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Association of British Columbia  
Forest Professionals  
(d.b.a. Forest Professionals BC)  
Financial Statements  
November 30, 2023

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## Independent Auditor's Report

To the Registrants of Association of British Columbia Forest Professionals (d.b.a. Forest Professionals BC)

### Opinion

We have audited the financial statements of Association of British Columbia Forest Professionals (d.b.a. Forest Professionals BC) (the "Association"), which comprise the statement of financial position as at November 30, 2023, and the statement of revenue and expenses, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at November 30, 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.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. The other information comprises the information in the Annual Report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.



In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- § Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- § Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- § Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- § Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- § Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Vancouver, B.C.  
January 26, 2023


Chartered Professional Accountants

# Association of British Columbia Forest Professionals (d.b.a. Forest Professionals BC)

Statement of Financial Position  
November 30, 2023

			2023	2022
			\$	\$
	Operating fund	Reserve fund	Total	Total
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	3,777,449	-	3,777,449	3,840,550
Accounts receivable	27,990	-	27,990	51,801
Marketable securities	-	586,207	586,207	582,203
Prepaid expenses	<u>192,483</u>	<u>-</u>	<u>192,483</u>	<u>97,283</u>
	<u>3,997,922</u>	<u>586,207</u>	<u>4,584,129</u>	<u>4,571,837</u>
Investments	71,037	974,362	1,045,399	1,016,073
Property and equipment (Note 3)	45,604	-	45,604	63,311
Intangible assets (Note 14)	<u>179,869</u>	<u>-</u>	<u>179,869</u>	<u>34,784</u>
	<u>4,294,432</u>	<u>1,560,569</u>	<u>5,855,001</u>	<u>5,686,005</u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable and accrued liabilities (Note 4)	326,028	-	326,028	363,907
Deferred revenue (Note 5)	<u>3,395,696</u>	<u>-</u>	<u>3,395,696</u>	<u>3,359,973</u>
	<u>3,721,724</u>	<u>-</u>	<u>3,721,724</u>	<u>3,723,880</u>
Commitments (Notes 6, 15)				
<b>Net assets</b>				
Unrestricted	347,235	1,560,569	1,907,804	1,864,030
Investment in property and equipment and intangible assets	<u>225,473</u>	<u>-</u>	<u>225,473</u>	<u>98,095</u>
	<u>572,708</u>	<u>1,560,569</u>	<u>2,133,277</u>	<u>1,962,125</u>
	<u>4,294,432</u>	<u>1,560,569</u>	<u>5,855,001</u>	<u>5,686,005</u>

The accompanying notes and schedules are an integral part of these financial statements.

Approved on behalf of the Board , President , Chief Executive Officer

# Association of British Columbia Forest Professionals (d.b.a. Forest Professionals BC)

Statement of Revenue and Expenses  
Year ended November 30, 2023

				2023 \$	2022 \$
	Operating fund budget	Operating fund actual	Reserve fund actual	Total actual	Total actual
<b>Revenue</b>					
Registration fees	3,228,529	3,201,682	-	3,201,682	2,557,692
Other fees	181,195	180,265	-	180,265	200,112
Annual meeting, net (Note 7)	25,000	219,582	-	219,582	110,154
Advertising and mailings (Note 8)	86,000	86,027	-	86,027	96,726
Interest	20,000	99,180	27,144	126,324	44,381
Other investment income	-	-	29,154	29,154	13,947
Government grants	-	124,220	-	124,220	230,181
Other	17,000	39,845	-	39,845	32,952
	<u>3,557,724</u>	<u>3,950,801</u>	<u>56,298</u>	<u>4,007,099</u>	<u>3,286,145</u>
<b>Expenses</b>					
Business function					
- Schedule A (Note 14)	784,750	1,161,239	-	1,161,239	1,110,981
Office - Schedule B	484,525	412,666	-	412,666	388,020
Staff - Schedule C	2,288,449	2,250,235	-	2,250,235	1,830,830
Other	-	-	11,807	11,807	11,428
	<u>3,557,724</u>	<u>3,824,140</u>	<u>11,807</u>	<u>3,835,947</u>	<u>3,341,259</u>
Excess (deficiency) of revenue over expenses for the year	-	126,661	44,491	171,152	(55,114)

*The accompanying notes and schedules are an integral part of these financial statements.*

