



ARCHITECTURAL INSTITUTE OF BRITISH COLUMBIA

98<sup>th</sup> Annual  
Meeting of the  
**Architectural  
Institute of  
British Columbia**

May 8, 2017



**ARCHITECTURAL INSTITUTE OF BRITISH COLUMBIA**

ARCHITECTURE CENTRE  
SUITE 100 – 440 CAMBIE STREET  
VANCOUVER, BC CANADA  
V6B 2N5

TEL: 604.683.8588 / TOLL FREE IN BC: 1.800.667.0753

FAX: 604.683.8568 / 1.800.661.2955

EMAIL: [aibc@aibc.ca](mailto:aibc@aibc.ca)

[www.aibc.ca](http://www.aibc.ca)

March 30, 2017

Dear colleagues:

On behalf of the AIBC Council, I invite all AIBC members, honorary members and associates to attend one of the most important institute events of the year. The 98th Annual Meeting will take place on Monday May 8, 2017 at the Vancouver Convention Centre West.

This year's meeting will include mandatory institute business, and time permitting, a Members' Forum with advisory members' motions. Immediately following the Annual Meeting will be a presentation from council and an opportunity to participate in a conversation with council members.

Member attendance at the Annual Meeting is essential. Architects and architectural technologists who attend are entitled to two non-core learning units. We encourage all members, honorary members and associates to review all enclosed materials, ensure you are well-informed and attend on May 8.

Regards,

*"Darryl Condon"*

Darryl Condon Architect AIBC  
AIBC Council President



March 30, 2017

AIBC Members, Honorary Members and Associates:

Please accept this as my personal and professional invitation to the 2017 Annual Meeting. I encourage you to review the materials enclosed in this booklet so that you are sufficiently informed, and in order to participate in the meeting.

Enclosed please find:

- Cover letter from the AIBC Council President
- Notice and Agenda for the 98<sup>th</sup> Annual Meeting
- Annual Meeting Protocols and Member Motion Form
- Draft Minutes of the 97<sup>th</sup> Annual Meeting
- 2016 Reports:
  - President's Report
  - Chief Executive Officer's Report
  - Registrar's Report
  - Treasurer's Report
- 2016 Audited Financial Statements
- Appointment of the 2017 Auditor

Regards,

*“Mark Vernon”*

Mark Vernon, CPA, CA, CPA (IL)  
Chief Executive Officer



**ARCHITECTURAL INSTITUTE OF BRITISH COLUMBIA**

## 3.0 Notice of the 98<sup>th</sup> Annual Meeting

In accordance with Bylaw 17 of the Architectural Institute of British Columbia (AIBC) you are hereby notified that the **98<sup>th</sup> Annual Meeting of the AIBC** will be held on May 8, 2017 at the Vancouver Convention Centre West, Room 301. Registration opens at 2:00 pm. The meeting will begin at 3:00 pm.

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<b>1.0 Welcome</b>	D. Condon Architect AIBC
1.1 Royal Architectural Institute of Canada	J. Cutbill Architect AIBC
1.2 New Member Welcome	J. Hendriks Architect AIBC
1.3 Introductions	D. Condon Architect AIBC
1.3.1 Council	
1.3.2 Staff	
1.3.3 Guests	
1.3.4 Motions Review Committee	
1.3.5 Parliamentary	
1.4 Quorum	D. Condon Architect AIBC
<b>2.0 Call to Order</b>	D. Condon Architect AIBC
2.1 Appointment of Council Election Scrutineers	D. Condon Architect AIBC
<b>3.0 Approval of the Agenda (p.3)</b>	D. Condon Architect AIBC
<b>4.0 Protocols for the Annual Meeting (p.5)</b>	E. Mina M.Sc., P.R.P.
<b>5.0 Adoption of Minutes of the 97<sup>th</sup> Annual Meeting (p.7)</b>	D. Condon Architect AIBC
<b>6.0 Recognition and Remembrance</b>	D. Condon Architect AIBC
<b>7.0 Reports</b>	
7.1 President's Report (p.15)	D. Condon Architect AIBC
7.2 Chief Executive Officer's Report (p.19)	M. Vernon CPA, CA, CPA (IL)
7.3 Registrar's Report (p.25)	J. Hendriks Architect AIBC
7.4 Treasurer's Report (p.31)	K. Gustavson Architect AIBC
<b>8.0 Filing of Audited Financial Statements (p.37)</b>	D. Condon Architect AIBC
<b>9.0 Appointment of the Auditor (p.55)</b>	K. Gustavson Architect AIBC
<b>10.0 Announcement of Council Election Results</b>	D. Condon Architect AIBC
<b>11.0 Members' Forum</b>	D. Condon Architect AIBC
<b>12.0 Adjournment of Annual Meeting</b>	D. Condon Architect AIBC

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**4:30 p.m. – 5:00 p.m.**

**Council Bylaw Information and Consultation Session: Professional Liability Insurance (PLI)**

At the AIBC's May 2015 Annual Meeting, members approved a member's motion from the floor "that Council be requested to consider mandatory PLI for all members and registrants in practice." Since then, council and staff, by way of the Bylaw Review Committee, have been working on the initiative. In February 2017 council approved the Bylaw Review Committee to seek member consultation and feedback on draft PLI bylaws. Various opportunities for members to provide feedback on the proposed bylaws began in March 2017.

As part of the member consultation initiative, immediately following the adjournment of the 98<sup>th</sup> Annual Meeting, the AIBC Council invites members and associates to join them for a PLI bylaw information and consultation session. This session will provide council with an opportunity to continue the consultation process, as well as update the members on the feedback received thus far.

AIBC Council invites and encourages members and associates to attend this important and informative session.

## 4.0 Protocols for the Annual Meeting

The following protocols are designed to facilitate an orderly and effective Annual Meeting in which the business of the institute can be conducted in a timely, inclusive and respectful manner:

1. The meeting will be run in accordance with the *Architects Act* and AIBC Bylaws. Where the *Act* and Bylaws are silent, the current edition of Robert's Rules of Order newly revised shall apply.
2. In accordance with the *Act*, only AIBC members in good standing and honorary members may vote on any matter requiring a vote.
3. Associates, while not entitled to vote, may speak to any matter on the floor of the meeting and may ask questions arising from reports tabled at the meeting.
4. Any person wishing to speak shall approach one of the microphones and shall wait to be recognized by the Chair. Once recognized, the person shall start by stating his or her name and whether he or she is a member or an associate.
5. On each debatable motion, each member may speak up to two (2) times, each time no longer than three (3) minutes. A member who wishes to speak for the second time on the same issue shall wait until all first time speakers have spoken. Up to one follow-up question shall be permitted each time, as long as time limits are respected. As per Robert's Rules of Order, speakers must focus their comments to the issues at hand, maintain civility, respect and decorum, and avoid personal attacks. A person who is interrupted by the Chair in order to enforce the rules of order shall stop speaking while the Chair explains the procedural concern.
6. Member Motions, as part of the Members' Forum, time permitting, are advisory to council and are framed as follows: "*Moved that the AIBC Council be requested to consider \_\_\_\_.*" Pursuant to Robert's Rules of Order, such motions should be concise, complete and unambiguous. Such motions must be submitted in writing, so they can be reviewed by the Motions Review Committee and by those attending the Annual Meeting.
7. Although it is recommended that Member Motions be submitted by one (1) week prior to the Annual Meeting (2017 deadline: April 28), the latest time for submitting Member Motions is thirty minutes (30) after the call to order of the Annual Meeting.

*[These protocols have been reviewed by E. Mina M.Sc., P.R.P., Professional Registered Parliamentarian.]*



ARCHITECTURAL INSTITUTE OF BRITISH COLUMBIA

## Member Motion Form 2017

Monday, May 8, 2017 during the AIBC Annual Meeting  
Vancouver Convention Centre West, Room 301  
Vancouver, British Columbia

### Member Motion:

*I move that the AIBC Council be requested to consider:*

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Moved by: \_\_\_\_\_ Architect AIBC  
(Please print)

\_\_\_\_\_  
(Signature)

Seconded by: \_\_\_\_\_ Architect AIBC  
(Please print)

\_\_\_\_\_  
(Signature)

## **97TH ANNUAL MEETING OF ARCHITECTURAL INSTITUTE OF BRITISH COLUMBIA**

DATE: Monday 16 May 2016  
TIME: 3:00 p.m.  
LOCATION: Vancouver Convention Centre West, Rooms 212-213  
PRESIDING: Darryl Condon Architect AIBC, President

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### **1.0 Welcome**

Darryl Condon Architect AIBC and President welcomed the members and guests in attendance to the meeting.

### **1.1 Royal Architectural Institute of Canada**

Jennifer Cutbill Architect AIBC spoke briefly about the current activities of the Royal Architectural Institute of Canada (RAIC) and invited those in attendance to participate in the upcoming RAIC annual general meeting and festival.

### **1.2 New Member Welcome**

Joan Hendriks Architect AIBC and Registrar welcomed all the new members in attendance, and congratulated them on their achievement of becoming registered architects.

### **1.3 Quorum**

The President reported that sufficient members (40 members) were present to meet bylaw quorum requirements and therefore the meeting was duly convened at 3:10 p.m.

## **2.0 Call to Order**

### **2.1 Close of Elections**

#### **2.1.1 Members of Council**

The President reported that five nominees for the five Council vacancies were submitted. Therefore, no election was required and the AIBC Registrar has certified that the following individuals were elected by acclamation:

Danica Djurkovic Architect AIBC  
David Dove Architect AIBC  
Sylvie Gagnon Architect AIBC  
Karl W. Gustavson Architect AIBC  
Ian McDonald Architect AIBC



## 2.2 Intern Architect Liaison to Council

The President reported that this year council invited Intern Architects AIBC and Architectural Technologists AIBC to submit an expression of interest for the liaison to council positions. At one of its first meetings, the newly-constituted council will consider and invite both an intern architect and architectural technologist to the liaison positions, from those that submitted an expression of interest.

## 2.3 Approval of the Agenda

The President confirmed the agenda had been provided to all members. There being no objections to the agenda, the agenda was approved.

## 2.4 Introductions

### 2.4.1 Council

The President introduced the members of the 2015/2016 AIBC Council:

Vice-President Danica Djurkovic Architect AIBC  
Treasurer Karl Gustavson Architect AIBC

John Etcher Architect AIBC (not present)  
Mona Lovgreen Architect AIBC  
Catherine Nickerson Architect AIBC  
Gordon Richards Architect AIBC  
Sean Ruthen Architect AIBC  
David Dove Architect AIBC

Appointees to Council:

Lieutenant Governor:

Ross Rettie  
Michelle Rupp (not present)  
David Toole (not present)

UBC SALA:

John Bass (not present)

Registrar:

Joan Hendriks Architect AIBC

Invited Liaisons to Council:

Sara Kasaei Intern Architect AIBC (not present)  
Michael Currie Architectural Technologist AIBC (not present)

The President acknowledged the participation of Chris Macdonald (UBC SALA Appointee), Steve Simons (LG Appointee) and Mark Zacharias (LG Appointee) who also served on council in 2015. The President advised that David Toole had resigned from council effective May 11 2016.

