



2012 2013

Annual Report



The Real Estate Institute
of British Columbia

MISSION

The mission of the Real Estate Institute of British Columbia is to advance and recognize excellence in education, knowledge, professional development and business practices uniting all sectors of the real estate industry.



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Cover photo: Wheat fields at Nulki Lake Ranch, outside of Vanderhoof.

Credit: NIHO Group

BOARD OF GOVERNORS

OFFICERS

President

Andre Gravelle, RI

President-Elect

Mandy Hansen, RI

Vice-President

Mark Litwin, RI

Secretary/Treasurer

Dave Graham, RI

Past President

Nathan Worbets, RI

GOVERNORS



Back row, left to right: Peter Bretherton, Bonnie Knight, John Castle, Jason Grant, Tracy Wall, Troy Abromaitis

Front row: Nathan Worbets, Andre Gravelle, Mandy Hansen, Mark Litwin, Dave Graham Missing: Ken Sherk

All Governors hold the RI designation.

CHAPTER DIRECTORS

CARIBOO

David Godfrey, RI, Chair
Frances Berry, RI
Darin Johnson, RI
Melanie McComber, RI

FRASER VALLEY

Vivian Thompson, RI, Chair
Charles Fortin, RI
Rav Punia, RI
Nicholas Rawcliffe, RI

KOOTENAY

Pat Conroy, RI, Co-Chair
Lorraine Schmidt, RI, Co-Chair
David A. Robertson, RI

NANAIMO

Nancy Peterson, Chair

NORTH FRASER

Susan Antoniali, RI, Chair
Chris La, RI
Tina Lee, RI

NORTHWEST/ PRINCE RUPERT

Tracey Love, RI, Chair

THOMPSON/OKANAGAN

Curtis Broughton, RI, Chair
Cathy Colborne, RI
Anita Farrar, RI
Doug Gilchrist, RI
John Vaccaro, RI

VANCOUVER

Mario Lee, RI, Chair
Amir Kaboodani, RI
Phil Gertsman, RI
Dan Jones, RI
Femi Rufus, RI
Richard Sirola, RI

VICTORIA

Fernando Santella, RI, Chair
Reuben Danakody, RI
Tim Hall, RI
Bill Hampton, RI
Colin Litster, RI
Lisa Pynn, RI
Brian Varney, RI



PRESIDENT'S REPORT

I am pleased to present the Real Estate Institute of British Columbia's Annual Report for 2012–2013. The year has been a busy one, filled with a variety of projects ranging from research reports and government relations work to Institute events.

One of the primary activities conducted during the year was our government relations program. Over many months, the Institute met with MLAs and Deputy Ministers from both the NDP and BC Liberal parties, as well as with the heads of major public corporations. Our goal was to ensure that the various government organizations are aware of the Institute and its activities, and to present the Institute as a resource for their initiatives.

Real estate-related research, supported by grants from the Real Estate Foundation of British Columbia, was another successful area of activity for the Institute. Recently completed research reports include *Scoping a Registry of Adaptable and Accessible Homes in British Columbia* (completed in conjunction with BC Housing) and a report on Social Purpose Real Estate. Both of these reports provide value to the Institute and its members that is far reaching and durable.

Other outreach success included the considerable growth in both the size and circulation of *Input*. The magazine grew to 40 pages, allowing for more articles relevant to our members, and the circulation grew to 6,000—expanding the Institute's influence to many other individuals and professional organizations.

The Institute also raised its profile with students in the BCIT and Langara College programs by substantially increasing scholarship funds available to program graduates.

A great deal of the Institute's planning efforts will come to fruition in the coming months. Both the Valuing Diversity Conference in September 2013 and the BC Land Summit Collaboration and Connections conference in May 2014 should prove to be events well worth attending.

The President's Luncheon and Recognition Dinner were popular events this past year, setting attendance records. I am pleased with and appreciative of all of the support the members have shown toward these events.

I would also like to express my gratitude to all of the hardworking volunteers within the Institute—Chapter Chairs, committee members, other volunteers, and the board. I am grateful for your enthusiasm and hard work to make the Institute a valuable asset in our communities.

I am also grateful to our Executive Officer, Brenda Southam, and her staff, without whose support the Institute would not be the success that it is today.

Finally, I would also like to express my thanks to my fellow Institute members and board members for all of their support during the year. The Institute is in good hands, and I eagerly look forward to many more successes in the future.

