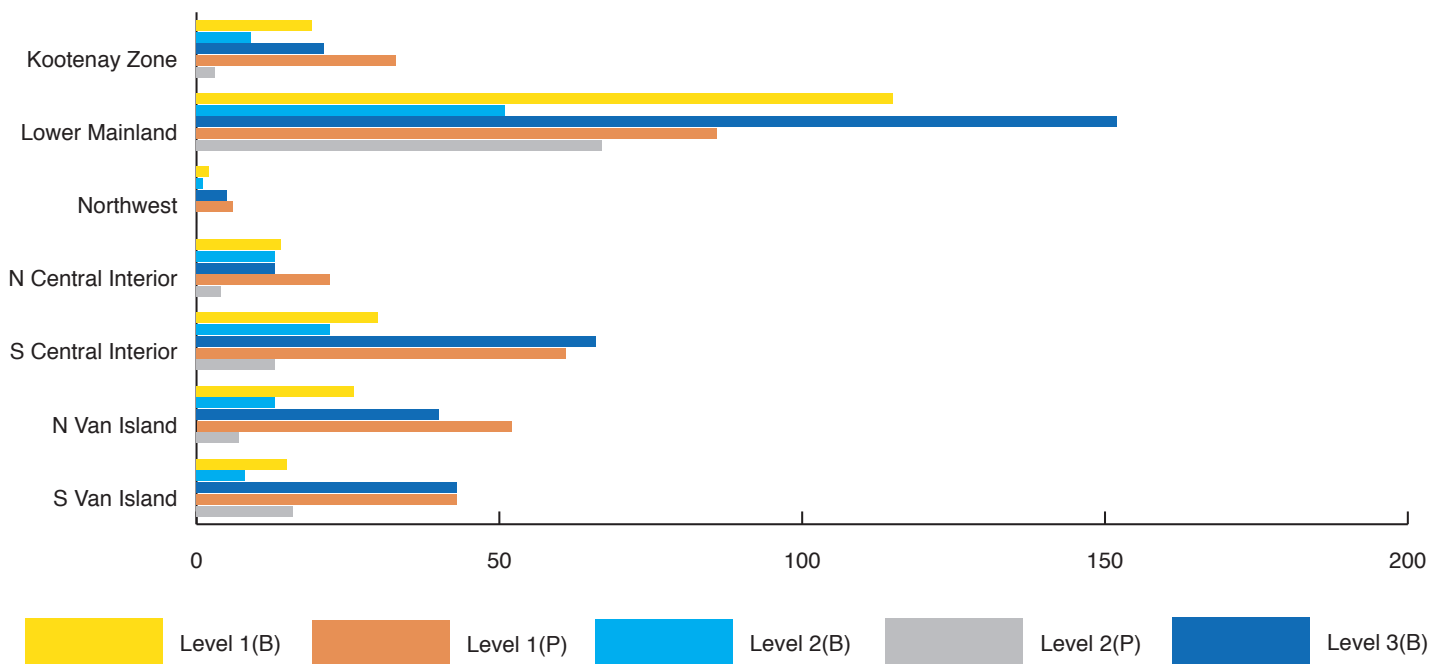
Number of Qualified Officials





As shown below, the majority of qualified officials work for municipal governments in the Lower Mainland, which is expected given the concentrated population and construction activity in the region. In contrast, the Northwest Zone, which is the second largest zone in terms of total area, has the fewest number of qualified officials and no level two plumbing officials. The small number of qualified officials and remoteness of communities in this zone creates challenges for municipal service delivery and mentoring opportunities for qualified officials.

Qualified Building and Plumbing Officials by Zone





There were also 56 building official in-training (BOIT) qualifications issued to building and plumbing officials in the last two months of the fiscal year. Nearly 70% of these qualifications were issued to level two and three building officials in-training. In contrast, only 15% of the BOIT qualifications issued were obtained by plumbing officials. Over 60% of all BOIT qualifications were issued to employees of local governments in the Lower Mainland.