### 2.4.2 Staff

The President acknowledged the AIBC staff who were present and expressed appreciation for the work that they do in the public interest.

#### 2.4.3 Guests

The President thanked and welcomed industry stakeholders and guests present at the meeting, who included Erica Wickes, President of the Interior Designers Institute of BC, and Chief Operating Officer Janet Sinclair of the Association of Professional Engineers & Geoscientists of BC.

#### 2.4.4 Motions Review Committee

The President introduced the committee members Baldwin Hum Architect AIBC, Brian G. Hart Architect AIBC, John McCormack Architect AIBC, and Patrick Stewart Architect AIBC, working with Deputy CEO and General Counsel, Thomas Lutes, and directed the assembly to the committee's locations in the room for submission of any written Advisory Members' Motions.

#### 2.4.5 Parliamentary

The President introduced Eli Mina M.Sc., P.R.P, who briefed the assembly on the role of a parliamentarian and reviewed the protocols for the meeting.

### 2.5 Protocols for the Annual Meeting

The President confirmed the protocols had been provided to all members.

**MOTION: That the AIBC Annual Meeting Protocols be adopted.**

Moved: David Dove Architect AIBC

Seconded: Baldwin Hum Architect AIBC

**CARRIED**  
(99% In Favour)

### 3.0 Adoption of the Minutes

#### 3.1 Minutes of the 96th Annual Meeting

**MOTION: That the Minutes of the 2015 Annual Meeting be approved.**

Moved: Pierre Gallant Architect AIBC

Seconded: Sean Rodrigues Architect AIBC

**CARRIED**  
(99% In Favour)

### 4.0 Recognition

#### 4.1 Remembrance of those deceased in 2015/2016

The President recognized members, former members, and associates who passed away during the past year. A moment of silence was observed.

Brian L. Curtner (member)

Douglas Lane (member)

Michael David Levin (member)

Jonathan Yardley (member)

Reginald Joseph Bickford (honorary member)

Hans E. Kuckein (retired architect)

James Terrance Barkley (retired architect)  
Jost Tielker (former member)

## 5.0 President's Report

The President presented highlights from his report further to what was distributed and published as part of the Annual Meeting package mailed to members.

## 6.0 Chief Executive Officer's Report

The President introduced CEO Mark Vernon who presented highlights from his report further to what was distributed and published as part of the Annual Meeting package mailed to members. The CEO also provided information on the response and progress made to date on the 2015 Annual Meeting member's motion related to mandatory professional liability insurance.

## 7.0 Registrar's Report

The President introduced Joan Hendriks Architect AIBC who presented highlights from the Registrar's Report further to what was distributed and published as part of the Annual Meeting package mailed to members.

## 8.0 Financial Report

### 8.1 Treasurer's Report

The President introduced Karl Gustavson Architect AIBC who presented highlights from the Treasurer's Report further to what was distributed and published as part of the Annual Meeting package mailed to members.

### 8.3 Filing of Audited Financial Statements

The President reported that in accordance with the *Architects Act*, the 2015 audited statements dated the 8th day of March 2016 and as distributed by mail to the membership and published on the website were filed by the President.

### 8.4 Appointment of Auditor

**MOTION: BE IT RESOLVED THAT Wolrige Mahon LLP be appointed auditor for the Architectural Institute of British Columbia for the fiscal year 2016.**

Moved: Karl Gustavson Architect AIBC, chair of the Finance Committee

Seconded: Ross Rettie, LG Appointee, member of the Finance Committee

**CARRIED**  
(94% In Favour)

## 9.0 Members Forum

The forum was conducted under the protocols published on the AIBC website and approved at the annual meeting.

**MEMBER MOTION #1: Be it resolved that AIBC Council be requested to consider:**

As part of the "Associates" phase in the AIBC Bylaw Review Committee 2015 – 2018 Work Plan, Council shall seek to enact bylaws to regulate associates in their practice of architecture.

Moved: Robert Chester Architect AIBC  
Seconded: Eszter Csutkai Architect AIBC

**DEFEATED**  
(23% In Favour)

**MEMBER MOTION #2:** Be it resolved that AIBC Council be requested to consider:

Amending the AIBC's mandatory Continuing Education System (CES) Rules so that members who have earned the requisite Learning Units (LUs) within the reporting period are not fined, but are given until September 30 to report those units. Failing to report by September 30 would result in a fine and referral to 'discipline'.

Members who have not earned their LUs by the June 30 deadline would continue to be fined for that reason and would continue to have until September 30 to earn and report missing LUs before the non-compliance becomes disciplinary.

Moved: Mark Mathiasen Architect AIBC  
Seconded: Ron Hoffart Architect AIBC

**CARRIED**  
(61% In Favour)

## 10.0 Adjournment

Moved: Scott Kemp Architect AIBC  
Seconded: Sheldon Chandler Architect AIBC

**CARRIED**

The meeting was adjourned at 4:20 p.m.





ARCHITECTURAL INSTITUTE OF BRITISH COLUMBIA



## 7.0 REPORTS



**ARCHITECTURAL INSTITUTE OF BRITISH COLUMBIA**

**Notes:**



## 7.1 President's Report 2016

The privilege of self-regulation is akin to the privilege of serving on the AIBC Council. With your support, we are given the responsibility of governing the affairs of the institute. This entails empowering the CEO, who in turn, with an exceptional staff, runs the operational matters that drive the institute on a day-to-day basis. As your council, we take the responsibility of governance seriously and with every council decision take into account the unique demands of the profession with the AIBC's mandate to serve the public.

Your council represents an extremely knowledgeable group of individuals who represent a broad range of backgrounds and experience. This outstanding mix has provided an optimal setting for numerous robust and healthy discussions at the governance table.

Recent additions include UBC SALA representative John Bass (Jan. 2016), and three Lieutenant Governor Appointees: Michelle Rupp (Jan. 2016), Barbara Ann Brink (Jan. 2017) and Cynthia (Cindy) Grauer (Jan. 2017). In addition to a full council, we now have representatives from all three associate categories, invited as non-voting guests of council. Selwyn Dodd Retired Architect AIBC joined this past year as the inaugural Retired Architect Liaison to Council.

Having served on council for the past four years, with the last two as president, I have witnessed first-hand the active engagement of my fellow councilors and invited guests to council. I would like to take this opportunity to thank them for their dedication and commitment to the institute.

I would also like to extend thanks to members, honorary members and associates. The strength of the institute is based on those who join committees, attend consultation sessions, vote on bylaw initiatives and engage on these and other matters. Thank you for generously donating your time, sharing your feedback and actively participating in the profession.

With my term as president coming to an end, it is my pleasure to share with you the following highlights.

### **Vibrant Membership**

In 2016, the AIBC topped 2,000 architect registrations, an all-time high, with consistent year over year growth.



This past year also marked a busy year of engagement activity. Throughout the year, the AIBC connected regularly with members, associates, prospective registrants, key built environment stakeholders and, the general public. We continue to look for ways to expand our reach into the various communities in which we work, live and volunteer.

Another initiative aimed at cultivating a vibrant membership was the introduction of a long-standing registration category which waives annual renewal fees for eligible Retired Architects AIBC with 40+ years of registration. We are delighted with the strong uptake of this initiative and look forward to continued involvement from this accomplished group.

## **Governance**

Hand in hand with the Strategic Plan, now in its fourth year, council has introduced a number of resources to strengthen the governance framework. A 20-year governance schedule was mapped out to ensure multi-year initiatives are supported and realized over the long-term. With staggered terms dictating up to five new council members per year and projects often taking more than 12 months to implement, the ability to transfer knowledge from one council to the next is vital in sustaining momentum and reaching planned goals.

The January 2015 Governance Audit triggered several initiatives which were completed in 2016: an updated suite of governance policies, reorganized and realigned further to the policy governance model; a council succession process and competency based framework; Guidelines and Procedures for Council Committees, Task Forces and Working Groups; and, a council evaluation matrix, refreshed to better assess performance.

Further, I'd like to remind AIBC members and associates that through one of the council committees, the performance of the chief executive officer is evaluated annually. I would like to acknowledge CEO Mark Vernon who, supported by staff and his senior management team, continues to demonstrate leadership and vision as the institute delivers on its mandate to serve the public.

## **Regulatory Authority**

We continue to work on legislative renewal as well as updating bylaws, council rules and other supporting material. Legislative change is a long-term initiative and we remain active in liaising with the Ministry of Advanced Education on previously requested amendments to the *Architects Act*. We hope a window of opportunity will reopen this summer after the upcoming provincial election.

As we keep the embers of *Act* change aflame, we are making huge strides on AIBC bylaws and council rules. Three separate sets of bylaws came into effect in 2016 to early 2017. The bylaws covered administrative affairs, investigation and discipline matters and associates. Kudos to the Bylaw Review Committee for maintaining a breakneck pace. And thank you to all members who took the time to review the material, share their feedback and vote. Introduced in 2015, electronic voting for bylaws is now a fully integrated practice that rolls out seamlessly and continues to be well-used by members.

Though not a highlight of 2016, I would be remiss not to mention and call your attention to the current bylaw initiative on professional liability insurance which was brought before council for consideration through a members' motion at the 2015 annual meeting.

A tremendous amount of material has been prepared and is posted on the web for review, consultation sessions and other opportunities have been set up in order to hear from members, and a PLI Hotline is open to assist with specific insurance-related queries. I encourage you to get informed and get involved.

In terms of council rules, two sets were released last year, both aimed at strengthening the profession. Council Rules 5: Continuing Education System (CES) fortifies AIBC's commitment to professional development, a vital component of our practice. It is our hope that amendments to Council Rules 5, and the supporting Bulletin 80: Mandatory Continuing Education System (CES) Rules and Guidelines will enhance CES while reducing the number of non-compliant participants, whose files are currently resolved through a lengthy professional conduct process as outlined by the *Architects Act*.

Council Rules 6: Designation and Admission Qualifications for Associates is in effect further to the fall 2016 bylaw vote on associates. Following the vote and as previously communicated, council established qualifications and designations for associates. With these rules in place, the file regarding the three associate classes is now concluded.

### **Canadian Architectural Licensing Authorities (CALA)**

As many of you know, CALA represents nationally the eleven architectural regulators in Canada. As the AIBC Council president, I had the pleasure of sitting at the CALA table where issues and challenges faced by architects across the country are discussed.

This year, a CALA Reciprocity Agreement was signed thereby eliminating differential fees for out-of-province architects in every Canadian jurisdiction. This work builds upon past efforts to support greater mobility for architects across the country.

Upon resolution of negotiations with Japan (likely in 2018), no further efforts will be undertaken under the APEC Architect project. A review of APEC countries identified that only Canada, USA, Australia, New Zealand and Japan have the ability to register foreign architects without the requirement for local collaboration. The AIBC remains the APEC secretariat in Canada and will continue to handle APEC inquiries and applications.

As for Europe, negotiations are currently underway with the Architects' Council of Europe (ACE). These discussions are being led by representatives from the Ordre des architectes du Québec (OAQ) and more information will be shared as discussions conclude.

