

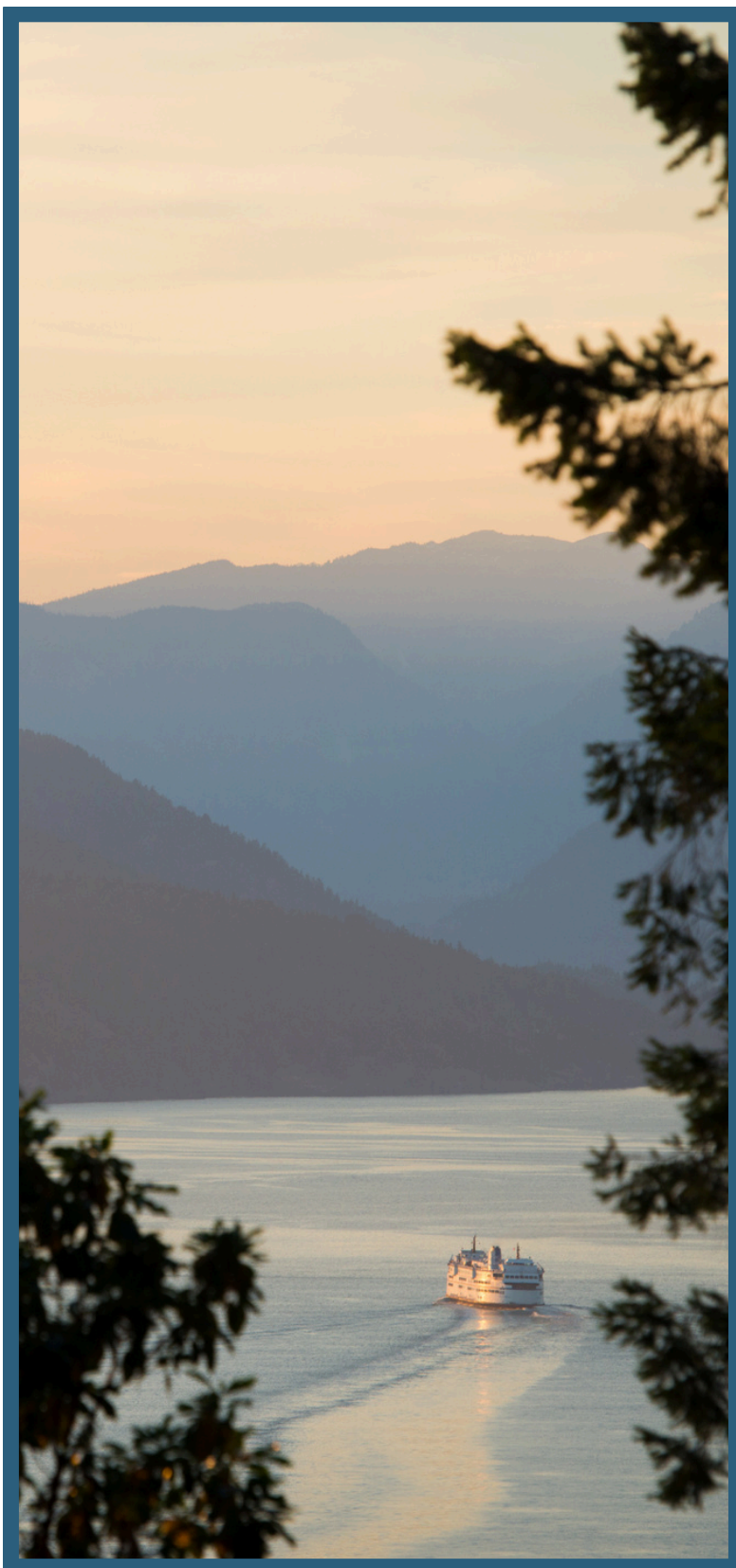


2023

2024

ANNUAL REPORT

CONTENTS



03

BOARD OF
GOVERNORS

04

PRESIDENT'S
REPORT

07

TREASURER'S
REPORT

09

PRESIDENT-ELECT'S
REPORT

10

FINANCIAL
STATEMENTS

2023- 2024

BOARD OF GOVERNORS



MISSION STATEMENT

To promote our diverse RI-designated members as distinguished professionals that are trusted, educated and experienced.