The Association has identified instances where individuals are working as building or plumbing officials but may not hold the required qualifications. Further follow-up is occurring to determine whether these individuals are in fact practicing without qualification or Association records need to be updated to identify them as exempt building professionals or reflect recent changes in employment or membership status. The Association will continue to educate and communicate with qualified officials, local authorities and stakeholders about the professional obligations that building and plumbing officials must meet to maintain their qualifications and ability to practice.

Some questions have been raised about the availability of current building and plumbing officials in some areas of the province and whether there are enough new entrants into the occupation to provide the system capacity required in the future. The Association remains committed to raising awareness of the important work that qualified officials do and promoting the occupation as a meaningful and rewarding career. This commitment requires collaboration with local authorities and industry stakeholders and collection of further data to better understand and assess current and future demands for qualified building and plumbing officials.



Competency Framework



Outcome 1

The BOABC implements a quality, competency-based framework for training, examinations and continuing professional development for building and plumbing officials using a phased approach.

Most building official associations in Canada, including the Association, use the National Occupational and Training Standard for Professional Building Officials (NOS) to guide development and delivery of education and credentialing programs for building officials. The NOS, which was developed through the Alliance of Canadian Building Official Associations (ACBOA) in 2007, sets out the competencies, skills and attitudes needed for building officials to effectively perform their roles and responsibilities.

In 2020-21, the Association approached ACBOA about updating the NOS to reflect changes that have occurred in code content and administration since 2007. Updating the NOS would help the Association provide the modern competency framework expected under the Administrative Agreement while promoting alignment of building official education across Canada in accordance with national and inter-provincial trade and labour mobility agreements.

In March 2021, ACBOA applied for a grant through the federal government to update the NOS. All provincial building official associations provided letters of support for the application and have committed time and volunteers to carry out the required work. In addition to producing an updated standard, the work would also provide each provincial association with a gap analysis comparing its existing training to the competencies in the updated standard. The Association recognizes that additional education to support qualified officials is needed relative to the legislation governing the B.C. building regulatory system, energy codes and efficiency, and professional attributes, such as communications and conflict resolution.

In addition to the NOS, the Association previously collaborated with stakeholders to identify building official competencies related to the B.C. Energy Step Code. These competencies will be incorporated into the competency framework adopted by the Association.

Code Training



Outcome 2

The BOABC develops, delivers and continuously improves its Code-related training for building and plumbing officials at all levels.

Providing education and professional development for building and plumbing officials is a longstanding component of the Association mandate. This focus is reflected in the objects of the organization established under the *Building Officials' Association Act* and now its new responsibilities under the *Building Act*.

In 2020-21, the Association continued to develop its suite of online code courses for building officials. Course development was accelerated to expedite completion of the outstanding level two and level three building official courses, which are now both scheduled to be released in spring 2021.

Demand for the level one building official course surpassed expectations in 2020-21. Forty course registrations were forecast heading into the year, which is less than half of the 91 registrations that were actually received. This increase was, in part, driven by existing building officials needing to obtain qualifications under the *Building Act* before February 28.

Code courses for level one and two plumbing officials were delivered once operational issues resulting from the COVID-19 pandemic were resolved. The Association worked with Camosun College to deliver four offerings of the online level one plumbing official course between November 2020 and February 2021. These courses helped 64 registrants prepare to pass code exams before the transition period under the *Building Act* ended. The Association delivered its level two plumbing official course through webinar for 30 registrants starting January 2021.

In addition to delivering code courses for building and plumbing officials, the Association worked with the Province to develop the new Building Official In-Training (BOIT) qualification under the *Building Act*. The course developed to support this credential provides learners with an overview of the legislative and administrative framework for the building regulatory system as opposed to focusing on code or other technical content. Fifty-six students registered for this course between February 8 and March 31, 2021.

There was no code update training developed or delivered in 2020-21. The level two and three building official courses are being developed to align with the current revision of the 2018 B.C. Building Code while the current level one course will be updated once the other courses are released. Minor updates were made to the level two plumbing official course before delivery in January 2021.



Professional Development



Outcome 3

The BOABC develops, delivers and continuously improves its continuing professional development (CPD) program for building and plumbing officials at all levels.

Similar to most other regulated professions and occupations, all qualified officials are required to complete ongoing professional development to maintain their credentials under the *Building Act*.