### **In closing**

In preparing this President's Report, I was afforded an opportunity to reflect on the past year.

Notwithstanding the achievements of this council, of which I am very proud, I was able to review what the experience meant for me personally. Playing an integral role on council demanded commitment and, at times, patience. It tested my knowledge of the regulatory mechanics of a self-governing profession and, in equal measure, my skills as a leader and collaborator.

Upon reviewing my four years on council I am extremely proud of the advances we have made both as a council and as an organization, and of the supportive environment which we have created with our members. Without question, serving on council has been a truly unique and rewarding experience, one that I highly encourage others to pursue.

With my term drawing to an end, I look forward to the continued good work that lies ahead.

Sincerely,

Darryl Condon Architect AIBC  
AIBC Council President



## 7.2 Chief Executive Officer's Report 2016

As an independent, self-regulatory body, the Architectural Institute of British Columbia is in a unique position, granted through provincial legislation, to manage the affairs of the profession of architecture on behalf of the public. We fulfill this mandate by way of 1/registration and licensing, 2/compliance and enforcement, 3/ delivery of practice advice and professional development opportunities, 4/public representation and, 5/outreach and education.

Woven throughout the AIBC's 2014-2018 Strategic Plan, now in its fourth year, are strategic initiatives that advance our mandate and it is my pleasure to present a selection of highlights from this past year.

Before delving in, I would like to take this opportunity to thank council, staff, volunteers as well as members and other AIBC registrants whose support, dedication and commitment to the institute contribute to building public confidence and excellence in architectural practice.

### **Strategic Plan Goal 1 – Modernize the Regulatory Framework**

- **Act Renewal**

Meetings with the Ministry of Advanced Education continued throughout 2016. High hopes for movement were tempered by an active legislative schedule. Renewed efforts will be advanced further to the outcome of the upcoming provincial election.

- **Bylaw Review & E-voting**

Now in its third year, electronic voting for bylaws continues to yield satisfactory participation levels. In the past year, leading up to early 2017, three bylaw initiatives brought to members were met with approval. The spring 2016 vote saw between 82-84 per cent of voters support the administrative bylaws put forward. Ninety seven percent of voters cast their ballot in favour of the investigations and discipline bylaws, while the third initiative, regarding associates, drew 96 per cent of voters in support. In addition to sustained voter participation, the AIBC continues to roll out a comprehensive consultation and communication plan for each bylaw initiative. Relevant material is posted on the web and members are highly encouraged to participate at each step of the process.

## **Strategic Plan Goal 2 – Vibrant Membership**

- **Supporting the Road to Registration**

Intern-friendly events, several jointly run with the Intern Architect Committee, proved successful both in attendance and post-event commentary. The AIBC looks forward to hosting these type of opportunities which demystify the process and encourage registration. Seventy intern architects wrote the Examination for Architects in Canada (ExAC). Again this year, candidates were given the option to write the exam in Vancouver or Victoria. The overall passing rate for all four sections was 79 per cent.

Seventeen people sat the Architectural Technologist exam hosted at the AIBC office, which was an increase over 2015. Sixteen Architectural Technologists AIBC registered in 2016.

Oral reviews for Intern Architects AIBC and Broadly Experienced Applicants (Alternative Qualifications) were held regularly throughout the year. There were 81 oral review sessions held over 11 evenings, an increase over 2015, and with 49 oral review panelists conducting the interviews.

This past year, a six-month moratorium was put in place to allow for a period of review and re-evaluation of the Broadly Experienced Applicant (BEA) program. The result was the establishment of greater clarity regarding eligibility and program requirements consistent and aligned with national standards. As part of its review of alternative pathways to registration, council continued to support the CACB Broadly Experienced Foreign Architect (BEFA) program as a qualification for registration.

Retired Architects AIBC with more than 40 years of registration were invited to avail themselves of a new program, which waived their annual renewal fee in recognition of their long-standing registration and contribution to the profession. Council introduced the Long-Standing Registration Program in recognition of the ongoing commitment of eligible Retired Architects AIBC, 62 of which signed up for program.

- **Celebration and Recognition**

Every year, the AIBC hosts a lovely Recognition Ceremony honoring all AIBC volunteers, with extraordinary members meriting special attention. This year, Joe Y. Wai Architect AIBC, sadly since passed, was recognized with the prestigious 2016 AIBC Lifetime Achievement Award.

Two new staff-nominated awards were introduced in 2016 to the Recognition Awards Program: the CEO Award for Exceptional Volunteer Service (Sean Rodrigues Architect AIBC) and the AIBC Award for Lifetime Volunteer Achievement (Brian Sim Architect AIBC). Both awards complement the existing member-nominated awards thereby offering a fulsome opportunity to recognize outstanding members who have made positive contributions to the profession of architecture as well as to the institute.

### **Strategic Plan Goal 3 – Regulatory Identity**

- **Professional Conduct/Illegal Practice**

Potential Matters: These are files that are brought to the institute’s attention of potential conduct concern, or those that we uncover ourselves. Some lead to formal complaints but others are recorded only. In 2016, there were 102 potential matters (86 in 2015 and 91 in 2014).

Complaints/Investigations: In 2016, 16 complaints were investigated, eight files remain under investigation into 2017. By comparison, 19 complaints were investigated in 2015 and 15 in 2014.

Discipline: Disciplinary matters are those that have proceeded through investigation with a recommendation from the Investigations Committee that charges be recommended. There are three paths for a file in discipline: inquiry resolution, consensual resolution or dismissal. In 2016, 25 disciplinary matters were resolved through the consensual resolution process authorized under the *Architects Act* and AIBC Bylaws. Of these, 20 related to the mandatory Continuing Education System (CES) requirements (2014 reporting period) and five related to non-CES conduct. There are 10 consensual resolution matters under negotiation, with four CES files remaining and six non-CES. One matter resolved in 2016 has been scheduled for a disciplinary inquiry.

Illegal Practice: In 2016, there were 61 files opened for investigation (46 “misrepresentation”, 15 “illegal practice”). At the end of 2016, there were 31 files open (combined 2016 and previous).

- **Freedom of Information (FOI)**

As a ‘Local Public Body’: The AIBC is a ‘local public body’ pursuant to provincial freedom of information and protection of privacy legislation and is therefore subject to access requests. 2016 had a reduced number of such files compared to previous years, with four formal requests processed. One was made by a third party to a professional conduct complaint and three were made by the same member (Architect AIBC). In every case, information was either provided or denied, and no appeals from the AIBC’s disclosure in these files was made.

As an Applicant Making an Access Request: The AIBC also makes access requests of other public bodies, primarily as part of its illegal practice work. In order to determine whether illegal practice has taken place, the institute must review development permit and building permit applications, among other material.

One FOI request in 2016 related to concerns about illegal practice on a building located in Kamloops. While disclosure was provided, the local government charged the institute for the records requested. The AIBC had made a fee waiver request of Kamloops on the grounds that the information was sought in the public interest. The city asserted that the AIBC was acting as a “commercial applicant” and that the access request was “... for use in connection with a trade, business, profession or venture for profit.” The institute paid these costs, albeit under protest, so that the records would be provided and the investigation could continue.

The AIBC filed a Request for Review of the city’s decision and made submissions as to the institute’s public interest and public protection regulatory mandate. The Office of the Information and Privacy Commissioner’s office conducted an investigation and determined that the AIBC was entitled to a full fee waiver and that all of the records requested related to a matter of public interest.

In its decision, the OIPC noted that the records “relate directly to public health and safety by ensuring that the Project is in compliance with architectural standards and processes and was overseen by a competent person.” The OIPC further noted that the “Institute has a public interest mandate to guard against illegal architectural practice, even if there are a variety of other ways in which buildings are ensured to be safe.” The investigation into the Kamloops project is ongoing.

- **Continuing Education System (CES)**

June 2016 saw the conclusion of the 2014-2016 CES period. More than 98% of CES participants were compliant. Unfortunately, 36 individual complaints related to non-compliance with mandatory Continuing Education System requirements were directed to the professional conduct department. Though the number of non-compliant participants is in line with previous years, ideally it should be zero. Under the *Architects Act*, currently all non-compliant CES participant files must be handled as a professional conduct issue, a resource-heavy and costly endeavour. Concerted efforts to promote the CES program and remind participants of deadlines are continually advanced throughout the two-year period.

Revised Council Rules 5: Continuing Education System supported by an updated Bulletin 80 Mandatory Continuing Education System (CES) Rules and Guidelines were released in the fall with an aim to strengthen the program. Further, the Recognized Educational Provider Program (formerly called Registered Educational Provider Program) was rebranded and relaunched with the start of the 2016-18 CES cycle. There are currently more than a 100 REPs offering numerous opportunities to earn learning units (LUs). In addition to the REP program, the AIBC offers a calendar of in-person and online courses. The annual course schedule is supplemented with an additional abundance of LUs delivered at the annual conference. The 2017 conference, themed “Interpreting Integration”, will be held May 8-10 in Vancouver.

- **Policy**

The AIBC contributes regularly to policy discussions regarding key built environment issues such as Building Codes. Of note, the AIBC participated in the following three initiatives: The Buildings and Safety Standards Branch (BSSB) of the Ministry of Gas Development and Housing sought AIBC input on recent changes to the BC Building Code; the Energy Efficiency Working Group, jointly hosted by BSSB and BC Hydro, invited the AIBC to discuss proposed Code changes addressing “stretch” or “step” Codes for increasing levels of energy performance requirements; and, the Climate Leadership Action Plan, a newly formed government group lead by Assistant Deputy Minister Jeff Vasey, met with the AIBC and others where “net or near-zero” building energy consumption regulatory requirements were discussed.

#### **Strategic Plan Goal 4 – Public Interest Advocacy**

- **Professional Liability Insurance**

The AIBC is currently in an information and bylaw consultation phase regarding the introduction of professional liability insurance for Certificates of Practice holders. Council approved both the 2015 annual meeting members’ motion for consideration as well as the subsequent proposal put forward

by the Bylaw Review Committee. Members are encouraged to avail themselves of the material posted on the website, attend sessions, share comments as well as call the PLI Hotline for any specific questions pertaining to insurance. A bylaw vote is tentatively scheduled for summer 2017, pending feedback solicited during this phase.

- **Architectural Walking Tour Program**

The AIBC Architectural Walking Tour Program continues to be a popular summer-time draw and an excellent opportunity to talk about architecture. In 2016, more than 1,300 people signed up to enjoy one of several tours held in Vancouver and Victoria, a 29 per cent increase from 2015. In a survey sent to participants, close to 100 per cent would recommend the two-hour tour, with many participating in multiple tours over the course of the tour season.

- **Architecture Centre Gallery**

The Art & Science of High Performance Passive House was by far the most successful and multi-faceted Gallery event in 2016. The exhibit itself was populated with material sourced from a call for submissions. In addition, a panel moderated by AIBC Practice Advisor Maura Gatensby Architect AIBC featured representatives from the City of Vancouver's Green Building Programs, Passive House Canada, One SEED Architecture + Design Inc., DLP Architecture Inc. and Kingdom Builders. Finally, the sold out event coincided with International Passive House Days.

