

**British Columbia Institute of  
Agrologists  
Financial Statements  
For the Year Ended December 31, 2023**

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**Financial Statements**  
**For the Year Ended December 31, 2023**

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## Independent Auditor's Report

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To the board of directors of British Columbia Institute of Agrologists

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of British Columbia Institute of Agrologists (the Institute), which comprise the statement of financial position as at December 31, 2023, the statements of changes in net assets, operations and 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 Institute as at December 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.

#### 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 Institute 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.

#### Emphasis of Matter - Restated Comparative Information

We draw your attention to Note 9 to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2022 has been restated. Our opinion is not modified in respect of this matter.



## **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 Institute'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 Institute or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Institute'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 Institute'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 Institute'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 Institute 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

*BDO Canada LLP*

Chartered Professional Accountants

Vernon, British Columbia  
April 19, 2024

## British Columbia Institute of Agrologists Statement of Financial Position

December 31	2023	2022 (Restated)
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 127,117	\$ 440,355
Investments (Note 2)	775,000	575,000
Accounts receivable	104,743	36,178
Prepaid expenses	-	2,796
	1,006,860	1,054,329
<b>Tangible capital assets (Note 3)</b>	872	73
<b>Intangible capital assets (Note 4)</b>	93,010	92,932
	\$ 1,100,742	\$ 1,147,334

### Liabilities and Net Assets

<b>Current</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 70,169	\$ 51,342
Deferred revenue (Note 6)	303,988	181,156
	374,157	232,498
<b>Net Assets</b>		
Internally restricted	225,000	225,000
Unrestricted	501,585	689,836
	726,585	914,836
	\$ 1,100,742	\$ 1,147,334

On behalf of the Board:

 Director

**British Columbia Institute of Agrologists  
Statement of Changes in Net Assets**

For the year ended December 31	Restricted Funds	Unrestricted funds	2023 Total	2022 Total
Balance, beginning of the year	\$ 225,000	\$ 728,558	\$ 953,558	\$ 845,556
Prior Period Adjustment	-	(38,722)	(38,722)	-
Balance, beginning of the year	225,000	689,836	914,836	845,556
Excess (deficiency) of revenues over expenses	-	(188,251)	(188,251)	108,002
Balance, end of the year	\$ 225,000	\$ 501,585	\$ 726,585	\$ 953,558

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

## British Columbia Institute of Agrologists Statement of Operations

For the year ended December 31	2023 Total	2022 Total (Restated)
<b>Revenue</b>		
Membership dues	\$ 1,069,230	\$ 1,036,279
Professional development revenue	64,509	42,183
Application and other fees	-	1,850
Interest income	33,699	5,506
Other revenue	54,074	23,450
	1,221,512	1,109,268
<b>Expenses</b>		
Amortization	16,879	18,415
Bank charges and fees	40,211	30,536
Council and executive fees	38,702	57,744
Executive director expenses	9,015	61,427
Insurance	4,924	4,614
Office and miscellaneous	243,225	203,371
Professional fees	308,963	123,757
Rental	36,881	33,871
Repairs and maintenance	2,724	3,351
Transportation	3,242	4,202
Travel	49,791	21,018
Utilities	13,031	6,885
Wages and benefits	642,175	470,797
	1,409,763	1,039,988
<b>Excess (deficiency) of revenues over expenses</b>	<b>\$ (188,251)</b>	<b>\$ 69,280</b>

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



## British Columbia Institute of Agrologists Statement of Cash Flows

For the year ended December 31	2023	2022
<b>Cash flows from operating activities</b>		
Cash receipts from members	\$ 1,242,079	\$ 1,059,507
Cash paid to suppliers and employees	(1,409,981)	(956,918)
Interest received	33,699	5,506
	(134,203)	108,095
<b>Cash flows from investing activities</b>		
Purchase of investments	(775,000)	(575,000)
Proceeds on investments	575,000	675,000
Purchase of capital assets	(17,757)	(73,001)
	(217,757)	26,999
<b>Net (decrease) increase in cash</b>	(351,960)	135,094
<b>Cash, beginning of the year</b>	479,077	343,983
<b>Cash, end of the year</b>	\$ 127,117	\$ 479,077

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

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# British Columbia Institute of Agrologists

## Notes to Financial Statements

December 31, 2023

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### 1 .Significant Accounting Policies

<b>Nature and Purpose of Organization</b>	<p>British Columbia Institute of Agrologists (the Institute) is a non-profit organization incorporated under the laws of the British Columbia Agrologists Act. The Professional Governance Act took effect on February 5, 2021 which resulted in the repeal of the Agrologists Act. The Professional Governance Act provides a consistent governance framework for self-regulating professions and governs the five regulatory bodies overseeing agrologists, applied biologists, applied science technologists and technicians, engineers and geoscientists, and forest professionals.</p> <p>The Institute is engaged to ensure that all members apply, represent, and maintain the highest ethical standards of professional conduct and competence.</p> <p>The Institute is an agricultural organization under the Income Tax Act.</p>
<b>Basis of Accounting</b>	<p>The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.</p>
<b>Use of Estimates</b>	<p>The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available.</p>
<b>Financial Instruments</b>	<p>Financial Instruments are recorded at fair value when acquired or issues. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment. If applicable, financial instruments are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of the financial instruments are charged to the financial instruments.</p>
<b>Cash</b>	<p>Cash consists of cash on hand and bank balances.</p>

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# British Columbia Institute of Agrologists

## Notes to Financial Statements

December 31, 2023

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### 1. Significant Accounting Policies (continued)

#### Tangible Capital Assets

Capital assets are stated at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution and are amortized, unless fair value is not determinable in which case contributed capital assets are recorded at nominal value at the date of contribution. Expenditures for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of the capital asset are capitalized.