In 2020-21, the COVID-19 pandemic prevented the Association from holding its spring and fall conferences. In lieu of these events, which many qualified officials have historically used to satisfy CPD requirements, the Association delivered 17 webinars or other online professional development opportunities on topics such as wood construction, mechanical systems, and the energy step code. Highlights from the 2020-21 CPD offerings include:

- The Association delivered three half-day Energy Step Code sessions focused on high-performance mechanical systems, building enclosures, and energy modelling, which had 53, 72, 86 attendees respectively.
- The Heating, Refrigeration, and Air-Conditioning Institute delivered three separate two-day sessions on the building science behind mechanical requirements in the code. These sessions had 42, 17, and 42 registrants respectively.
- The Canadian Wood Council provided complimentary access for building officials to attend its 2020 online conference, which included access to several educational presentations on wood construction from industry experts. Thirty-two building officials registered for complimentary passes to attend the conference.
- The Association and Camosun College delivered a cross-connection control certification course for plumbing and building officials. Eleven individuals completed this training and the certification exam.
- The Association and Province collaborated to deliver an information session on changes to building official qualifications under the *Building Act*. Nearly 300 individuals registered to attend this event.



Association zone meetings provided other CPD opportunities for qualified officials. Thirteen zone meetings were held across six zones in spite of challenges caused by the COVID-19 pandemic and mid-term turnover affecting two zone director positions. Qualified officials can also attend other Association business meetings to earn CPD points. In 2020-21, the Association hosted its first online Annual General Meeting and an online Special General Meeting to consider amendments to its bylaws, both of which were attended by over 250 members.

Code Update Training



Outcome 4

The BOABC develops, delivers and continuously improves Building Code change seminars or Code education sessions as needed.

There were no code change seminars offered during 2020-21. The level two and three building code courses being developed will align with the current version of the 2018 B.C. Building Code. The level one course will be updated to reflect the current version of the code after the other two courses are released in spring 2021. Minor updates were made to the level two plumbing official course before delivery in January 2021. In addition to formal code update courses, professional development webinars and other opportunities are provided throughout the year to help qualified officials remain current on code requirements, industry practices, and new products or technologies.



Examinations



Outcome 5

The BOABC designs, delivers and continuously improves qualification exams for building and plumbing officials at all levels.

The Association develops and delivers its exams in partnership with the International Code Council (ICC). The rigorous process used to develop exams is managed by ICC staff and leverages the expertise of qualified officials who serve on Association exam committees. All exams are delivered online and available for qualified officials to write at test sites, workplaces or home.

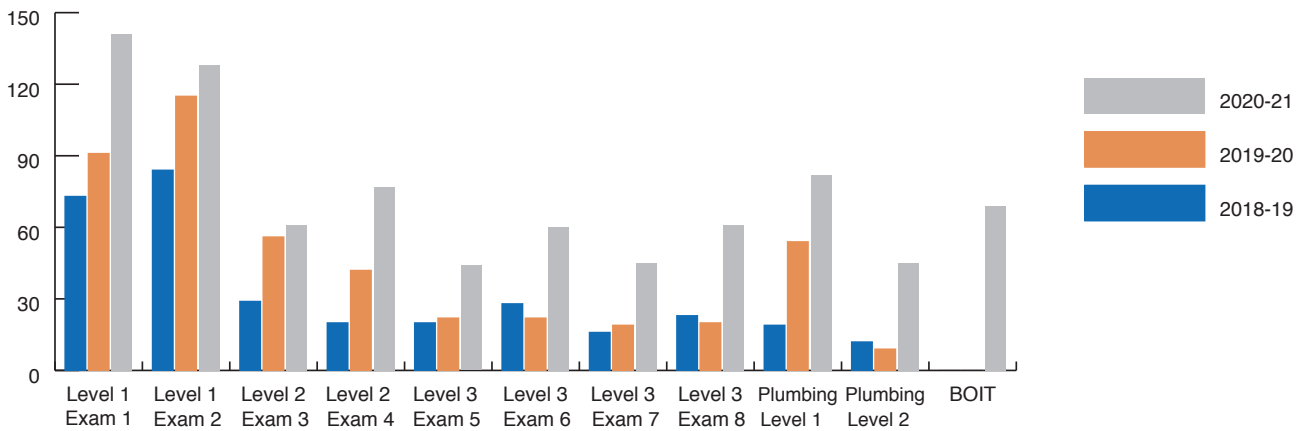
In 2020-21, the Association updated and ratified more than 1600 questions in the exam banks for all ten building official qualification exams to align with the current version of the 2018 B.C. Building Code. Updates to the content and technical diagrams in plumbing official exams were also being developed to address scope of practice changes introduced under the *Building Act*.