## **Strategic Plan Goal 5 – Institutional Excellence**

- **Volunteers**

In 2016, 183 AIBC registrants generously volunteered over 8,000 hours of time and expertise to a number of activities ranging from committee work to oral assessments. In order to relay key organizational information, outline roles and responsibilities and establish clear expectations, a Volunteer Handbook was introduced and presented to all volunteers this past year. In addition, we are now able to remotely register volunteers' vehicles for parking when they enter the AIBC office.

- **Budget 2017**

The AIBC continues to be in a comfortable financial position, detailed further in the Treasurer's Report. As a reminder, the annual budget is reviewed and approved by council within the context of a detailed five-year financial projection.

The AIBC was able to acquire new tenants in the building, with only one office space remaining for lease. Phase one of Gallery renovations began in December and completed recently. Planning for phase two of renovations will begin in the spring.

- **Governance Documents**

Working with Council, the full suite of governance policies was updated and reorganized and realigned further to the policy governance model; in addition, a number of Council Rules and AIBC Bulletins were refreshed.



- **Risk Management**

Following the development and implementation of a Risk Register in 2015, significant progress has been made addressing the items of highest priority. Identified risks range from contingency plans for network failure, to security protocols in the AIBC office.

Respectfully submitted,

Mark Vernon CPA, CA, CPA (IL)  
Chief Executive Officer



## 7.3 Registrar's Report 2016

I am pleased to provide to the membership and the public at large the following annual Registrar's Report. The Register Tally, below, shows a continuing increase in registrations in most categories over previous years, continuing the trend in steady growth.

<b>AIBC Register Tally</b>	<b>Dec. 31, 2012</b>	<b>Dec. 31, 2013</b>	<b>Dec. 31, 2014</b>	<b>Dec. 31, 2015</b>	<b>Dec. 31, 2016</b>
<b>1. Architect AIBC</b>	1732	1787	1879	1948	2006
<b>2. Honorary Members</b>	27	27	25	24	22
	<b>1759</b>	<b>1814</b>	<b>1904</b>	<b>1972</b>	<b>2028</b>
<b>3. Associates</b>					
3.1 Intern Architect AIBC	488	529	545	553	614
3.2 Retired Architect AIBC	149	147	179	182	182
3.3 Architectural Technologist AIBC	87	94	126	128	133
	<b>724</b>	<b>770</b>	<b>850</b>	<b>863</b>	<b>929</b>
<b>4. Firms</b>					
4.1 Certificate of Practice – Corporation	435	451	464	495	520
4.2 Certificate of Practice – Partnership	55	59	61	67	63
4.3 Certificate of Practice – Sole Prop.	318	330	330	328	317
4.4 Certificate of Joint Practice	4	4	4	5	3
4.5 Inactive Firms	184	186	189	216	203
	<b>996</b>	<b>1030</b>	<b>1048</b>	<b>1111</b>	<b>1106</b>
<b>5. Temporary Licences</b>	34	50	43	49	45

The AIBC continues to see a significant increase in the number of intern architects becoming registered architects. As noted in previous annual reports, a number of factors appear to be influencing this increase. These include the introduction of the Examination for Architects in Canada (ExAC) in 2013 and the restructured Intern Architect Program (IAP) that came into effect in January 2012.

In brief, the number of new Architects AIBC registered over the previous five years breaks down as follows:

<b>Means of Registration as Architect AIBC</b>	<b>Dec. 31, 2012</b>	<b>Dec. 31, 2013</b>	<b>Dec. 31, 2014</b>	<b>Dec. 31, 2015</b>	<b>Dec. 31, 2016</b>
<b>1. Completion of the IAP</b> <i>(initial registration)</i>	24	36	68	69	61
<b>2. Professional Mobility</b>					
2.1 Canadian Reciprocity Agreement	52	46	75	37	51
2.2 US Mutual Recognition Agreement	18	29	20	19	13
2.3 AIBC BEA Program	14	7	7	1	5
2.4 CACB BEFA Program	n.a.	0	2	1	3
2.5 APEC Architect MRA – Australia, New Zealand, Canada	n.a.	n.a.	n.a.	1	0
2.6 Tri-National MRA – Mexico, USA, Canada	n.a.	n.a.	n.a.	1	0
<b>3. Reinstatement</b> <i>(previously Architect AIBC)</i>	4	9	2	7	20
<b>TOTAL New Architects AIBC</b>	<b>112</b>	<b>127</b>	<b>174</b>	<b>136</b>	<b>153</b>

## **2016 Induction & Retirement Ceremony**

This year's annual Induction & Retirement Ceremony held on June 1, 2016 was an opportunity for the AIBC to celebrate the achievements and contributions of those 101 new Architects AIBC and 17 new Architectural Technologists AIBC registered since last year's ceremony. Also recognized were the 14 architects who retired in the year since the last ceremony, who were feted for their years of service to the profession. Many honourees joined the AIBC along with their family and friends to celebrate their achievements. The thought-provoking charge to the inductees was led by Graeme Bristol Retired Architect AIBC. The response to the charge was delivered by Anthea Ho Architect AIBC, providing inspiration for the future of the profession.

## **Internship in Architecture Program (IAP)**

We continue to see strong interest from intern architects in the Examination for Architects in Canada (ExAC). The examination was first written in B.C. in November 2013. The 2016 sitting of the ExAC took place November 7 and 8 and was offered in Vancouver and in Victoria. At this most recent sitting, 70 intern architects wrote the exam in B.C. The overall passing rate for all four sections is 79 per cent.

## **Oral Review**

The Oral Review is an important component of the registration process for Intern Architects AIBC and Broadly Experienced Applicants (BEA). The intention of this process is to assess whether or not the candidate has the ability to synthesize his/her knowledge, experience and professional judgment into competent architectural practice in British Columbia. An Oral Review panel of three Architects AIBC assess the candidate's overall understanding of the profession and her/his responsibilities and obligations as a professional. Reviews are typically scheduled three times a year: mid-February, mid-June and mid-October.

With a greater interest from intern architects to complete the ExAC, we also see an increase in demand for the Oral Review as those intern architects work towards the requirements to become a registered architect. In 2016, the AIBC conducted 81 Oral Reviews over 11 evenings. The overall pass rate was 84 per cent.

The institute and profession is very fortunate to have a dedicated roster of architects that volunteer to be panelists for the Oral Review. I would like to specifically acknowledge by name the following members who contributed their time and expertise as volunteers on Oral Review panels this year. Without their dedication this fundamental registration requirement would simply not be possible.

Our Oral Review panelists in 2016 were:

Helen Besharat	Michael Henderson	Ted Murray	Scott Swift
Amela Brudar	Michael Hickman	Derek Neale	Bassem Tawfik
Elena Chernyshov	Simon Ho	Oberto Oberti	Sig Toews
Dean Connie	Russell Hollingsworth	Mehrdad Parsad	Linda Valter
Larry Cook	Stuart Howard	Garth Ramsey	Annerieke Van Hoek
Jesenska Curak	Baldwin Hum	Bill Reid	Ivan Velikov
David Echaiz-McGrath	Zora Katic	Gordon Richards	Douglas Watts
James Emery	Ron Kato	Sean Rodrigues	Patrick Yue
John Etcher	Scott Kemp	Sean Ruthen	David Yustin
Jory Faibish	Paul Kernan	Patrick Schilling	Jiang Zhu
Gary Fields	Orest Klufas	Eric Schroeder	
Kate Gerson	Laura May	Karen Smith	
Karl Gustavson	Larry McFarland	Gus Spanos	

We are looking to expand our roster of Oral Review panelists, as well as introduce a means to better recognize and support them. I encourage anyone who may be interested in becoming a panelist, or who may know someone suitable, to contact me at the AIBC. This is an ideal opportunity for architects to stay updated on current issues and to help intern architects and broadly experienced candidates become an Architect AIBC.

### **Recognition of Long-Standing Registration**

We were pleased to introduce a program launched in November 2016 to recognize long-standing registration of individuals for their ongoing commitment to the AIBC. Retired Architects AIBC with a combined 40 years of registration (as an Architect AIBC and Retired Architect AIBC) are eligible to have their renewal fees waived on an annual basis. In order to be recognized for long-standing registration, an individual must have been formerly registered as an Architect AIBC, be currently registered as a Retired Architect AIBC and have cumulative 40 years of registration as an Architect AIBC and a Retired Architect AIBC. An annual confirmation of retired status, contact information and interest in maintaining association with the AIBC is also required.

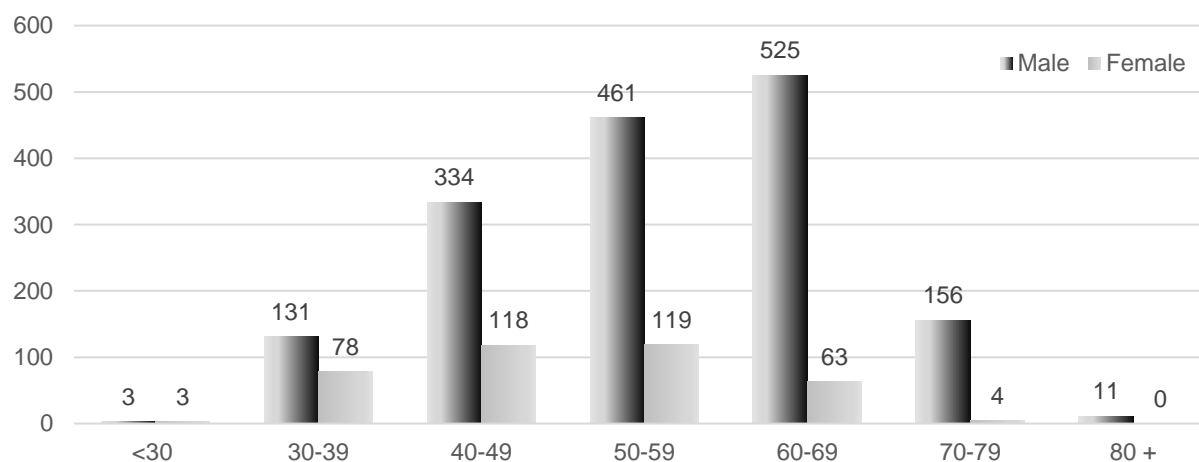
In our first year, we were fortunate to provide this recognition to 69 Retired Architects AIBC. The AIBC is honoured to recognize and appreciate through this program our long-standing registrants who are valued contributors to the profession. We look forward to their continued involvement in the architectural community.

### Vibrant Membership

One of the five goals of the AIBC's 2014 – 2018 Strategic Plan is Vibrant Membership. This goal is intended to build a diverse, inclusive, active and engaged membership base, thereby strengthening the profession and providing value to society. One of the strategic initiatives underway is to research and report on the diversity of the profession. We have been working to improve the accuracy of our data and increase our analytical capabilities, and are pleased to provide at this time the following information on age and gender demographics of our membership.

As of December 31, 2016, the youngest Architect AIBC was 28 years and the oldest was 86 years of age. The average age of members is 55.5 years. Of the Architect AIBC population, 385 of 2006 are women, representing 19 per cent. From previous statistical analyses we are seeing an increase in the proportion of women as registered architects. In 2011, only 11 per cent of architects were women. The average age of male architects is 56 years, and for women architects it is 48 years of age. The breakdown of gender and age is provided in the table and chart below.