# Association of British Columbia Forest Professionals

## (d.b.a. Forest Professionals BC)

Statement of Changes in Net Assets

Year ended November 30, 2023

				2023 \$
	Operating fund	Reserve fund	Investment in property and equipment and intangible assets	Total
Balance, beginning of year	234,880	1,629,150	98,095	1,962,125
Excess (deficiency) of revenue over expenses for the year	<u>126,661</u>	<u>44,491</u>	<u>-</u>	<u>171,152</u>
	<u>361,541</u>	<u>1,673,641</u>	<u>98,095</u>	<u>2,133,277</u>
Transfers				
Purchase of property and equipment	(18,988)	-	18,988	-
Purchase of intangible assets	(163,674)	-	163,674	-
Amortization of property and equipment and intangible assets	55,284	-	(55,284)	-
Interfund transfer (Note 9)	-	-	-	-
Discipline and enforcement stabilization charge (Note 10)	<u>113,072</u>	<u>(113,072)</u>	<u>-</u>	<u>-</u>
	<u>(14,306)</u>	<u>(113,072)</u>	<u>127,378</u>	<u>-</u>
Balance, end of year	347,235	1,560,569	225,473	2,133,277

				2022 \$
	Operating fund	Reserve fund	Investment in property and equipment and intangible assets	Total
Balance, beginning of year	239,912	1,637,991	139,336	2,017,239
Excess (deficiency) of revenue over expenses for the year	<u>(84,027)</u>	<u>28,913</u>	<u>-</u>	<u>(55,114)</u>
	<u>155,885</u>	<u>1,666,904</u>	<u>139,336</u>	<u>1,962,125</u>
Transfers				
Purchase of property and equipment	(19,448)	-	19,448	-
Amortization of property and equipment and intangible assets	60,689	-	(60,689)	-
Interfund transfer (Note 9)	40,938	(40,938)	-	-
Discipline and enforcement stabilization charge (Note 10)	<u>(3,184)</u>	<u>3,184</u>	<u>-</u>	<u>-</u>
	<u>78,995</u>	<u>(37,754)</u>	<u>(41,241)</u>	<u>-</u>
Balance, end of year	234,880	1,629,150	98,095	1,962,125

The accompanying notes and schedules are an integral part of these financial statements.

# Association of British Columbia Forest Professionals (d.b.a. Forest Professionals BC)

## Statement of Cash Flows

Year ended November 30, 2023

	2023 \$	2022 \$
Cash flows from operating activities		
Excess (deficiency) of revenue over expenses for the year	171,152	(55,114)
Items not affecting cash		
Amortization of property and equipment and intangible assets	55,284	60,689
Change in accumulated amortization of interest on investments	18,401	(15,694)
Unrealized loss (gain) on marketable securities	9,400	29,154
Loss (gain) on sale of marketable securities	(23,468)	(30,031)
Changes in non-cash working capital		
Decrease (increase) in		
Accounts receivable	23,811	(19,727)
Prepaid expenses	(95,200)	27,125
Increase (decrease) in		
Accounts payable and accrued liabilities	(37,879)	72,799
Deferred revenue	<u>35,722</u>	<u>666,738</u>
	<u>157,223</u>	<u>735,939</u>
Cash flows from (used in) investing activities		
Purchase of property and equipment	(18,988)	(11,742)
Purchase of intangible assets	(163,674)	(7,706)
Purchase of marketable securities	(117,673)	(138,071)
Purchase of investments	(235,938)	(63,065)
Proceeds from sale of marketable securities	111,949	148,408
Proceeds from sale of investments	<u>204,000</u>	<u>87,638</u>
	<u>(220,324)</u>	<u>15,462</u>
Increase in cash and cash equivalents during the year	(63,101)	751,401
Cash and cash equivalents, beginning of year	<u>3,840,550</u>	<u>3,089,149</u>
Cash and cash equivalents, end of year	<u>3,777,449</u>	<u>3,840,550</u>
Cash and cash equivalents are comprised of		
Cash	3,051,280	1,643,467
Mutual funds - money market	<u>726,169</u>	<u>2,197,083</u>
	<u>3,777,449</u>	<u>3,840,550</u>

*The accompanying notes and schedules are an integral part of these financial statements.*