Andre Gravelle, RI
President



Past President Nathan Worbets (left)
and President Andre Gravelle (right).



SECRETARY/TREASURER'S REPORT

It is a pleasure once again to own the responsibility for the Institute's reporting requirements with respect to the financial health of our organization, this time for the year ending March 31, 2013. In general, it would be safe to say the economic climate around the country is improving. Our members can be assured that we are led by a tireless Executive Officer who strives to cut costs and save money with her daily choices for all the ongoing expenses we face. It is difficult to grow our revenue stream given that the number of members we have is not easily expanded, so keeping close scrutiny on costs is imperative.

We are a not-for-profit organization, and as such I'm pleased to pass along the positive comments of our Auditors at Rolfe, Benson LLP when they provide us a clean audit opinion in their Independent Report. Transparency is a mantra we take seriously.

Following my report from 2011-2012 where we proudly announced a surplus, I am pleased to provide you with a repeat surplus year. Our excess revenue over expenses came in at \$3,893 this year. This is truly a magnificent accomplishment.

To reflect on the Statement of Revenues and Expenses, our membership income was basically flat over last year. We succeeded in improving our meetings and event revenue by over \$13,000 to \$111,959. It is also great to report a large increase in revenues from project grants thanks to the generous support of the Real Estate Foundation, who is the major contributor of this income. The end result on the revenue side is an 18% increase.

It follows, then, that the expense side of things closely matched the income stream. The largest change occurred with a 58% increase to membership services,

which accounts for over \$100,000 in expense, of which close to \$76,000 is required for *Input* magazine (we doubled the subscriptions sent out) and the scholarships we provide. Since our purpose is to promote the interest of real estate professionals, and to increase the knowledge, skills, and proficiency of our members, *Input* is a fine example of these efforts.

The Balance Sheet remains healthy, with net assets of nearly \$400,000 slightly up over the past two years. Deferred Revenue on the statement of cash flows is an item that can easily mislead readers due to timing of the billing cycle for our membership dues, so don't read too much into any changes as seen on the Cash Flow Statement. The overall financial statements show we are in good shape and reflect continued strength, demonstrating that we are prepared for the future.

In summary, your Board of Directors and Executive Officer have again worked very diligently to follow the Strategic Plan, which is focused on balancing expenses against income, and delivering those results to you annually here in our report.

I am grateful for the support of all Governors, Brenda, and those who join us in contributing to the "good of the unit"—the REIBC members. Please join me in spreading the word about our organization, in encouraging new members to join, and supporting all members in every way possible. I welcome your feedback, or come introduce yourself to me if we cross paths. Warm regards!

A handwritten signature in black ink, appearing to read "David H. Graham".

David Graham, RI
Secretary/Treasurer



AUDITED FINANCIAL STATEMENTS

INSERT PROVIDED BY ROLFE, BENSON LLP CHARTERED ACCOUNTANTS

**THE REAL ESTATE INSTITUTE
OF BRITISH COLUMBIA**

FINANCIAL STATEMENTS

31 MARCH 2013



ROLFE, BENSON LLP
CHARTERED ACCOUNTANTS

THE REAL ESTATE INSTITUTE OF BRITISH COLUMBIA

Financial Statements

For the Year Ended 31 March 2013

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of The Real Estate Institute of British Columbia, which comprise the statement of financial position as at 31 March 2013, 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.

Auditors' 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 auditors' 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.





INDEPENDENT AUDITORS' REPORT - Continued

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Real Estate Institute of British Columbia as at 31 March 2013, and the results of its operations and 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 Society Act of British Columbia, we report that, in our opinion, the accounting principles in the Canadian standards for not-for-profit organizations have been applied on a consistent basis.