<b>Age and Gender of Architects AIBC, December 31, 2016</b>								
	under 30	30 – 39	40 - 49	50 - 59	60 - 69	70 - 79	80 +	<b>TOTALS</b>
Male	3	131	334	461	525	156	11	<b>1621</b>
Female	3	78	118	119	63	4	0	<b>385</b>
<b>TOTALS</b>	<b>6</b>	<b>209</b>	<b>452</b>	<b>580</b>	<b>588</b>	<b>160</b>	<b>11</b>	<b>2006</b>
<b>% Female</b>	<b>50%</b>	<b>37%</b>	<b>26%</b>	<b>21%</b>	<b>11%</b>	<b>3%</b>	<b>0%</b>	<b>19%</b>



The institute continues to be interested in the profile of the next generation of the profession as this is an area where we might have influence. Of the 61 new architects that became registered through the completion of the Internship in Architecture Program this past year, 36 per cent were women. The average age of those that became architects is 37 years of age. We also find that there is a diverse range of architecture degrees.

The single largest source of graduates that became architects through internship was the UBC architecture program with 14 graduates. Graduates from the remaining Canadian schools account for 14 new architects, and the remaining 33 new architects graduated from international schools of architecture.

## Architectural Firms

As the institute and membership prepare for the upcoming consideration of mandatory professional liability insurance for certificate of practice holders (architecture firms), we have reviewed the size and location of firms to better understand the profile of the profession. Not surprisingly, the majority of firms are located in the Greater Vancouver region and that small firms, between one and four persons, comprise two-thirds of the firms offering architectural services to the public. Of the out-of-province firms, 145 are located within Canada, with 72 of these firms located in Alberta.

<b>Architectural Firms with a Certificate of Practice - Size and Regional Distribution</b> (does not include Inactive Firms)											
<b>Firm Size</b> (total of staff and owners)	<b>Regional Location; Number of Firms</b>										
	Lower Mainland						Vancouver Island and Islands	Interior of BC	North of BC	Out-of-Province	<b>TOTAL</b>
	Greater Vancouver	South Fraser	Tri-Cities	Fraser Valley	Sunshine Coast	Squamish – Lillooet					
1	194	13	6	5	3	3	35	18	3	48	<b>328</b>
2 – 4	154	14	4	1	3	1	27	17	2	40	<b>263</b>
5 – 9	59	8	0	1	0	3	17	9	1	33	<b>131</b>
10 – 19	41	2	2	2	0	0	3	4	0	33	<b>87</b>
20 – 49	33	3	0	1	0	0	2	0	0	23	<b>62</b>
50 – 99	9	0	0	0	0	0	0	0	0	12	<b>21</b>
100 +	3	0	0	0	0	0	0	0	0	8	<b>11</b>
<b>TOTAL</b>	<b>493</b>	<b>40</b>	<b>12</b>	<b>10</b>	<b>6</b>	<b>7</b>	<b>84</b>	<b>48</b>	<b>6</b>	<b>197</b>	<b>903</b>

## Conclusion

The 2016 year was again busy and productive on the registration front, with several new initiatives underway and in development. The institute and profession continue to be well served by the efforts of staff and volunteer architects and associates who generously donate their time to the Registration Board and its committees, including the Experience Review, Qualifications, Intern Architect, and Architectural Technologist Committees.

The ongoing success of the Intern Architect Program and alternative qualification initiatives would not be possible without their contributions, and on behalf of the institute I extend my gratitude to them.

Respectfully submitted,

Joan Hendriks Architect AIBC  
AIBC Council Registrar



## 7.4 Treasurer's Report 2016

It has been my pleasure to serve as your treasurer again this year. This report provides an overview of the AIBC's financial standing, a summary of the work completed in 2016/17, and an outlook to 2021, as part of our recently adopted five-year projection.

Most of the work that the treasurer does is delivered through the AIBC Council-appointed Finance Committee (FICOM). FICOM members for the year 2016-17 include my fellow council members: Catherine Nickerson Architect AIBC; David Yustin Architect AIBC; Sylvie Gagnon Architect AIBC; and, S. Ross Rettie P.Eng., Lieutenant Governor Appointee. Staff members include: CEO Mark Vernon CPA, CA, CPA (IL); and, Manager of Finance and Facilities Karen Morris CPA, CGA.

Based on the AIBC 2014-18 Strategic Plan, and in working with the current council, transparency and accountability were two core values that guided our work this year.

### **Terms of Reference for the AIBC Financial Committee (FICOM)**

The mandate of this committee is to support and maintain the institute's overall financial health by conducting regular reviews of all aspects of the AIBC's financial position including long-term financial strategies.

### **2016/17 Overview**

In the context of our mandate, FICOM monitors the overall financial health of the AIBC; reviews and updates existing financial policies as required; monitors the current year's approved budget; plans for the following year's budget; and, monitors the audit of our operations.

### **Financial Health**

The AIBC continues to experience good financial health in 2016/17. The institute believes its current cash and short-term investments, combined with budgeted cash flows are sufficient to meet the working capital, capital expenditure and AIBC Strategic Plan requirements for the foreseeable future. These include ongoing membership engagement such as bylaw updates and consultation; electronic voting; *Architects Act* review; enhancing diversity of our membership; providing assistance and guidance to intern architects; raising public



awareness about architecture; and improving mobility and erasing boundaries for Architects AIBC practicing across Canada, North America and internationally.

Council and management believe the net assets of the institute are sufficient to provide the financial capital needed to meet any unexpected financial risks the AIBC may encounter in the near future, and maintain reasonable stability in the annual fees payable by members and other registrants.

### **Institutional Excellence**

Human resource strategies have been implemented, as guided by a report from Mercer. Mercer is a global consulting leader in talent, health, retirement and investments. This includes managing recruitment timing while continuing to work towards achieving council's goals and strategic initiatives.

### **Risk Assessment**

Based on the Risk Assessment conducted by Deloitte three years ago, the AIBC established three Reserve Funds (Contingency, Legal and Operating), and introduced associated council policy. Per the policy, accessing the funds requires council approval. Further, in order to ensure the policy continues to meet the institute's needs, an external risk assessment is scheduled no less than every five years, though one can be undertaken as required.

### **Long Term Planning**

FICOM has developed a long-term financial framework, adopted in 2015 with projections updated to 2021. This five-year outlook provides direction for development of annual budgets targeted to draw down any funds not held in reserves. Bi-annual mandatory continuing education reporting and the associated non-compliance fine revenue, is allocated to enhance services and programs for intern architects and professional development. Projections for 2018-2021 include an estimate for membership growth plus an annual increase in fees equivalent to the Consumer Price Index.

The AIBC owns 49% of the 440 Cambie Street building. A building depreciation report was completed in 2014, and monthly strata fees allow for the appropriate level of capital maintenance required. Long-term maintenance is anticipated in the areas of elevator upgrades and masonry cleaning. Ongoing planned renovations in the main office area allow for an increased gallery and meeting space. The property assessment for 2017 shows an increase in property value of 20% over the previous year's assessed value.

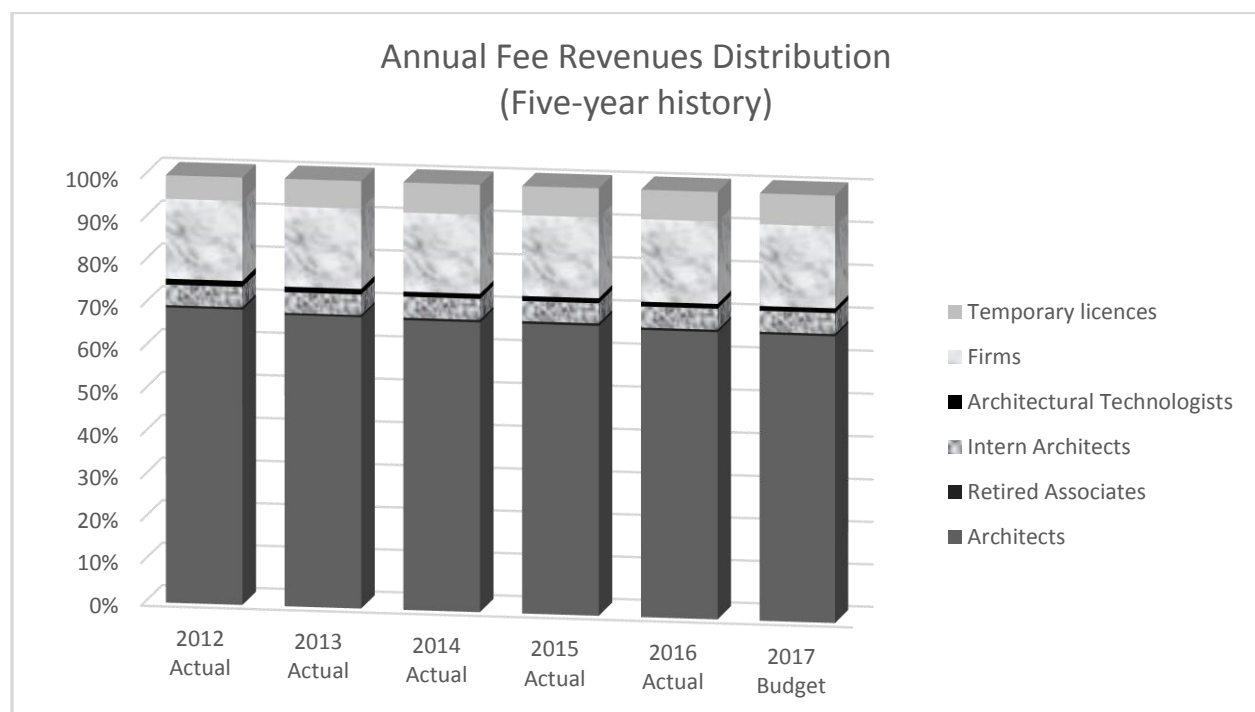
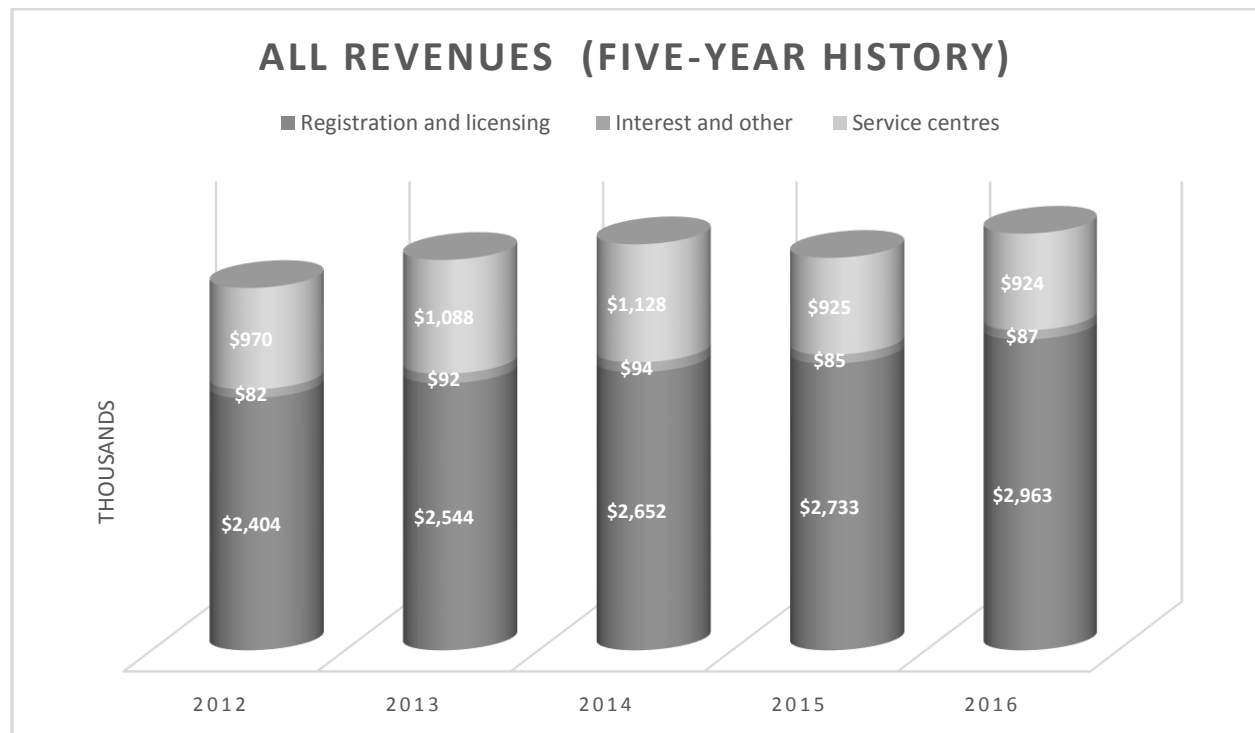
The AIBC entered into a long-term (ten-year) lease agreement with a tenant for the office space on the first floor on July 1, 2016. Suite 208 remains a desirable space; however, the cost of tenant improvements is higher than expected. The AIBC continues to work with film crews to generate revenues to assist with covering the cost of basic improvements.