OFFICERS



President
Clayton Olson, RI



President-Elect
Tina Lee, RI



Secretary/Treasurer
Jonathan Burbee, RI



Past President
Geoff Radtke, RI



Umesh Chand, RI



Joanna Dlin, RI



Rob Greene, RI



Shantelle
Marquis, RI



Larry Serko, RI



Nancy Skeels, RI



Jonathan
O'Grady, RI



Edwin Kwok
Yu Yan, RI



PRESIDENT'S REPORT

GEOFF RADTKE, RI

It has been a privilege to serve as President of the REIBC over the past year. We have experienced unprecedented change, growth, and innovation throughout the Institute. From our updated logo to the enhanced atmosphere of our in-person events and the engaging webinar topics, the Institute has embraced change and continued to evolve.

RI's bring a breadth of knowledge and experience from all sectors of the real estate industry. Our ability to connect in so many different ways allows us to share this experience and knowledge with one another.

As I write this Annual Report from the Interior of B.C., I am reminded of how members from all areas of British Columbia and beyond make up this great organization. I am proud of the contributions of all our members and I am pleased that we can remain connected through our webinar series and annual events.

PRESIDENT'S REPORT

continued...

The RI Awards were held in Kelowna for the first time on June 27 providing an opportunity for members in the Okanagan to experience an RI event in their home.

This past year, we welcomed our new Executive Director, Chris Hamade, a new Director of Membership and Events, Sharona Jayavant, and a new Executive Assistant, Tamara Da Silveira. They have been instrumental in contributing to an extremely well-received BC Land Summit, creating an Immersive Learning Program with New Zealand, and ensuring the continuation of popular webinars and events, including the President's Luncheon, RI Awards, and Three Brokers and an Assessor. I would like to thank Chris, Sharona, and Tamara for their energy, dedication and tireless work in making this a successful year for the REIBC. Our organization is fortunate to have them all on board.

Thank you to the Board of Governors who have worked cohesively to further our strategic direction, adapted to change, and focused on serving our members throughout the year.

I would like to welcome our new Governor, Shantelle Marquis, for the NWPR Cariboo District. Shantelle will be starting her term on July 1, 2024. Additionally, on July 1, 2024, Robert Greene will become the first Governor in the new Member at Large position, transitioning from his previous role as Governor for the Vancouver District.

PRESIDENT'S REPORT

continued...

It is my honour to thank our outgoing Past-President, Cindy Nesselbeck, for her extensive involvement in the REIBC. Cindy has held various positions, including President from 2022 to 2023, President-Elect from 2021 to 2022, Secretary Treasurer from 2020 to 2021, and Governor from 2017 to 2024. It has been a pleasure to serve on the Board with her over that time.

Finally, I would like to thank the membership for the opportunity to serve as President. I have enjoyed connecting with many of you over the past year to talk about the direction of the REIBC and the real estate industry in general. The changes you have seen over the past year are only the beginning. The Institute will continue to grow, bringing us together in new ways and keeping us educated, experienced and connected on the ever-changing real estate industry.

Geoff Radtke, RI
President



TREASURER'S REPORT

TINA LEE, RI

As the Secretary/Treasurer for the Real Estate Institute of British Columbia, I am pleased to present the financial report for the fiscal year ending March 31, 2024.

An annual review ensures that our financial statements align with Canadian accounting standards for not-for-profit organizations and accurately represent the Institute's financial position and activities. The Board of Governors also reviews these statements regularly throughout the year.

For the 2023-2024 fiscal year, Rolfe Benson LLP conducted a review of the Institute's accounts, and their findings are detailed in the Review Engagement Report.

There were no identified concerns or unexpected financial activities affecting the Institute. Thanks to the diligent efforts of our Executive Director, Chris Hamade, the Institute secured a substantial new grant of \$86,000 during the fiscal year. Of this amount, \$38,700 is recognized in the current fiscal period, with the remaining \$47,300 to be recognized in the next fiscal period, with scheduled payments set throughout the year.

Our Statement of Revenues and Expenses highlights a concerning trend: we are losing Professional Members to Retired status each year. However, we are actively exploring ways to engage and increase our membership through innovative events and by diversifying non-dues revenue streams more evenly across sponsorships, grants, and job postings.

TREASURER'S REPORT

continued...