Amortization based on the estimated useful life of the asset is calculated as follows:

	<b>Method</b>	<b>Rate</b>
Computer hardware and software	Straight-line	2 years
Furniture and equipment	Straight-line	5 years

#### Intangible Capital Assets

Intangible assets with finite useful lives are amortized over their estimated useful lives as follows:

	<b>Method</b>	<b>Rate</b>
Website	Straight-line	8 years

Intangible assets with finite useful lives are tested for impairment when events or circumstances indicate that their carrying amount may not be recoverable. The impairment test entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to fair value is required.

Research costs are expensed when incurred.

Expenditures on internally generated intangible assets in the development phases are expensed as incurred unless they meet the criteria for capitalization and amortization. Capitalized development expenditures are recorded at cost and amortized on a straight line basis over 8 years.

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# British Columbia Institute of Agrologists

## Notes to Financial Statements

December 31, 2023

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### 1. Significant Accounting Policies (continued)

<b>Revenue Recognition</b>	<p>The Institute follows the deferral method of accounting for contributions.</p> <p>Membership dues, application and other fees are recorded when received or receivable. Membership dues, application and other fees are received in advance to the year to which they relate are recorded as deferred revenue.</p> <p>Professional development fees are recorded as revenue when received or receivable.</p> <p>Interest income is recognized as revenue in the appropriate fund when earned.</p> <p>Other revenue consists of late fees, reinstatement charges, ethics workshops, AGM and conference income, advertising fees, and professional seals. Late fees are recognized as revenue when received or receivable. Reinstatement charges are recorded as revenue when received. Ethics workshops are recognized as revenue when the workshop has been provided. AGM and conference income is recognized when the event has taken place. Advertising fees are recorded as revenue when received. Professional seals income are recognized as revenue when received.</p>
<b>Contributed Services</b>	<p>Volunteers contribute many hours per year to assist the Institute in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.</p>

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## British Columbia Institute of Agrologists Notes to Financial Statements

**December 31, 2023**

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### 2. Investments

The carrying amounts of investments are comprised of the following:

	2023	2022
At amortized cost:		
Guaranteed Investment Certificate, bearing interest at 4.45%, maturing March 2024	\$ 775,000	\$ -
Guaranteed Investment Certificate, bearing interest at 2.25%, matured during the year	-	575,000
	\$ 775,000	\$ 575,000

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### 3. Tangible Capital Assets

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer hardware	\$ 20,164	\$ 19,292	\$ 18,420	\$ 18,420
Furniture and equipment	13,142	13,142	13,142	13,069
	33,306	32,434	31,562	31,489
	\$ 872		\$ 73	

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### 4. Intangible Capital Assets

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Website	\$ 127,470	\$ 34,460	\$ 111,458	\$ 18,526
		\$ 93,010		\$ 92,932

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## British Columbia Institute of Agrologists Notes to Financial Statements

**December 31, 2023**

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### 5. Government Remittances

Included in accounts payable and accrued liabilities are government remittances payable of \$12,066 (2022 - \$11,524).

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### 6. Deferred Revenue

The balance of \$298,409 (2022 - \$181,156) represents membership fees received in advance for the subsequent period. These amounts are recorded as a liability as they are unearned at year end.

Changes in the deferred revenue balance are as follows::

	<u>2023</u>	<u>2022</u>
Beginning balance	\$ 181,156	\$ 190,855
Add: amounts received related to expenses of a subsequent period	303,988	181,156
Less: amounts recognized as revenue in the year	<u>(181,156)</u>	<u>(190,855)</u>
Ending balance	<u>\$ 303,988</u>	<u>\$ 181,156</u>

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### 7. Restricted for Future Expenses

The Board of Directors of the Institute have internally restricted \$225,000 (2022 - \$225,000) of net assets for potential legal and other costs that may arise in overseeing and administering professional conduct related issues of the Institute's members.

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## British Columbia Institute of Agrologists Notes to Financial Statements

December 31, 2023

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### 8. Financial Instruments

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Institute is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Institute's financial assets that are exposed to concentrations of credit risk relate primarily to its cash and investments.

The Institute minimizes its credit exposure on derivative contracts by entering into transactions only with counterparties that are major investment-grade international financial institutions. The Institute restricts investments in debt instruments to those whose credit are independently rated to be of Investment Grade.

The Institute is also exposed to credit risk arising from all cash and investments being held at one financial institution.

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### 9. Prior Period Adjustment

During the year, management reassessed the expenses that were recorded in the current year. Management determined that there were costs which were inappropriately included in the current year which were attributable to the prior year. These changes have been accounted for retrospectively resulting in the following adjustments to the 2022 Statement of Financial Position (Cash), Statement of Operations (Travel expenses, professional fees, and Office expenses) and the Statement of Changes in Net Assets (Unrestricted funds).

December 31, 2022	As previously Stated	Adjustment	Restated
<u>Statement of Financial Position</u>			
Cash	\$ 479,077	\$ (38,722)	\$ 440,355
<u>Statement of Operations</u>			
Travel	4,991	16,027	21,018
Professional fees	102,562	21,195	123,757
Office and miscellaneous	201,871	1,500	203,371
Excess (deficiency) of revenues over expenses	69,280	(38,722)	30,558
<u>Statement of Changes in Net Assets</u>			
Unrestricted funds	728,558	(38,722)	689,836

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## British Columbia Institute of Agrologists Notes to Financial Statements

December 31, 2023

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### 10. Commitments

The Institute is committed to base rental payments for office premises and office equipment as follows:

2024	\$32,074
2025	\$30,818
2026	\$23,774

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### 11. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

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