### **Audit**

The accounting firm Wolrige Mahon LLP has audited the institute's 2016 financial statements. FICOM members met with the auditors on February 27, 2017 to review the draft audit report and discuss AIBC financial operations in more detail.

The auditor concluded that AIBC documentation is in order and ongoing statements are of a good quality and detail. FICOM reviewed the auditing process and compliance, and concluded that the existing process is appropriate and the existing external auditors provide good service and value for money.

The AIBC president will file the audited statements at the AIBC's Annual Meeting on May 8, 2017. As well, members will be asked to accept council's recommendation that Wolrige Mahon LLP continue as the AIBC auditors for year 2017.

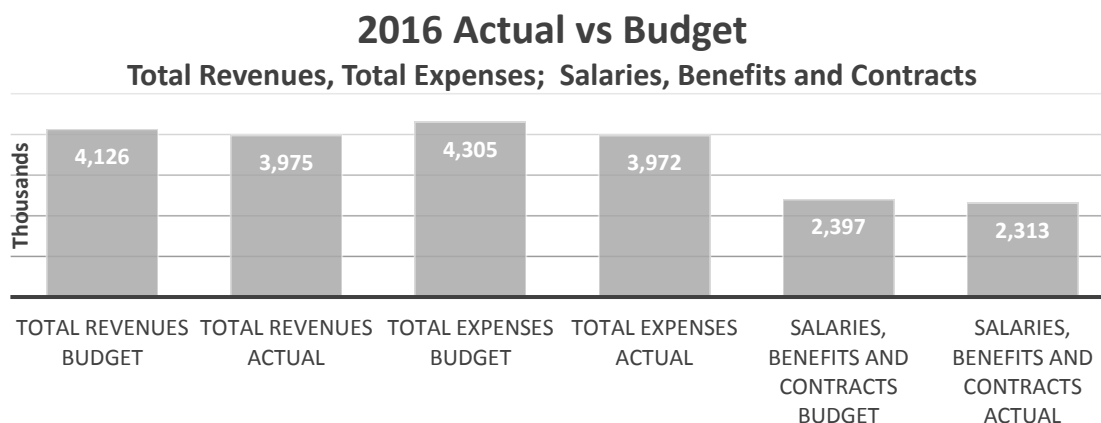


## Statements of Revenue over Expenditures

The differences between 2015 and 2016 in areas of Revenue over Expenditures are as follows:

### Revenues

- Fees: The increase in fee revenue of 8% was due in part to the nominal 3% fee increase as well as growth of registration numbers.
- Premises: In 2015, the main floor tenant paid rent to the end of September but vacated the premises early allowing several film crews to take advantage of the empty space. In 2016, a ten-year lease contract was signed allowing for long-term, solid revenues starting in July 2016. A long-term tenant for suite 208 continues to be sought and/or revenue-generating film contracts.
- Conference: Attendance at the October 2015 annual conference was higher than average contributing to a slight surplus once all costs were recorded. Attendance at the May 2016 annual conference was lower than average creating a small deficit for the annual event. The lower attendance is attributed to the 2016 conference taking place six months after the 2015 conference, and to the 2016 conference being the third AIBC conference to take place within the 2014-2016 Continuing Education System (CES) reporting period, as well as the 2016 Royal Architectural Institute of Canada (RAIC) conference being held in B.C.
- Professional Services: CES fine revenue in the amount of \$118,000 was assessed in 2016 at the end of the two-year CES reporting cycle. This is a 26% decrease from the previous reporting cycle in 2014, but higher than the budgeted \$75,000. CES fine revenues were not assessed or received in 2015.
- Conduct & Illegal Practice: Significant increase in fine revenues from both professional conduct and illegal practice files, as a result of a number of files reaching conclusion.



### Expenses

- Salaries, Benefits and Contracts increased in line with the 2016 budget. Staffing shortages in 2015 resulted in lower than expected expenses whereas most positions were filled through 2016.
- Premises: In 2015, an additional payment was required to cover additional costs associated with the roof. Strata fees are expected to remain relatively high. The fees will replenish the strata's contingency fund and ensure future repairs do not require further unbudgeted increases. A depreciation report was commissioned by the strata for the building and the majority of required work (excluding the roof) was addressed in 2014.

- Council: In 2016, cost savings were realized through the use of WebEx for council and committee meetings, thereby reducing travel costs. Several budgeted projects were completed without the expected expenses or have been tabled to 2017.

As of December 31, 2016, the AIBC showed an operating surplus for the year of \$2,822 and cash and short-term asset balance of \$2.9 million including reserve funds. The small surplus was used to replenish the Contingency Reserve Fund.

## Statements of Financial Position

The differences between 2015 and 2016 are represented by the following:

- Prepaid Expenses: Expenses associated with the 2015/2016 Certified Professional (CP) Program were deferred in 2015 and expensed in 2016.
- Long-Term Receivable – Rent and Deferred Charges: Both line items relate to the new ten-year lease. Following Accounting Standards 3065 Leases, rental revenue and related commission expenses need to be recognized on a straight-line basis over the entire term of the lease.
- Accounts payable: Increases relate to GST payable on early payment of 2017 annual fees, increased staff vacation accrual as well as a larger than normal volume of invoices received in January relating to 2016 expenses.
- Deferred Revenue: 2017 annual fee invoices were sent out in November 2016, resulting in more than \$900,000 worth of payments (approximately 31%) of the 2017 fee invoices being received prior to December 31 and an increase of more than \$150,000 over 2015. Payments received in 2016 for the 2017 CP program and intern architect courses amounted to more than \$100,000.

## 2017 Budget Overview

Based on the AIBC Strategic Plan, and according to feedback, we will be focusing on continued member and associate engagement, ongoing communication and transparency, *Architects Act* modernization, public outreach, diverse membership and enhanced services to intern architects, as well as improving mobility and erasing boundaries for architects within Canada, North America and internationally. We are financially well positioned to support these initiatives as appropriate.

Following are highlights for the 2017 budget:

### Deficit Budget and Membership Fees

Council approved a small fee increase of 1% across all fee categories, which will provide a projected budget deficit of \$128,500 (utilizing unallocated cash) and be consistent with our long-term goal of a sustainable, balanced budget and reduction of unallocated reserves. With three reserve funds in place, council expects a “lean” budgeting approach, with appropriate cash flow and actuals.

		Budget 2016	Actual 2016	Budget 2017
Revenues:				
1	Fees:	2,955,276	2,962,925	3,081,415
	% of all revenues	72%	75%	74%
	Interest/Other/Fines	95,000	87,199	95,000
2	Administration	0	750	0
3	Premises	165,432	95,105	200,575
4	Council	0	0	0
5	Annual Meeting	0	0	0
6	Communications	65,000	41,937	45,000
7	Annual Conf	315,000	253,350	323,000
8	Registration & Licensing	103,000	133,358	126,500
9	Professional Services	346,200	250,122	266,500
	Professional Service CES fine revenue	75,000	117,791	0
10	Conduct/Illegal Practice	6,500	31,851	6,500
	% of all revenues	28%	25%	26%
Expenses:				
1	Interest/Other/Fines	30,000	53,575	30,000
2	Administration	1,182,675	1,237,980	1,236,322
3	Premises	426,503	401,583	424,949
4	Council	180,360	86,706	172,650
5	Annual Meeting	36,770	38,783	36,770
6	Communications	463,122	451,218	394,431
7	Annual Conf	324,685	276,781	326,500
8	Registration & Licensing	530,084	566,884	542,406
9	Professional Services	649,334	424,761	582,293
10	Conduct/Illegal Practice	481,251	433,298	526,640
		4,304,784	3,971,569	4,272,962
	Total revenue	4,126,408	3,974,388	4,144,490
	Total expenses	4,304,784	3,971,569	4,272,962
	Net Operating Rev.(Expense)	(178,376)	2,819	(128,471)

It was a pleasure working with my fellow council members, as well as AIBC staff. I thank them all for collaborative, inspiring and collegial discussions.

Respectfully submitted,

Karl Gustavson Architect AIBC  
AIBC Council Treasurer

**ARCHITECTURAL INSTITUTE OF BRITISH COLUMBIA**

Vancouver, B.C.

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**FINANCIAL STATEMENTS**

December 31, 2016

## INDEPENDENT AUDITOR'S REPORT

To the Members of the Architectural Institute of British Columbia:

We have audited the accompanying financial statements of the Architectural Institute of British Columbia, which comprise the statement of financial position as at December 31, 2016, the statement of revenues over expenditures and changes in fund balance - operating fund, statement of revenues over expenditures and changes in fund balance - contingency reserve fund, statement of revenues over expenditures and changes in fund balance - legal reserve fund, statement of revenues over expenditures and changes in fund balance - operating reserve fund and statement of cash flows for the year then ended, and 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.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Architectural Institute of British Columbia as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

***"Wolrige Mahon LLP"***

CHARTERED PROFESSIONAL ACCOUNTANTS

March 14, 2017

Vancouver, B.C.