# Association of British Columbia Forest Professionals (d.b.a. Forest Professionals BC)

Schedule of Business Function Expenses  
Year ended November 30, 2023

		2023 \$	2022 \$
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Governance</b>			
General corporate legal	2,000	23,322	7,354
Governance training and facilitation	19,000	8,650	10,549
Meetings and travel	55,000	57,857	71,006
Professional Governance Act Implementation	40,000	15,621	85,553
	<u>116,000</u>	<u>105,450</u>	<u>174,462</u>
<b>Registration</b>			
FPRC	35,000	6,321	14,633
Examinations	1,000	200	800
Meetings and travel	10,000	5,214	4,149
Allied science process	26,000	32,761	141,215
Challenge exams	-	57,277	46,700
Learning management system	87,500	63,204	93,742
Registration data management	50,000	266,774	140,170
	<u>209,500</u>	<u>431,751</u>	<u>441,409</u>
<b>Communications</b>			
External communications	88,250	78,378	70,936
Internal communications	87,500	84,902	75,085
Member relations	500	-	5,845
	<u>176,250</u>	<u>163,280</u>	<u>151,866</u>
<b>Finance</b>			
Professional fees	18,500	29,050	52,100
Meetings and travel	500	258	4,109
	<u>19,000</u>	<u>29,308</u>	<u>56,209</u>
<b>Compliance</b>			
Act enforcement (Note 10)	-	-	1,559
Discipline (meetings, travel, legal) (Note 10)	90,000	203,072	87,580
Training	5,000	1,645	24,004
Practice review	10,000	-	-
	<u>105,000</u>	<u>204,717</u>	<u>113,143</u>
<b>Professional practice</b>			
Professional development	47,000	9,864	47,994
Professional practice	-	70,920	65,159
Meetings and travel	1,000	-	1,545
Practice guidance	17,500	61,787	4,650
	<u>65,500</u>	<u>142,571</u>	<u>119,348</u>
<b>External relations</b>			
Government relations	5,000	12,618	9,112
Inter-professional relations	18,500	29,532	11,119
	<u>23,500</u>	<u>42,150</u>	<u>20,231</u>
<b>Audit and practice review</b>			
Meetings and travel	10,000	-	-
Reviews	60,000	42,012	34,313
	<u>70,000</u>	<u>42,012</u>	<u>34,313</u>
<b>Total business function expenses</b>	<b>784,750</b>	<b>1,161,239</b>	<b>1,110,981</b>

The accompanying notes and schedules are an integral part of these financial statements.



# Association of British Columbia Forest Professionals (d.b.a. Forest Professionals BC)

Schedule of Office Expenses  
Year ended November 30, 2023

		2023 \$	2022 \$
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Office expenses			
Bank and credit card charges	53,000	76,545	72,363
Delivery	6,300	5,397	6,170
Furniture and equipment and intangible assets			
Service and minor purchases	54,240	64,257	50,711
Amortization	168,733	55,284	60,689
Insurance	6,500	7,994	6,657
Office rent, tax and utilities	155,000	148,882	151,045
Other	12,200	16,922	14,054
Postage	1,550	3,908	951
Stationery and supplies	7,502	10,695	6,390
Telecommunications	<u>19,500</u>	<u>22,782</u>	<u>18,990</u>
	484,525	412,666	388,020

*The accompanying notes and schedules are an integral part of these financial statements.*

# Association of British Columbia Forest Professionals (d.b.a. Forest Professionals BC)

Schedule of Staff Expenses  
Year ended November 30, 2023

		2023 \$	2022 \$
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Staff expenses			
Benefits (Note 11)	404,107	367,499	330,033
Contract	-	39,545	9,773
Other	36,348	53,559	12,667
Salaries	1,798,294	1,752,670	1,443,565
Training and education	31,700	9,262	21,986
Travel	<u>18,000</u>	<u>27,700</u>	<u>12,806</u>
	2,288,449	2,250,235	1,830,830

*The accompanying notes and schedules are an integral part of these financial statements.*

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# Association of British Columbia Forest Professionals (d.b.a. Forest Professionals BC)

Notes to the Financial Statements  
November 30, 2023

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## 1. Operations

The Association of British Columbia Forest Professionals (the "Association") was created in 1947 under the provincial Foresters Act. In 2021, the Foresters Act was repealed and replaced with the Professional Governance Act ("PGA"), which continues to charge the Association with a duty to serve and protect the public interest through the regulation of the practice of professional forestry. Specific responsibilities to be undertaken by the Association are assigned in Section 22 of the PGA.