Input Magazine is undergoing a transformation and will soon be available in a digital format through an app. This app will not only feature the Input Magazine content but also include job postings, event sign-ups, and more on a digital platform.

Salaries and employee benefits have increased as we now have three outstanding full-time staff members who have taken over some previously outsourced contracts. Additionally, as we host more in-person events, including the farewell to Brenda in March (paid in April), our event expenses have risen.

The Accounting line item has increased due to enhanced financial reporting and analysis, which now includes professional bookkeeping, controllership services, and technology. This improvement helps us better track, monitor, and manage our operations financially.

We have significantly reduced our Membership Services expenses by over 80%, primarily by shifting from the physical publication of Input Magazine, which did not generate sufficient revenue, to a digital model that offers greater revenue potential and higher engagement at a lower cost. Overall, we have reduced consulting services, grant disbursements, and management expenses. Grant disbursements were temporarily paused but will resume this fiscal year.

In summary, the Institute remains fiscally responsible and is in a strong financial position. I extend my gratitude to the Board of Governors for their oversight of the Institute's financial health. I also express my sincere thanks to our Executive Director, Chris Hamade, for his effective management, and to Sharona Jayavant and Tamara Da Silveira for their daily contributions to the health and growth of our organization.

Tina Lee, RI Secretary/Treasurer



PRESIDENT ELECT'S REPORT

CLAYTON OLSON, RI

It is with great pleasure and enthusiasm that I step into the role of President of the Real Estate Institute of BC. I am excited about the opportunity to serve the membership and follow in the massive footsteps of those that have come before me.

First and foremost, I want to thank Geoff Radtke, our immediate past president, for his outstanding leadership over the past year. It was a year that involved a lot of change and Geoff's dedication was instrumental in guiding the institute forward as we transitioned into a new era under the leadership of our new Executive Director, Chris Hamade. Chris and his team have already begun to infuse new energy and fresh perspectives into our initiatives, ensuring that we continue to serve our membership while finding new ways to move the institute forward.

Moving into this next year, I am eager to connect and hear your thoughts on how we can continue to make the REIBC even better. Membership feedback is crucial in shaping our future direction and ensuring that we continue to meet the needs of our members and the industry at large.

Please don't hesitate to reach out to me directly or any member of the Board with your ideas, concerns or suggestions. Together we can bring the institute to new heights and further elevate our standing in the industry.

Clayton Olson, RI
President-Elect

THE REAL ESTATE INSTITUTE OF BRITISH COLUMBIA

Financial Statements

For the Year Ended 31 March 2023

Contents

Independent Practitioners' Review Engagement Report

Statement of Financial Position

Statement of Changes in Net Assets

Statement of Revenues and Expenses

Statement of Cash Flows

Notes to the Financial Statements

INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Board of Governors and Members,
The Real Estate Institute of British Columbia

We have reviewed the accompanying financial statements of The Real Estate Institute of British Columbia (the "Institute") that comprise the statement of financial position as at 31 March 2023 and the statements of revenues and expenses, changes in net assets and 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.

Practitioners' Responsibility

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

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

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

INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT - Continued

Conclusion

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

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Rolfe Benson LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
6 June 2023

THE REAL ESTATE INSTITUTE OF BRITISH COLUMBIA
Statement of Financial Position
31 March 2023

	2023	2022
Assets		
Current		
Cash and cash equivalents	\$ 303,426	\$ 307,226
Short-term investments (Note 2(f))	344,417	331,066
Prepaid expenses	31,540	38,076
	<u>679,383</u>	<u>676,368</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 19,670	\$ 26,816
GST payable	8,260	584
Deferred revenue (Note 4)	222,666	216,979
	<u>250,596</u>	<u>244,379</u>
Commitments (Note 7)		
Net Assets		
Internally restricted fund reserves (Note 5)	10,000	10,000
Unrestricted	418,787	421,989
	<u>428,787</u>	<u>431,989</u>
	<u>\$ 679,383</u>	<u>\$ 676,368</u>

APPROVED ON BEHALF OF THE BOARD:

Cindy Nesselbeck Governor  Governor

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

THE REAL ESTATE INSTITUTE OF BRITISH COLUMBIA
Statement of Changes in Net Assets
For the Year Ended 31 March 2023