# ARCHITECTURAL INSTITUTE OF BRITISH COLUMBIA

## STATEMENT OF FINANCIAL POSITION

December 31, 2016

	2016 \$	2015 \$
<b>Assets</b>		
Current		
Cash and cash equivalents	1,240,867	1,315,576
Restricted cash and cash equivalents (Note 2)	1,673,879	1,557,716
Restricted marketable securities (Note 3)	50,793	102,721
Receivables (Note 4)	114,836	54,342
Supplies, at cost	35,125	25,698
Prepaid expenses	80,984	118,288
	3,196,484	3,174,341
Deferred charges (Note 5)	71,935	-
Long-term receivable - rent	7,733	-
Property and equipment (Note 6)	2,589,026	2,660,766
	5,865,178	5,835,107
<b>Liabilities</b>		
Current		
Accounts payable (Note 7)	293,968	244,947
ED transition payable (Note 9)	-	191,259
Deferred revenue	1,075,429	905,939
	1,369,397	1,342,145
<b>Fund Balances</b>		
Operating Fund	2,826,317	2,892,480
Contingency Reserve Fund	466,120	450,347
Legal Reserve Fund	203,344	201,827
Operating Reserve Fund	1,000,000	948,308
	4,495,781	4,492,962
	5,865,178	5,835,107

Approved on behalf of Council:



Darryl J. Condon Architect AIBC  
President



Karl W. Gustavson Architect AIBC  
Treasurer

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

# ARCHITECTURAL INSTITUTE OF BRITISH COLUMBIA

## STATEMENT OF REVENUES OVER EXPENDITURES AND CHANGES IN FUND BALANCE - OPERATING FUND

For the year ended December 31, 2016

	Schedule	2016 \$	2015 \$
<b>Revenues</b>			
Fees	1	2,962,925	2,733,342
Interest/Other/Fines	2	87,199	84,786
Administration	3	750	897
Premises	4	95,105	234,267
Council	5	-	-
Communications	6	41,937	34,737
Annual conference	7	253,350	323,970
Annual meeting	8	-	-
Registration & licensing	9	133,358	115,401
Professional services	10	367,913	205,504
Conduct & illegal practice	11	31,851	11,000
		<b>3,974,388</b>	<b>3,743,904</b>
<b>Expenditures</b>			
Interest/Other/Fines	2	53,575	55,022
Administration	3	1,237,980	1,008,559
Premises	4	401,583	450,777
Council	5	86,706	119,843
Communications	6	451,218	368,084
Annual conference	7	276,781	283,047
Annual meeting	8	38,783	34,757
Registration & licensing	9	566,884	397,769
Professional services	10	424,761	525,467
Conduct & illegal practice	11	433,298	388,548
		<b>3,971,569</b>	<b>3,631,873</b>
<b>Excess of revenues over expenditures - Operating Fund</b>			
		<b>2,819</b>	<b>112,031</b>
Fund balance, beginning		2,892,480	2,892,480
Transferred to Contingency Reserve Fund (Note 11)		(8,405)	(112,031)
Transferred to Legal Reserve Fund (Note 11)		(1,517)	-
Transferred to Operating Reserve Fund (Note 11)		(59,060)	-
<b>Fund balance, ending</b>		<b>2,826,317</b>	<b>2,892,480</b>

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

ARCHITECTURAL INSTITUTE OF BRITISH COLUMBIA

**STATEMENT OF REVENUES OVER EXPENDITURES AND CHANGES IN  
FUND BALANCE - CONTINGENCY RESERVE FUND**

For the year ended December 31, 2016

	2016 \$	2015 \$
<b>Revenues</b>		
Interest	-	5,397
<b>Excess of revenues over expenditures - Contingency Reserve Fund</b>	-	5,397
Fund balance, beginning	450,347	332,919
Transferred from Operating Fund - Interest (Note 11)	5,586	-
Transferred from Operating Fund - Other (Note 11)	2,819	112,031
Transferred from Operating Reserve Fund - Other (Note 11)	7,368	-
<b>Fund balance, ending</b>	<b>466,120</b>	<b>450,347</b>

**STATEMENT OF REVENUES OVER EXPENDITURES AND CHANGES IN  
FUND BALANCE - LEGAL RESERVE FUND**

For the year ended December 31, 2016

	2016 \$	2015 \$
<b>Revenues</b>		
Interest	-	1,809
<b>Excess of revenues over expenditures - Legal Reserve Fund</b>	-	1,809
Fund balance, beginning	201,827	200,018
Transferred from Operating Fund - Interest (Note 11)	1,517	-
<b>Fund balance, ending</b>	<b>203,344</b>	<b>201,827</b>

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

ARCHITECTURAL INSTITUTE OF BRITISH COLUMBIA

**STATEMENT OF REVENUES OVER EXPENDITURES AND CHANGES IN  
FUND BALANCE - OPERATING RESERVE FUND**

For the year ended December 31, 2016

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Revenues</b>		
Interest	-	8,498
<b>Excess of revenues over expenditures - Operating Reserve Fund</b>	<b>-</b>	<b>8,498</b>
Fund balance, beginning	<b>948,308</b>	939,810
Transferred from Operating Fund - Interest (Note 11)	<b>7,368</b>	-
Transferred from Operating Fund - Other (Note 11)	<b>51,692</b>	-
Transferred to Contingency Reserve Fund - Other (Note 11)	<b>(7,368)</b>	-
<b>Fund balance, ending</b>	<b>1,000,000</b>	948,308

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

# ARCHITECTURAL INSTITUTE OF BRITISH COLUMBIA

## STATEMENT OF CASH FLOWS

For the year ended December 31, 2016

	2016 \$	2015 \$
<b>Cash flows related to operating activities</b>		
Excess of revenues over expenditures - Operating Fund	2,819	112,031
Excess of revenues over expenditures - Contingency Reserve Fund	-	5,397
Excess of revenues over expenditures - Legal Reserve Fund	-	1,809
Excess of revenues over expenditures - Operating Reserve Fund	-	8,498
	<b>2,819</b>	<b>127,735</b>
Adjustments for items not affecting cash:		
Amortization	113,826	109,129
Amortization of deferred charges	3,786	6,278
	<b>120,431</b>	<b>243,142</b>
Changes in non-cash working capital:		
Receivables	(60,494)	79,771
Supplies	(9,427)	4,386
Prepaid expenses	37,304	(55,886)
Deferred charges	(75,721)	-
Long-term receivable - rent	(7,733)	-
Accounts payable	49,021	3,839
ED transition payable	(191,259)	(213,881)
Deferred revenue	169,490	419,576
	<b>31,612</b>	<b>480,947</b>
<b>Cash flows related to investing activities</b>		
Purchase of property and equipment	(42,086)	(55,662)
Proceeds on disposal of marketable securities	51,928	102,613
	<b>9,842</b>	<b>46,951</b>
<b>Net increase in cash</b>	<b>41,454</b>	<b>527,898</b>
Cash, beginning	2,873,292	2,345,394
<b>Cash, ending</b>	<b>2,914,746</b>	<b>2,873,292</b>
<b>Cash represented by:</b>		
Cash and cash equivalents	1,240,867	1,315,576
Restricted cash and cash equivalents	1,673,879	1,557,716
	<b>2,914,746</b>	<b>2,873,292</b>

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

# ARCHITECTURAL INSTITUTE OF BRITISH COLUMBIA

## NOTES

For the year ended December 31, 2016

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The Architectural Institute of British Columbia (the "Institute") is a self-governing professional body. The Institute was incorporated under the Friendly Societies Act in 1914 and continued under the Architects Act of British Columbia in 1920. The Institute provides regulation, education and other services to its members and other registrants in the public interest. The Institute is exempt from income tax under Section 149 of the *Income Tax Act*.

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### Note 1 Significant Accounting Policies

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These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### Fund Accounting

The Institute follows fund accounting procedures, thus giving recognition to Council's restrictions on the use of resources. The fund classifications are as follows:

Operating Fund	- used for general budgeted revenues and expenditures, capital expenditures, and other unspecified unbudgeted financial needs
Contingency Reserve Fund	- used to provide for unanticipated and emergency financial requirements
Legal Reserve Fund	- used to provide for material, significant and unexpected legal costs
Operating Reserve Fund	- used to provide for operating expenses in the case of a shortfall in the Operating Fund

#### Cash and Cash Equivalents

Cash and cash equivalents include cash on deposit and cash invested in money market funds.

#### Property and Equipment

Property and equipment are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the following estimated useful lives of the assets:

Building	- 40 years
Office furniture	- 10 years
Office equipment	- 5 years
Computer equipment	- 3 years
Computer software	- 3 years

# ARCHITECTURAL INSTITUTE OF BRITISH COLUMBIA

## NOTES

For the year ended December 31, 2016

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### Note 1 Significant Accounting Policies (continued)

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#### **Deferred Charges**

Deferred charges consist of lease commissions, which are amortized on a straight-line basis over the term of the related lease.

#### **Donated Goods and Services**

The Institute and its members benefit from donated goods and services. Donated goods and services are not recognized in these financial statements.

#### **Revenue Recognition**

Revenue from course and examination fees and from other programs where revenue is identified with the delivery of services is recognized when the courses, examinations and other services are completed.

Other amounts charged for member, associate and firm fees are recognized as revenue in the year to which they apply. Fees collected in advance that relate to the next fiscal year are recorded as deferred revenue.

Settlement payments and fines are recognized when their collection is assured and all of the Institute's internal processes and any known external appeals are complete.

Rental revenue is recognized on a straight-line basis over the term of the lease.

Interest and other revenue are recorded when earned.

#### **Employee Future Benefits**

The Institute and its employees make contributions to the Public Service Pension Plan, which is a multi-employer defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and highest earnings averaged over five years. Inflation adjustments are contingent upon available funding. As the assets and liabilities of the plan are not segregated by institution, the plan is accounted for as a defined contribution plan and any contributions of the Institute to the plan are expensed as incurred.

#### **Financial Instruments**

##### *Measurement of financial instruments*

The Institute measures its financial assets and financial liabilities at fair value at the acquisition date. Transaction costs related to the acquisition of financial instruments subsequently measured at fair value are recognized in excess of revenues over expenditures when incurred. The carrying amounts of financial instruments not subsequently measured at fair value are adjusted by the amount of the transaction costs directly attributable to the acquisition of the instrument.

The Institute subsequently measures all of its financial assets and financial liabilities at amortized cost, except for its marketable securities, which are subsequently measured at fair value. Changes in fair value are recognized in excess of revenues over expenditures.

# ARCHITECTURAL INSTITUTE OF BRITISH COLUMBIA

## NOTES

For the year ended December 31, 2016

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### Note 1 Significant Accounting Policies (continued)

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#### *Impairment*

Financial assets measured at amortized cost are assessed for indications of impairment at the end of each reporting period. If impairment is identified, the amount of the write-down is recognized as an impairment loss in excess of revenues over expenditures. Previously recognized impairment losses are reversed when the extent of the impairment decreases, provided that the adjusted carrying amount is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenues over expenditures.

#### **Use of Estimates**

The preparation of financial statements in conformity 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 revenues and expenses during the reporting period. The main estimates relate to the impairment of receivables and the useful life of property and equipment.