The Association collaborated with the Province to develop two new exams under the *Building Act*. The Building Official In-Training (BOIT) Exam was released in early February 2021. An Extra-Provincial Building Official Exam that officials from other provinces must pass before having credentials recognized in B.C. was introduced in March 2021.

Overall, the number of exams written in 2018-19 (455) and 2019-20 (450) remained relatively consistent but there was a significant increase in 2020-21 when over 800 code exams were written. This increase is likely attributed to individuals needing to obtain qualifications before the February 28 deadline and the addition of the BOIT exam.



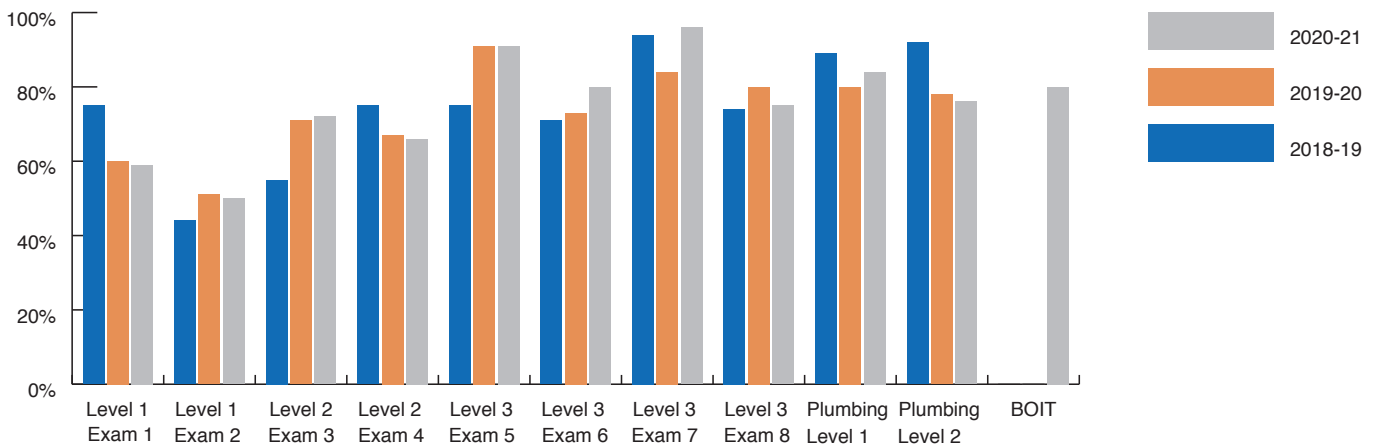
Exams Written 2018-2021



As shown below, exam pass rates were relatively consistent over the last two fiscal years. Pass rates for level one building official exams are lower than exams for level two or three. This could, in part, be attributed to the absence of any prerequisites, such as post-secondary education or industry experience, that candidates need to meet before writing a building official exam.

Variation in pass rates becomes somewhat more apparent when 2018-19 exam results are considered but there are no clear trends apparent. The transition to online exams, which occurred in November 2018, does not appear to have discernable impact on exam pass rates.

Exam Pass Rates 2018-2021





In fall 2021, some exam candidates and local authorities experienced challenges with the online proctoring service used by the ICC. These challenges were the result of unannounced changes to proctoring guidelines that conflicted with Association exam instructions. Once this issue was identified, the ICC worked with its vendor to rollback to the changes and the Association has seen a significant decline in concerns from exam candidates and employers.

Annual Compliance



Outcome 6

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

In 2020-21, the Association consulted stakeholders about establishing the annual registration fee for qualified officials under the *Building Act*. Pursuant to the fee-setting process established in the Building Act General Regulation and Agreement, the Association consulted qualified officials, local authorities, the Union of B.C. Municipalities, and the Local Government Management Association.