The Association is exempt from income taxation pursuant to Section 149 of the Income Tax Act as long as certain criteria continue to be met.

## 2. Accounting policies

### Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") which necessarily involves the use of estimates. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of significant accounting policies summarized below.

### Use of estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the amounts reported in the financial statements and notes. Management believes that the estimates utilized in preparing the financial statements are reasonable; however, actual results may differ from the estimates. Significant areas requiring the use of management estimates relate to collectability of accounts receivable, amortization and impairment of property and equipment and intangible assets, and determination of accrued liabilities.

### Fund accounting

The Association maintains two funds, the Operating Fund and the Reserve Fund. Day-to-day operations are recorded in the Operating Fund. The Reserve Fund is maintained for unforeseen or unanticipated financial obligations and is administered according to the Association's reserve fund policy. Transfers between these funds are approved by the Board.

### Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit, cheques issued and outstanding, and investments in mutual funds.

Mutual funds that are highly liquid, such as money market funds, are considered cash equivalents.

### Marketable securities

Marketable securities consist of public company shares. Marketable securities are initially recognized and subsequently measured at fair value without adjustment for any transaction costs that would be incurred on disposal. Changes in fair value are recognized in income as they occur. Transaction costs associated with the acquisition of these marketable securities are recognized in income in the period incurred.

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# Association of British Columbia Forest Professionals (d.b.a. Forest Professionals BC)

Notes to the Financial Statements  
November 30, 2023

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## 2. Accounting policies - continued

### Property and equipment

Property and equipment are carried at cost less accumulated depreciation. Depreciation is provided over the estimated useful life of each property and equipment using the straight-line method as follows:

Computer software and equipment	- 3 years
Office furniture and equipment	- 10 years
Other equipment	- 5 years

The carrying amount of property and equipment is written down to its residual value when the property and equipment no longer has any long-term service potential to the Association. In that event, the amount by which the carrying value of an impaired property or equipment exceeds its residual value is charged to operations.

### Intangible assets

Intangible assets are carried at cost less accumulated amortization. Amortization is provided over the estimated useful life of each intangible asset using the straight-line method as follows:

Website	- 3 years
Software	- 3 years

Intangible assets are tested for impairment only when events or changes in circumstances indicate that net book value may exceed fair value.

### Budget figures

The budget figures on the statement of revenue and expenses and schedules are unaudited and taken from the Association's budget prepared in November 2022.

### Revenue recognition

Registration fees and other revenues are recognized when they become due, and collection is reasonably assured. Amounts received in advance are deferred and recognized as revenue in the year to which they relate.

The Association follows the deferral method for recognizing contribution revenue. Accordingly, government contributions received are recognized as revenue in the year the related expenditures are incurred. Unexpended contributions are included in deferred revenue.

### Discipline expenses

Discipline expenses are charged to the Operating Fund using a pre-determined, budgeted amount. When actual discipline expenses exceed the budgeted amount, the difference is financed by the Reserve Fund. When actual expenses fall below the budgeted amount, the difference is transferred to the Reserve Fund.

### Employee future benefits

Contributions to the staff retirement savings plan are expensed in the year to which they relate.

### Financial instruments

The Association initially measures its financial assets and liabilities at fair value.

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# Association of British Columbia Forest Professionals (d.b.a. Forest Professionals BC)

Notes to the Financial Statements

November 30, 2023

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## 2. Accounting policies - continued

The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for its investments in marketable securities that are quoted in an active market and which are measured at fair value. Changes in the fair value of marketable securities are recognized in the Reserve Fund as they occur.

Marketable securities consist of shares in publicly traded companies on Canadian, U.S. and international stock exchanges.

Financial assets measured at amortized cost include cash and cash equivalents, accounts receivable and long-term investments that consist of guaranteed investment certificates. Investments consist entirely of guaranteed investment certificates with maturity dates of twelve months or more.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

### Adoption of Accounting Policy

During the year ended November 30, 2023, the Association adopted AcG-20 relating to cloud computing arrangements. The Association recognized a software intangible asset. There were no changes to comparative information as a result of the adoption.