Comparative Information

Without modifying our opinion, we draw attention to Note 3 to the financial statements which describes that The Real Estate Institute of British Columbia adopted Canadian accounting standards for not-for-profit organizations on 1 April 2012 with a transition date of 1 April 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at 31 March 2012 and 1 April 2011, and the statements of operations, changes in net assets and cash flows for the year ended 31 March 2012 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

Rolfe Benson LLP

CHARTERED ACCOUNTANTS

Vancouver, Canada
13 June 2013

THE REAL ESTATE INSTITUTE OF BRITISH COLUMBIA
Statement of Financial Position
31 March 2013

	31 March 2013	31 March 2012 (Note 3)	1 April 2011 (Note 3)
Assets			
Current			
Cash and cash equivalents	\$ 29,528	\$ 62,018	\$ 143,861
Short-term investments	377,461	409,397	401,800
Accounts receivable	15,614	4,000	10,000
HST receivable	10,534	5,325	2,561
Prepaid expenses	14,988	10,853	9,944
	<u>448,125</u>	<u>491,593</u>	<u>568,166</u>
Equipment (Note 5)	<u>21,695</u>	<u>34,642</u>	<u>19,219</u>
	<u>\$ 469,820</u>	<u>\$ 526,235</u>	<u>\$ 587,385</u>

Liabilities


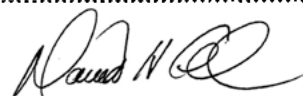
Current			
Accounts payable and accrued liabilities	\$ 41,991	\$ 51,201	\$ 32,380
Deferred revenue (Note 6)	-	48,972	166,508
Amounts held for Chapters (Note 7)	31,178	33,304	28,593
	<u>73,169</u>	<u>133,477</u>	<u>227,481</u>

Commitments (Note 10)

Net Assets

Invested in equipment	21,695	34,642	19,219
Internally restricted fund reserves (Note 8)	10,000	10,000	10,000
Unrestricted	364,956	348,116	330,685
	<u>396,651</u>	<u>392,758</u>	<u>359,904</u>
	<u>\$ 469,820</u>	<u>\$ 526,235</u>	<u>\$ 587,385</u>

APPROVED ON BEHALF OF THE BOARD:


.....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 2013

	Internally restricted fund reserves	Invested in equipment	Unrestricted	Total 2013	2012
	\$	\$	\$	\$	\$
					(Note 3)
Balance - beginning of year	10,000	34,642	348,116	392,758	359,904
Additions to equipment	-	810	(810)	-	-
Excess (deficiency) of revenues over expenses for the year	-	(13,757)	17,650	3,893	32,854
Balance - end of year	10,000	21,695	364,956	396,651	392,758

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 2013

	2013	2012
		(Note 3)
Revenues		
Dues		
Members	\$ 352,232	\$ 346,613
Retired members	4,389	3,625
Student members	1,888	1,898
Associate members	5,233	5,722
Candidates	1,476	762
	<u>365,218</u>	<u>358,620</u>
Entrance fees	5,101	7,312
Project grants (Note 8)	69,187	-
Interest and dividend income	7,950	8,845
Miscellaneous	22,473	16,200
Meetings and event revenue	111,959	98,694
Unrealized loss on investments	(32)	(234)
Sponsorships	1,995	6,000
Gain on disposal of equipment	-	150
	<u>583,851</u>	<u>495,587</u>
Expenses		
Amortization	13,757	6,567
Audit and accounting	12,749	12,225
Discount fees	11,643	9,959
Education	18	1,264
Event expense	97,135	110,095
External memberships	3,296	2,810
Insurance	4,153	4,921
Lease expense	6,533	6,715
Legal expense	3,070	-
Management expenses	1,292	4,867
Meetings and travel	19,679	21,968
Membership services (Note 9)	103,467	65,318
Office and miscellaneous	7,644	7,742
Project expenses (Note 8)	69,187	-
Rent	30,297	27,092
Salaries and employee benefits	186,543	168,708
Technical, maintenance and repair	7,438	10,452
Telephone	2,057	2,030
	<u>579,958</u>	<u>462,733</u>
Excess (deficiency) of revenues over expenses for the year	\$ 3,893	\$ 32,854

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 2013

	2013	2012
		(Note 3)
Cash provided by (used in):		
Operating activities		
Excess (deficiency) of revenues over expenses for the year	\$ 3,893	\$ 32,854
Adjustment for items not involving cash		
Amortization	13,757	6,567
Unrealized loss on investments	32	234
Gain on disposition of equipment	-	(150)
	<u>17,682</u>	<u>39,505</u>
Changes in non-cash working capital balances		
Accounts receivable	(11,614)	6,000
HST receivable	(5,210)	(2,764)
Prepaid expenses	(4,135)	(909)
Accounts payable and accrued liabilities	(9,210)	18,821
Deferred revenue	(48,972)	(117,536)
Amounts held for Chapters	(2,126)	4,711
	<u>(63,585)</u>	<u>(52,172)</u>
Investing activities		
Additions to equipment	(810)	(21,990)
Short-term investments	31,905	(7,831)
Proceeds on disposal of equipment	-	150
	<u>31,095</u>	<u>(29,671)</u>
Net increase (decrease) in cash	<u>(32,490)</u>	<u>(81,843)</u>
Cash and cash equivalents - beginning of year	<u>62,018</u>	<u>143,861</u>
Cash and cash equivalents - end of year	<u>\$ 29,528</u>	<u>\$ 62,018</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 2013

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 Principles

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 financial 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 operations.