In 2021 only, the Association proposed that building and plumbing officials would pay a transitional registration fee of \$0 to have existing credentials recognized in the online registry of building officials on February 28. After that date, all officials adding a qualification would be required to pay the \$50 registration fee. Beginning 2022, all qualified officials will be required to pay the \$50 annual registration fee as required under the Act.

The Association received few comments in response to this proposal. Some municipalities indicated a preference for including this fee on the invoices sent for annual dues to maintain a single invoicing process and avoid duplicate administration. This request was accommodated by the Association as part of its program development.



Qualified officials are not required to submit an annual report under the *Building Act* until December 31, 2021 and therefore data about compliance with annual reporting and CPD requirements is not available for the period of this annual report. The Association updated the online member portal to ensure that qualified officials are tracking CPD information required under the Act and started sending bi-monthly CPD statements to all qualified officials.

Online Member Forum



Outcome 7

The BOABC hosts an online discussion forum for Building Code interpretation and application questions on the BOABC website.

The Association provides a secure online forum for members to discuss questions and seek advice or assistance from peers.

A review of activity in the forum suggests that this functionality is not, in its current form, an effective way for qualified officials to engage with each other. The Association does not currently track forum logins of qualified officials but a survey of user activity from 2020-21 shows that there were 35 new posts generating an additional 86 comments. Eight posts from previous fiscal years also received a total of 34 comments in 2020-21.

Looking ahead, the Association is exploring how the forum could be better integrated into and used to support training and CPD delivery. Qualified officials have also identified changes to the forum that could possibly make it a more effective tool for engaging and facilitating discussion amongst members. Work done in this regard will be reported on in the 2021-22 annual report.

Zone Meetings



Outcome 8

Building Code interpretation and application questions are routinely discussed at BOABC Regional Zone meetings.

Zone meetings are an important CPD opportunity for qualified officials and other members to hear about code changes, recent interpretations or appeal decisions, and industry practices.

As stated earlier, zone meeting delivery was affected by the COVID-19. Not only did restrictions on in person gatherings require a shift to online meetings, but the ability of volunteers to organize meetings and qualified officials to attend was constrained due to competing priorities and other challenges. This was particularly evident early in the pandemic when local authorities and their employees were focused on implementing new business practices to continue delivering essential permitting and inspection services. Two zone director positions were also vacant for a period of time, which also affected the delivery of zone meetings.

In spite of these challenges, 13 meetings were held across six zones. One zone, Vancouver Island North, did not hold any meetings due to a zone director vacancy. These meetings included presentations from outside parties on various topics, such as contaminated sites, professional involvement in building construction, and digital permit administration.

Data about the number of code questions discussed at meetings and the number of attendees who participate in those discussions is not currently tracked by the Association. The Association is centralizing and formalizing the administration of zone meetings which will provide additional support for volunteer zone directors and increase data collection and reporting on zone related activities.



Governance and Operational Support

In addition to the operational and program related activities discussed above, the Association took other actions and initiated projects to update its governance and operational models in 2020-21. These actions support, either directly or indirectly, the delivery of effective qualification and education programs for building and plumbing officials.

Starting with governance, the Association committed to undertaking a comprehensive strategic planning process and initiated a review of its bylaws. The Executive Committee also approved the redevelopment of the Association policy framework and creation of an organizational Governance Manual. All of this work, which will carry over into 2021-22 and subsequent years, provides opportunities to clarify decision-making responsibilities, adopt best practice, and address gaps in current process and procedure.

Investments were also made in updating information technology infrastructure. One primary server was replaced, more robust data backup and disaster recovery capabilities were implemented, and additional software was acquired to support web-based service delivery and operations during the pandemic. A new survey platform and website host were also selected to ensure that Association data is stored in Canada.

A number of changes were made to core business systems and process to support the delivery of mandatory qualifications. The online register of building officials was updated to align with legislative requirements as was the portal where qualified officials track and report on CPD activities. New web-based applications were developed along with corresponding changes to the architecture of Association databases. Business processes were automated where possible to provide more responsive service delivery and increase staff capacity. Additional data collection and reporting was also developed to address requirements under the Agreement and other business needs.