### Comparative figures

Certain 2022 figures have been reclassified to conform to the presentation used in the current year.

## 3. Property and equipment

			2023 \$
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>
Computer software and equipment	642,391	610,066	32,325
Office furniture and equipment	54,079	41,201	12,878
Other equipment	<u>20,602</u>	<u>20,201</u>	<u>401</u>
	717,072	671,468	45,604
			2022 \$
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>
Computer software and equipment	623,402	576,955	46,447
Office furniture and equipment	54,079	37,331	16,748
Other equipment	<u>20,602</u>	<u>20,486</u>	<u>116</u>
	698,083	634,772	63,311

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# Association of British Columbia Forest Professionals

## (d.b.a. Forest Professionals BC)

Notes to the Financial Statements

November 30, 2023

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4. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities is GST/HST payable of \$ 135,669 (2022 - \$ 147,183).

5. Deferred revenue	2023	2022
	\$	\$
Registration fees	3,133,573	3,033,119
AGM sponsorship and trade show registration	81,215	36,316
Advertising	-	14,718
Government grants	<u>180,908</u>	<u>275,820</u>
	3,395,696	3,359,973

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During the year ended November 30, 2023, the Association received government grants of \$ Nil (2022 - \$ 150,000) towards the Certification Improvement project and \$ 30,000 (2022 - \$ 70,000) towards the Challenge Examination Development project. Of these grants, \$ 31,677 remain in deferred revenues as at November 30, 2023. The remaining \$ 149,231 of deferred government grants relate to BC Wildfire and other projects, funding for which was received prior to 2022.

As at November 30, 2023, \$ Nil (2022 - \$ 35,000) of government grants remain outstanding and are included in accounts receivable.

6. Commitment under operating lease

The Association leases its office premises under an operating lease which expires October 31, 2029.

The Association is obligated to make the following minimum lease payments under its operating lease for the fiscal years ending:

	\$
2024	67,720
2025	74,572
2026	74,572
2027	74,572
2028	77,814
Thereafter	<u>70,740</u>
	439,990

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7. Annual meeting

The annual meeting profit of \$ 219,582 (2022 - profit of \$ 110,154) is the net amount generated from the Association's 75th annual general meeting. The event had received \$ 474,492 (2022 - \$ 252,653) from registrations and sponsorships and incurred general expenses of \$ 254,910 (2022 - \$ 142,499).

8. Advertising and mailings

Advertising and mailings include gross revenue of \$ 86,027 (2022 - \$ 96,726) from advertising sold in and with the Association's magazine "BC Forest Professional" and website.

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# Association of British Columbia Forest Professionals (d.b.a. Forest Professionals BC)

Notes to the Financial Statements  
November 30, 2023

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9. Interfund transfers

The Association maintains a Reserve Fund for unforeseen or unanticipated financial obligations, giving it stability and assurances to be able to protect its mandate if needed. The Association aims to maintain a Reserve Fund between one-quarter and one-half of the budgeted operating expenditures. If the Reserve Fund exceeds one-half of the budgeted operating expenditures, a portion of Reserve Fund earnings will be transferred to the Operating Fund. Other withdrawals from the Reserve Fund shall only occur with the prior approval of the Board.

Reserve Fund earnings of \$ Nil (2022 - \$ 40,938) were transferred to the Operating Fund.

10. Discipline and enforcement stabilization charge

Actual discipline expenses for the year were \$ 203,072 (2022 - \$ 89,139). The amount by which this exceeds the budget is covered by the Reserve Fund.

11. Employee future benefits

a) Staff Retirement Savings Plan

The Association has a Staff Retirement Savings Plan. Contributions to the plan are made at the following rates:

- i) 5% of their salary up to the "yearly maximum pensionable earnings" ("YMPE") as set by the Canada Revenue Agency; and
- ii) 8% of their salary above the YMPE.

Included in Benefits expense for the year is \$ 24,460 (2022 - \$ 25,681) of contributions made by the Association to the Staff Retirement Savings Plan.

b) Public Service Pension Plan

The Association and its employees contribute to the Public Service Pension Plan (a jointly trustee pension plan). The Public Service Pension Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at March 31, 2023, the plan has 70,780 active members and 55,267 retired members. The latest actuarial valuation as at March 31, 2023, indicated a funding surplus of \$ 4,491 million for basic pension benefits. The next valuation will occur March 31, 2026.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

The Association paid \$ 132,645 (2022 - \$ 104,714) for employer contributions to the plan in fiscal November 30, 2023.