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

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and amounts held for Chapters.

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 operations. 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 operations.

THE REAL ESTATE INSTITUTE OF BRITISH COLUMBIA
Notes to the Financial Statements
For the Year Ended 31 March 2013

2. Summary of Significant Accounting Principles - continued

(a) Financial Instruments - continued

iii. Transaction Costs

The Institute recognizes its transaction costs in the statement of operations 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 restricted fund method of accounting for contributions. Contributions received for the Special Project and Discretionary Chapter Funds are recognized when received or receivable.

Dues received for individual Chapters are deferred and recognized when related expenses are incurred.

Fees collected for memberships and golf tournaments are deferred and recognized in the period that coincide with the annual membership and the golf tournament event.

All other revenue is recognized on an accrual basis when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

(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. Actual results may differ from those estimates.

(d) Equipment

Equipment is 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

THE REAL ESTATE INSTITUTE OF BRITISH COLUMBIA
Notes to the Financial Statements
For the Year Ended 31 March 2013

2. Summary of Significant Accounting Principles - continued

(e) 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.

(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 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 2013, the Institute has several GIC's with interest rates ranging from 1.90% to 2.15% and maturity dates from August 2013 to October 2015.

3. Impact of the Change in the Basis of Accounting

Effective 1 April 2012, the Institute adopted the new Canadian Accounting Standards for Not-for-Profit Organizations. These financial statements are the first financial statements prepared in accordance with the new accounting standards and the transitional provisions of Section 1501, "First-time Adoption by Not-for-Profit Organizations", on a retrospective basis.

The Institute has applied the new accounting standards in preparing the financial statements for the year ended 31 March 2013, the comparative information for the year ended 31 March 2012 and the opening statement of financial position at 1 April 2011, the Institute's date of transition.

The Institute issued financial statements for the year ended 31 March 2012 using generally accepted accounting principles as prescribed by Part V of the CICA Handbook. Management has determined that the adoption of the new accounting standards had no impact on the previously reported assets, liabilities and net assets of the Institute, and accordingly, no adjustments have been recorded in the comparative statements of the financial position, statements of operations and changes in net assets and the cash flow statement. Certain of the Institute's disclosures included in these financial statements reflect the new disclosure requirements of the new accounting standards.

THE REAL ESTATE INSTITUTE OF BRITISH COLUMBIA
Notes to the Financial Statements
For the Year Ended 31 March 2013

4. Financial Instruments and Financial Risk

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 2013.

(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.

(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 risks relate to its accounts receivable.

(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.

(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.

(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.

THE REAL ESTATE INSTITUTE OF BRITISH COLUMBIA
Notes to the Financial Statements
For the Year Ended 31 March 2013

5. Equipment

	Cost	Accumulated Amortization	Net Book Value		
			31 March 2013	31 March 2012 (Note 3)	1 April 2011 (Note 3)
Furniture and equipment	\$ 33,133	\$ 21,934	\$ 11,199	\$ 21,522	\$ 19,219
Database management system	13,120	2,624	10,496	13,120	-
	<u>\$ 46,253</u>	<u>\$ 24,558</u>	<u>\$ 21,695</u>	<u>\$ 34,642</u>	<u>\$ 19,219</u>

6. Deferred Revenue

	Balance 31 March 2012 (Note 3)	Contributions received	Contributions recognized	Balance 31 March 2013
Membership fees received in advance	\$ 48,972	\$ -	\$ 48,972	\$ -

	Balance 1 April 2011 (Note 3)	Contributions received	Contributions recognized	Balance 31 March 2012 (Note 3)
Membership fees received in advance	\$ 166,508	\$ 48,972	\$ 166,508	\$ 48,972

7. Amounts Held for Chapters

	Balance 31 March 2012 (Note 3)	Amounts Received	Amounts Disbursed	Balance 31 March 2013
	\$ 33,304	\$ 14,785	\$ 16,911	\$ 31,178

	Balance 1 April 2011 (Note 3)	Amounts Received	Amounts Disbursed	Balance 31 March 2012 (Note 3)
	\$ 28,593	\$ 28,516	\$ 23,805	\$ 33,304

The Institute collects dues and pays expenditures on behalf of individual Chapters of the Institute. The excess of dues received over payments is the amount due to individual Chapters.