Communication and engagement with stakeholders also increased throughout the fall and winter of 2020-21 to provide building officials, local authorities and other stakeholders with information about mandatory qualifications before the transition period ended. The Association and Province collaborated to deliver information to the Regional Permitting and Licensing Committee, Union of British Columbia Municipalities, Metro Vancouver Human Resources Committee, B.C. Housing and other stakeholders. Additional web content and communications materials were also developed to support these change management activities.



2020-21 Financial Statements

Management's Comments on the 2020-21 Financial Statements

The 2020-21 financial statements prepared by KPMG are included in this report below. As shown in the statements, the Association ended its 2020-21 fiscal year with a positive budget balance of approximately \$207,000 and no outstanding liabilities. The 2020-21 balance will be reinvested into Association reserves and used to help fund future educational offerings and other program enhancements.

Revenues

Total Association revenues in 2020-21 for were \$875,619, which was less than forecast. Cancellation of the 2020 conference due to COVID-19 resulted in lost revenue for the Association but the impact was mitigated by other services, including courses and job postings, exceeding revenue targets. New sources of revenue, such as the annual registration fee and building official in-training program, were also introduced under the *Building Act* ahead of the February 28, 2021 deadline. Revenues generated from the annual registration fee, which is \$50 and payable by all qualified officials starting 2022, has been identified separately in Association statements.

Expenses

Total Association expenses in 2020-21 were \$787,673 which was less than forecast. Expense reductions were primarily the result of the Association cancelling in-person events, such as the annual conference and business meetings, due to COVID-19. The Association used online meeting software in place of physical gatherings to maintain operations and technology will continue to be used beyond the current pandemic to create efficiencies and manage expenses. The Executive also adopted a cautious approach to managing Association expenses during 2020-21 given the broader economic uncertainty and, as a result, focused on maintaining core operations and delivering on *Building Act* commitments rather than investing in-year savings into new and unplanned work.



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INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Members 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, 2021, 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.



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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, 2021, 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

June 22, 2021

BUILDING OFFICIALS' ASSOCIATION OF BRITISH COLUMBIA

Statement of Financial Position

March 31, 2021, with comparative information for 2020
(Unaudited)

	2021	2020
Assets		
Current assets:		
Cash	\$ 212,547	\$ 188,421
Accounts receivable	36,209	58,561
Prepaid expenses	11,500	46,275
	<u>260,256</u>	<u>293,257</u>
Equipment (note 2)	8,872	7,567
	<u>\$ 269,128</u>	<u>\$ 300,824</u>

Liabilities and Net Assets (Deficit)

Current liabilities:		
Accounts payable and accrued liabilities (note 3)	\$ 12,749	\$ 170,998
Deferred revenue (note 4)	9,450	150,442
	<u>22,199</u>	<u>321,440</u>
Long-term debt (note 5)	40,000	-
Net assets (deficit):		
Unrestricted	206,929	(20,616)
Impact of COVID-19 (note 5)		
Commitments (note 8)		
	<u>\$ 269,128</u>	<u>\$ 300,824</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 Revenue and Expenses and Net Assets

Year ended March 31, 2021, with comparative information for 2020
(Unaudited)

	2021	2020
Revenue:		
Membership dues and fees	\$ 540,554	\$ 620,999
Annual registrations	2,300	-
Continuing professional development	51,446	23,981
Conference and Annual General Meeting	-	270,058
Examination fees	21,447	6,610
Online training	124,187	56,626
Job posting	39,727	29,240
Grants, sponsorships and partnerships	95,500	52,642
Interest and miscellaneous	458	1,716
	<u>875,619</u>	<u>1,061,872</u>
General and administrative expenses:		
Amortization	6,821	5,171
Bad debts	50,421	90,319
Bank and service charges	12,524	22,713
Conference and Annual General Meeting	12,792	271,692
Education and training delivery	29,336	28,545
Education and training development	104,046	143,170
IT services and maintenance	34,702	42,105
Office administration and operations	116,315	257,492
Salaries and benefits	420,716	394,148
	<u>787,673</u>	<u>1,255,355</u>
Excess (deficiency) of revenue over expenses before the undernoted item	87,946	(193,483)
Other income:		
Government assistance (note 5)	20,000	-
Management fees (note 6)	38,999	14,330
Other income	80,600	-
	<u>139,599</u>	<u>14,330</u>
Excess (deficiency) of revenue over expenses	227,545	(179,153)
Net assets (deficit), beginning of year	(20,616)	158,537
Net assets (deficit), end of year	\$ 206,929	\$ (20,616)

See accompanying notes to financial statements.