	Internally restricted fund reserves	Unrestricted	2023	2022
Balance - beginning of year	\$ 10,000	\$ 421,989	\$ 431,989	\$ 409,079
Excess (deficiency) of revenues over expenses for the year	-	(3,202)	(3,202)	22,910
Balance - end of year	\$ 10,000	\$ 418,787	\$ 428,787	\$ 431,989

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

THE REAL ESTATE INSTITUTE OF BRITISH COLUMBIA

Statement of Revenues and Expenses

For the Year Ended 31 March 2023

	2023	2022
Revenues		
Dues		
Professional members	\$ 364,615	\$ 366,007
Retired members	4,722	4,763
Associate members	1,817	1,907
Nominee members	2,470	733
	<u>373,624</u>	<u>373,410</u>
Meetings and event revenue	109,563	48,973
Grant revenue	20,735	21,906
Input magazine revenue	16,438	16,294
Entrance fees	3,500	4,300
Interest and dividend income	8,351	2,729
	<u>532,211</u>	<u>467,612</u>
Expenses		
Salaries and employee benefits	152,029	146,096
Membership services (Note 6)	109,780	114,254
Event expense	95,653	42,738
Meetings and travel	32,975	14,303
Rent	27,620	28,016
Recruitment expenses	23,568	-
Research expenses	21,315	1,803
Consulting services	14,018	15,910
Grant disbursements	12,393	12,655
Technical, maintenance and repair	12,091	20,591
Discount fees	10,846	10,628
Office and miscellaneous	6,157	6,110
Lease expense	3,543	2,326
Legal expense	3,202	4,855
Insurance	2,929	2,827
Accounting	2,900	9,700
Telephone	1,893	1,449
Management expenses	1,402	1,498
External membership	1,099	1,174
Professional development	-	7,769
	<u>535,413</u>	<u>444,702</u>
Excess (deficiency) of revenues over expenses for the year	\$ (3,202)	\$ 22,910

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

THE REAL ESTATE INSTITUTE OF BRITISH COLUMBIA**Statement of Cash Flows**
For the Year Ended 31 March 2023

	2023	2022
Cash provided by (used in):		
Operating activities		
Excess (deficiency) of revenues over expenses for the year	\$ (3,202)	\$ 22,910
Changes in non-cash working capital balances		
Prepaid expenses	6,536	(17,997)
Accounts payable and accrued liabilities	(7,146)	(9,416)
GST payable	7,676	903
Deferred revenue	5,687	(1,555)
	<u>9,551</u>	<u>(5,155)</u>
Investing activities		
Purchase of short-term investments	<u>(13,351)</u>	<u>(2,729)</u>
	<u>(13,351)</u>	<u>(2,729)</u>
Net decrease in cash	(3,800)	(7,884)
Cash and cash equivalents - beginning of year	<u>307,226</u>	<u>315,110</u>
Cash and cash equivalents - end of year	<u>\$ 303,426</u>	<u>\$ 307,226</u>

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

THE REAL ESTATE INSTITUTE OF BRITISH COLUMBIA

Notes to the Financial Statements

For the Year Ended 31 March 2023

1. Purpose of the Organization

The Real Estate Institute of British Columbia (the "Institute") was established to promote the interest of real estate professionals, increase the knowledge, skill and proficiency of its members and to enforce the adopted rules of professional conduct among the members.

In the event of the winding-up or dissolution of the Institute, distribution of the surplus assets shall be designated for a charitable and/or educational purpose chosen by the members at a special meeting called for that purpose.

The Institute is exempt from income taxes under Section 149(1)(l) of the Income Tax Act (Canada).

2. Summary of Significant Accounting Policies

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(a) Financial Instruments

i. Measurement of Financial Instruments

The Institute initially measures its financial assets and liabilities at fair value and subsequently measures all of its financial assets and liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of revenues and expenses.

Financial assets measured at amortized cost include cash and cash equivalents.

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

The Institute's financial assets measured at fair value include short-term investments.

ii. Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of revenues and expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it 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 the statement of revenues and expenses.

THE REAL ESTATE INSTITUTE OF BRITISH COLUMBIA
Notes to the Financial Statements
For the Year Ended 31 March 2023

2. Summary of Significant Accounting Policies - continued

(a) Financial Instruments - continued

iii. Transaction Costs

The Institute recognizes its transaction costs in the statement of revenues and expenses in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(b) Revenue Recognition

The Institute follows the deferral method of accounting for revenues. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Fees collected for membership dues are deferred and recognized in the period that coincide with the annual membership. Revenues from meetings, events and other sources are recorded when earned and services have been rendered.