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### Note 2 Restricted Cash and Cash Equivalents

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The restricted cash and cash equivalents is held for the following funds:

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Contingency Reserve Fund	<b>463,167</b>	407,581
Legal Reserve Fund	<b>203,344</b>	201,827
Operating Reserve Fund	<b>1,007,368</b>	948,308
	<hr/>	<hr/>
	<b>1,673,879</b>	1,557,716
	<hr/>	<hr/>

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### Note 3 Restricted Marketable Securities

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The restricted marketable securities are held as follows:

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Contingency Reserve Fund	<b>50,793</b>	102,721
	<hr/>	<hr/>



# ARCHITECTURAL INSTITUTE OF BRITISH COLUMBIA

## NOTES

For the year ended December 31, 2016

### Note 4 Receivables

Receivables consist of the following:

	2016 \$	2015 \$
Receivables	155,181	80,921
Allowance for doubtful accounts	(40,345)	(26,579)
	<u>114,836</u>	<u>54,342</u>

Allowance for doubtful accounts consists of CES fines referred to the Professional Conduct department and terminated Temporary Licenses where collection is deemed unlikely.

### Note 5 Deferred Charges

	2016 \$	2015 \$
Deferred lease commissions	75,721	25,113
Accumulated amortization	(3,786)	(25,113)
	<u>71,935</u>	<u>-</u>

### Note 6 Property and Equipment

	2016 Cost \$	2016 Accumulated Amortization \$	2016 Net \$	2015 Net \$
Land	815,720	-	815,720	815,720
Building	2,875,486	1,228,529	1,646,957	1,703,924
Office furniture	179,886	132,482	47,404	41,160
Office equipment	147,502	107,407	40,095	52,317
Computer equipment	269,209	240,504	28,705	28,360
Computer software	156,743	146,598	10,145	19,285
	<u>4,444,546</u>	<u>1,855,520</u>	<u>2,589,026</u>	<u>2,660,766</u>

# ARCHITECTURAL INSTITUTE OF BRITISH COLUMBIA

## NOTES

For the year ended December 31, 2016

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### Note 7 Accounts payable

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Accounts payable consist of the following:

	2016 \$	2015 \$
Payables and accruals	251,848	232,785
Government remittances	42,120	12,162
	<hr/>	<hr/>
	293,968	244,947
	<hr/>	<hr/>

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### Note 8 Employee Future Benefits

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The Institute and its employees contribute to the Public Service Pension Plan (the "Plan"), a multi-employer pension plan. The Plan's Board of Trustees, representing Plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of the benefits. The Plan is a defined benefit plan. It has approximately 57,700 active members, 16,400 inactive members and 44,800 retired members.

Every three years an actuarial valuation is performed to assess the financial position of the Public Service Pension Plan and the adequacy of Plan funding. The most recent valuation as at March 31, 2014 identifies a surplus of \$392 million for basic pension benefits. The Institute paid \$156,098 of employer contributions to the plan in fiscal 2016.

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### Note 9 ED Transition Payable

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On April 28, 2014, the Institute reached an agreement to transition to a new Executive Director in 2015. Transition costs of \$433,862 were recognized in the Contingency Reserve Fund in the year ending December 31, 2014 and there were no further costs in 2015 and 2016. Costs relating to the transition (including legal, recruiting, and payroll expenditures) were paid out over the years ending December 31, 2015 and 2016.

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### Note 10 Line of Credit

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The Institute has a demand operating line of credit of \$450,000 available to it, which bears interest at Royal Bank prime plus 1% per annum. As at December 31, 2016, no amounts are drawn on this line of credit.

The line of credit is secured by:

- a general security agreement having a first charge on all the Institute's assets; and
- a collateral first mortgage including an assignment of rent in the amount of \$700,000 covering Strata Lots 17 and 18, 440 Cambie Street, Vancouver, B.C.

# ARCHITECTURAL INSTITUTE OF BRITISH COLUMBIA

## NOTES

For the year ended December 31, 2016

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### **Note 11 Interfund Transfers and Advances**

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Interfund transfers include interest on the cash and cash equivalents restricted for the reserve funds and other transfers for the purpose of financing the activities of each fund. Other transfers require council approval per AIBC Council Policy 1.13.

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### **Note 12 Financial Instruments**

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Items that meet the definition of a financial instrument include cash and cash equivalents, restricted cash and cash equivalents, restricted marketable securities, receivables, and accounts payable.

The following is a summary of the significant financial instrument risks:

#### **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Institute is exposed to liquidity risk arising primarily from its accounts payable.

#### **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 in connection with its receivables. The Institute provides credit to its clients in the normal course of its operations.

#### **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. It is management's opinion that the Institute is not exposed to significant currency risk.

#### **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 fair values of fixed rate financial instruments are subject to change, since fair values fluctuate inversely with changes in market interest rates. The cash flows related to floating rate financial instruments change as market interest rates change. The Institute is exposed to interest rate risk with respect to its cash equivalents, which bear interest at floating rates, and its restricted marketable securities, which bear interest at fixed rates.

#### **Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Institute is exposed to other price risk related to its restricted marketable securities.

# ARCHITECTURAL INSTITUTE OF BRITISH COLUMBIA

## NOTES

For the year ended December 31, 2016

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### **Note 13   Capital Disclosures**

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The Institute considers its capital structure to consist of Operating Fund, Contingency Reserve Fund, Legal Reserve Fund, and Operating Reserve Fund capital totalling \$4,495,781 detailed in the statement of financial position.

The Institute's objectives when managing its capital are to safeguard the Institute's ability to continue as a financially viable organization and to serve the needs of the public and the Institute's members and other registrants.

In order to facilitate management of its capital requirements, the Institute prepares annual budgets which are approved by the Institute's Council.

ARCHITECTURAL INSTITUTE OF BRITISH COLUMBIA

**SCHEDULES OF REVENUES AND EXPENDITURES - OPERATING FUND**

For the year ended December 31, 2016

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Schedule 1</b>		
<b>FEES REVENUE</b>		
Architects	<b>1,915,582</b>	1,789,870
Associates	<b>187,666</b>	170,220
Affiliates	<b>9,574</b>	8,543
Firms	<b>547,052</b>	496,409
Temporary licences	<b>195,637</b>	178,773
Registration and reinstatement	<b>107,414</b>	89,527
	<b>2,962,925</b>	2,733,342
<b>Schedule 2</b>		
<b>INTEREST/OTHER/FINES (NET)</b>		
Documents, signs and seals	<b>58,291</b>	66,994
Interest	<b>20,294</b>	11,821
Other	<b>8,614</b>	5,971
	<b>87,199</b>	84,786
Less: expenses	<b>(53,575)</b>	(55,022)
	<b>33,624</b>	29,764
<b>Schedule 3</b>		
<b>ADMINISTRATION (NET)</b>		
Salaries, benefits, and contracts	<b>899,743</b>	684,752
Operating costs	<b>304,237</b>	299,807
Accounting and audit	<b>34,000</b>	24,000
	<b>1,237,980</b>	1,008,559
Less: revenue	<b>(750)</b>	(897)
	<b>1,237,230</b>	1,007,662

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

ARCHITECTURAL INSTITUTE OF BRITISH COLUMBIA

**SCHEDULES OF REVENUES AND EXPENDITURES - OPERATING FUND**

For the year ended December 31, 2016

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Schedule 4</b>		
<b>PREMISES (NET)</b>		
Premises	<b>287,757</b>	341,648
Amortization	<b>113,826</b>	109,129
	<b>401,583</b>	450,777
Less: revenue	<b>(95,105)</b>	(234,267)
	<b>306,478</b>	216,510
<b>Schedule 5</b>		
<b>COUNCIL</b>		
Council and president	<b>29,906</b>	41,969
Special projects	<b>3,500</b>	13,301
Other	<b>53,300</b>	64,573
	<b>86,706</b>	119,843
<b>Schedule 6</b>		
<b>COMMUNICATIONS (NET)</b>		
Communications programs, committees, events, administration	<b>47,926</b>	37,057
Publications, multimedia, newsletters	<b>42,094</b>	38,487
Salaries, benefits, and contracts	<b>361,198</b>	292,540
	<b>451,218</b>	368,084
Less: revenue	<b>(41,937)</b>	(34,737)
	<b>409,281</b>	333,347
<b>Schedule 7</b>		
<b>ANNUAL CONFERENCE (NET)</b>		
Annual conference	<b>276,781</b>	283,047
Less: revenue	<b>(253,350)</b>	(323,970)
	<b>23,431</b>	(40,923)
<b>Schedule 8</b>		
<b>ANNUAL MEETING</b>		
Annual meeting	<b>38,783</b>	34,757

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

ARCHITECTURAL INSTITUTE OF BRITISH COLUMBIA

**SCHEDULES OF REVENUES AND EXPENDITURES - OPERATING FUND**

For the year ended December 31, 2016

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Schedule 9</b>		
<b>REGISTRATION &amp; LICENSING (NET)</b>		
Salaries, benefits, and contracts	<b>338,043</b>	223,052
Program, committees, administration	<b>189,271</b>	132,057
Annual assessment - national initiatives	<b>39,570</b>	42,660
	<b>566,884</b>	397,769
Less: revenue	<b>(133,358)</b>	(115,401)
	<b>433,526</b>	282,368
<b>Schedule 10</b>		
<b>PROFESSIONAL SERVICES (NET)</b>		
Salaries, benefits, and contracts	<b>325,056</b>	453,508
PD course expenses	<b>76,002</b>	56,281
Programs, committees, administration	<b>23,703</b>	15,678
	<b>424,761</b>	525,467
Less: CES fines expense (revenue)	<b>(117,791)</b>	15,284
Other PD revenue	<b>(250,122)</b>	(220,788)
Total revenue	<b>(367,913)</b>	(205,504)
	<b>56,848</b>	319,963
<b>Schedule 11</b>		
<b>CONDUCT &amp; ILLEGAL PRACTICE (NET)</b>		
Salaries, benefits, and contracts	<b>388,722</b>	331,583
Legal	<b>14,467</b>	18,369
Programs, committees, administration	<b>30,109</b>	38,596
	<b>433,298</b>	388,548
Less: revenue	<b>(31,851)</b>	(11,000)
	<b>401,447</b>	377,548

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



**ARCHITECTURAL INSTITUTE OF BRITISH COLUMBIA**

## **9.0 Appointment of the Auditor**

(ref. *Architects Act* s.23)

**WHEREAS** the accounting firm of Wolrige Mahon LLP has performed all assignments to the satisfaction of Council,

**BE IT RESOLVED THAT** Wolrige Mahon LLP be appointed auditor for the Architectural Institute of British Columbia for the fiscal year 2017.

Moved: Karl Gustavson Architect AIBC, chair of the Finance Committee

Seconded: S. Ross Rettie, P.Eng, Lieutenant Governor Appointee, member of the Finance Committee





**ARCHITECTURAL INSTITUTE OF BRITISH COLUMBIA**

**Notes:**



**ARCHITECTURAL INSTITUTE OF BRITISH COLUMBIA**