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# Association of British Columbia Forest Professionals (d.b.a. Forest Professionals BC)

Notes to the Financial Statements  
November 30, 2023

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## 12. Financial instruments

Financial instruments consist of cash and cash equivalents, accounts receivable, marketable securities, investments and accounts payable and accrued liabilities.

### Credit risk

Credit risk on financial instruments arises from the potential for counterparties to default on their contractual obligations to the Association. The Association is exposed to credit risk in the event of non-performance by any of the counterparties.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is not exposed to interest rate risk fluctuations as all of the Association's financial assets bear interest at fixed rates. The Association holds investments which have maturity dates ranging from December 2023 to February 2028 with effective interest rates ranging from 1.53% to 4.30%.

### Market and currency risk

The Association is exposed to currency and market risk as its marketable securities include some foreign (U.S.) investments. Therefore, these investments may be exposed to changes in market prices, currency risk and other price risk.

## 13. Related party transactions

Unless otherwise stated, related party transactions occur in the normal course of business and are measured at the exchange amount, being the amount of consideration established and agreed to by the related parties.

As at November 30, 2023, there is \$ 3,705 (2022 - \$ 7,970) owing to Association of BC Professional Foresters ("ABCPF") ForesTrust from the Association consisting of donations collected on ABCPF ForesTrust's behalf.

## 14. Intangible assets

	2023 \$		
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>
Website	63,354	17,308	46,046
Software	<u>137,646</u>	<u>3,823</u>	<u>133,823</u>
	201,000	21,131	179,869
	2022 \$		
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>
Website	37,326	2,542	34,784

Included in business function expenses is \$ 104,189 (2022 - \$ Nil) for software services.



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# Association of British Columbia Forest Professionals (d.b.a. Forest Professionals BC)

Notes to the Financial Statements

November 30, 2023

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15. Contractual obligations under software agreement

In the current year, the Association entered into a subscription agreement for services related to regulatory management system software. Under the terms of the agreement, the Association is required to pay the following subscription service fees until May 31, 2028:

	\$
2024	73,500
2025	99,000
2026	99,000
2027	99,000
2028	<u>45,000</u>
	<u>415,500</u>

The amounts for 2025 to 2028 years are estimates, as from June 1, 2025 to May 31, 2028 the fee will be charged based on number of active member profiles.

16. Association of BC Professional Foresters ("ABC PF") ForesTrust

ABC PF ForesTrust, a registered charity (the "Charity"), provides scholarships and bursaries to forestry students and funds forestry education activities in BC. The Charity was established as a charitable trust on December 1, 1984 and is a registered charity under the *Income Tax Act*. The trustees of the Charity are Board members, Association's registrants and one employee. The main donors to the Charity are Association's registrants. The Charity has not been consolidated in the Association's financial statements. Financial figures of the Charity as at November 30, 2023 and 2022 and for the years then ended are as follows:

Financial position	2023	2022
	\$	\$
Total assets	14,407	36,002
Total liabilities	<u>2,000</u>	<u>3,500</u>
Total net assets**	12,407	32,502

\*\*Note: Net assets are either spent on scholarships and awards or on public information and education programs. Donations made for a specific scholarship, award or program are restricted and accounted for as endowments. As at November 30, 2023, \$ Nil (2022 - \$ Nil) of net assets are subject to donor imposed restrictions.

Results of operations	2023	2022
	\$	\$
Total revenue	7,905	8,175
Total disbursements	<u>28,000</u>	<u>4,500</u>
Excess (deficiency) of revenue over disbursements	(20,095)	3,675

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# Association of British Columbia Forest Professionals (d.b.a. Forest Professionals BC)

Notes to the Financial Statements  
November 30, 2023

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16. Association of BC Professional Foresters ("ABC PF") ForesTrust - continued

Cash	2023 \$	2022 \$
Cash from operations	(21,595)	3,675
Cash from financing and investing activities	<u>-</u>	<u>-</u>
Increase (decrease) in cash	<u>(21,595)</u>	<u>3,675</u>