(c) 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Accounts subject to estimates include accrued liabilities. Management believes the estimates utilized in preparing the financial statements are prudent and reasonable; however, actual results could differ from these estimates.

(d) Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments which are readily convertible into cash with original maturities of three months or less when purchased.

(e) Tangible Capital Assets

Tangible capital assets are recorded at cost. Amortization is charged to operations in amounts sufficient to allocate the costs over their estimated useful lives using the following annual rates and methods prorated from initial utilization:

Furniture and equipment	5 year straight-line
Database management system	5 year straight-line

As at 31 March 2023, all tangible capital assets are fully amortized.

THE REAL ESTATE INSTITUTE OF BRITISH COLUMBIA
Notes to the Financial Statements
For the Year Ended 31 March 2023

2. Summary of Significant Accounting Policies - continued

(f) Short-Term Investments

Short-term investments are classified as held for trading and are stated at fair value. Investment income, which consists of interest and dividends, is recorded as revenue in the statement of revenues and expenses. Transaction costs are expensed as incurred.

Short-term investments include funds held in guaranteed investment certificates and money market funds, and are recorded at cost plus accrued interest which approximates fair value.

At 31 March 2023, the Institute has several GIC's with interest rates ranging from 2.5% to 5.11% and maturity dates from 19 October 2023 to 17 October 2024.

3. Financial Instruments

The Institute is exposed to various risks through its financial instruments. The following analysis provides a measure of the Institute's risk exposure and concentrations at the statement of financial position date, 31 March 2023.

(a) 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 this risk mainly in respect of its accounts payable and accrued liabilities. The Institute manages liquidity risk by maintaining adequate cash and liquid investments. There has been no change to the risk exposure from the prior year.

(b) 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's main credit risk relates to its cash and cash equivalents and short-term investments. The Institute's cash and cash equivalents and short-term investments are maintained with large federally regulated institutions in Canada. There has been no change to the risk exposure from the prior year.

(c) 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. The Institute is mainly exposed to interest rate risk and other price risk.

THE REAL ESTATE INSTITUTE OF BRITISH COLUMBIA
Notes to the Financial Statements
For the Year Ended 31 March 2023

3. Financial Instruments - continued

(d) 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 Institute is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the Institute to a fair value risk while the floating-rate instruments subject it to a cash flow risk. The Institute does not use financial instruments to reduce its risk exposure. There has been no change to the risk exposure from the prior year.

(e) 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 risk 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 through its short-term investments. There has been no change to the risk exposure from the prior year.

4. Deferred Revenue

	Balance 31 March 2022	Contributions received	Contributions recognized	Balance 31 March 2023
Membership dues	\$ 216,979	\$ 379,311	\$ 373,624	\$ 222,666

5. Internally Restricted Funds

District Fund

The District Fund was established in 1986 to accumulate funds to be used for the benefit of the Districts, particularly the more rural Districts, and is funded in each year by an allotment of membership dues. The use of the funds is discretionary and at the direction of the Board of Governors. In the 2023 and 2022 year ends, the District Fund balance was maintained at \$10,000 as determined by the Board of Governors.

THE REAL ESTATE INSTITUTE OF BRITISH COLUMBIA

Notes to the Financial Statements

For the Year Ended 31 March 2023

6. Membership Services

	<u>2023</u>	<u>2022</u>
Input Magazine	\$ 70,607	\$ 69,064
Advertising costs	34,605	37,095
Member services	1,568	595
Scholarships	1,500	2,000
Sponsorships	1,500	5,500
	<u>\$ 109,780</u>	<u>\$ 114,254</u>

7. Commitments

The Institute is committed to payments for leased premises, equipment, and services. The minimum annual payments are as follows:

2024	\$ 17,629
2025	18,065
2026	18,105
2027	16,625
2028 and beyond	<u>18,054</u>
	<u>\$ 88,478</u>

In addition, the Institute is responsible for the operating costs of the leased premises, which are approximately \$975 per month.

8. Comparative Amounts

Certain 2022 comparative amounts have been reclassified to conform with the financial statement presentation adopted for 2023.