BUILDING OFFICIALS' ASSOCIATION OF BRITISH COLUMBIA

Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020
(Unaudited)

	2021	2020
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ 227,545	\$ (179,153)
Items not involving cash:		
Amortization	6,821	5,171
Forgiveable portion of long-term debt	(20,000)	-
	214,366	(173,982)
Changes in non-cash operating working capital	(242,114)	139,491
	(27,748)	(34,491)
Financing:		
Proceeds from long-term debt	60,000	-
Investing:		
Purchase of equipment	(8,126)	(883)
Increase (decrease) in cash	24,126	(35,374)
Cash, beginning of year	188,421	223,795
Cash, end of year	\$ 212,547	\$ 188,421

See accompanying notes to financial statements.

BUILDING OFFICIALS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended March 31, 2021
(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) 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

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 year, the Company received government assistance related to the Canada Emergency Business Account ("CEBA") and recorded this as part of other income (note 5).

(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.

BUILDING OFFICIALS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2021
(Unaudited)

1. Significant accounting policies (continued):

(c) Revenue recognition (continued):

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.

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.

BUILDING OFFICIALS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2021
(Unaudited)

1. Significant accounting policies (continued):

(g) 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.

(h) 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.

2. Equipment:

			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	\$ 3,975	\$ 3,787	\$ 187	\$ 412
Computer	24,280	15,595	8,685	7,155
	\$ 28,255	\$ 19,382	\$ 8,872	\$ 7,567

3. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$2,732 (2020 - \$13,635) relating to goods and services taxes.

BUILDING OFFICIALS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2021
(Unaudited)

4. Deferred revenue:

	2021	2020
Balance, beginning of year	\$ 150,442	\$ 209,968
Amount received during the year	9,450	175,442
Amount amortized to revenue during the year	(150,442)	(234,968)
Balance, end of year	\$ 9,450	\$ 150,442

5. Impact of COVID-19:

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in the Canadian Federal and Provincial governments, enacting emergency measures to combat the spread of the virus. Although the broader impact on future operations and financial performance remains uncertain, management undertook the following actions during the year:

- Adapting working from home practice to avoid physical contact between the employees and its members;
- Applied for the Canada Emergency Business Account ("CEBA") program for the year ended March 31, 2021 and received \$60,000 as an interest free loan. The loan is non-interest bearing to December 31, 2022, with monthly interest payments required at 5% per annum commencing January 1, 2023 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, 2022. Given the government has the intention to forgive 25% of the loan, the Association has recognized the \$20,000 forgivable portion during the year as government assistance and has recorded it as other income.
- Implemented additional cost reduction and control measures.

The current economic climate may continue to have a direct impact on the Association's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Association is not known at this time.

Management continues to closely monitor the recommendations from public health agencies and government authorities and is implementing business continuity plans to reduce the risk and continue operations.

BUILDING OFFICIALS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2021
(Unaudited)

6. Related party transactions:

During the year, the Association charged management fees of \$38,999 (2020 - \$14,330) to Alliance of Canadian Buildings Officials' Association ("ACBOA"). The Association is a member of ACBOA and the president of ACBOA was a former interim president of the Association.

During the year, ACBOA charged annual membership fees of \$2,945 (2020 - \$2,945) 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.

7. 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 2020, except for the impact of the Covid-19 pandemic.

(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 2020, except for the impact of the Covid-19 pandemic.

8. 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 1 year.

2022	\$	5,684
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BUILDING OFFICIALS' ASSOCIATION OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended March 31, 2021
(Unaudited)

9. Comparative information:

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

ABOUT US

We are an Association approaching 1000 members primarily representing local government Building Officials and those involved in building design, construction, testing and research.



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