THE REAL ESTATE INSTITUTE OF BRITISH COLUMBIA
Notes to the Financial Statements
For the Year Ended 31 March 2013

8. Internally Restricted Funds

	31 March 2013			31 March 2012 (Note 3)	1 April 2011 (Note 3)
	Special Project Fund	Chapter Fund	Total	Total	Total
Revenues	\$ 69,187	\$ -	\$ -	\$ -	\$ 15,195
Expenditures	69,187	-	-	-	(7,500)
Transfers	-	-	-	-	(8,710)
	-	-	-	-	(1,015)
Balance - beginning of year	-	10,000	10,000	10,000	11,015
	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>

Chapter Fund

The Chapter Fund was established in 1986 to accumulate funds to be used for the benefit of the Chapters, particularly the more rural Chapters, 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 2012 and 2011 year ends, the Chapter Fund balance was maintained at \$10,000 as determined by the Board of Governors.

Special Project Fund

The Special Project Fund was established in November 2005. The major contributor to this fund was the Real Estate Foundation of British Columbia. These funds were used for public education, professional excellence and research and require approval by the Real Estate Foundation of British Columbia.

9. Membership Services

	2013	2012 (Note 3)
Member services	\$ 4	\$ 3,262
Advertising costs	21,130	21,156
Input Magazine	54,627	34,748
Sponsorships	6,103	6,000
Scholarships	21,484	-
Chapter communication	112	115
Professional conduct	7	37
	<u>\$ 103,467</u>	<u>\$ 65,318</u>

THE REAL ESTATE INSTITUTE OF BRITISH COLUMBIA
Notes to the Financial Statements
For the Year Ended 31 March 2013

10. Commitments

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

2014	\$ 6,048
2015	16,719
2016	17,389
2017	18,061
2018	18,116
2019	1,510
	<u>\$ 77,843</u>

In addition, the Institute is responsible for the operating costs of the lease premises, which are approximately \$1,000 per month.

11. Comparative Figures

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



EXECUTIVE OFFICER'S REPORT

As I write this report we are already two months into the new fiscal year, and it seems strange that another year has come and gone. The 2012-2013 year was a productive one for REIBC. Using the Strategic Plan as our work plan, we've achieved a lot, so there is much to report on.

STRATEGIC GOAL #1

Our members remain satisfied that REIBC provides services that they value.

Input magazine remains highly relevant to our members. We did a member survey and found that 96% of respondents thought *Input* to be contemporary and relevant. We received some very good feedback and appreciate our members' thoughts on the magazine. There won't be a lot of changes to upcoming issues, as an overwhelming 88% thought the magazine was good the way it was. But that doesn't mean we can't improve, since 17% felt that the magazine could be improved somewhat. We will certainly look at the suggestions and make any changes we can. Also of note is that we doubled our distribution of the magazine this past year.

We had two pieces of research completed this year, both funded by the Real Estate Foundation of BC. These pieces of research saw us partnering with new partners for these projects. *Scoping a Registry of Adaptable and Accessible Homes in British Columbia* was conducted in partnership with BC Housing, and *Rent-Lease-Own: Understanding the Real Estate Challenges Affecting the Not-For-Profit, Social Purpose and Cultural Sectors in Metro Vancouver* found us collaborating with the Social Purpose

Real Estate Collaborative. Two great pieces of research were the outcome, and you can find them on our website under Research. These projects will also have follow-up meetings to see if the Institute can (with its members' expertise) assist in moving forward on these issues. Look for requests for assistance on these projects in coming months.

We've been working on raising the profile of the REIBC designation within the industry. This past year we spoke with some banks and other employers who hire real estate professionals, and other industry organizations. This approach has worked well and we will continue this work to ensure that the RI is recognized by more and more people. (For more on this, see Strategic Goal #3.)

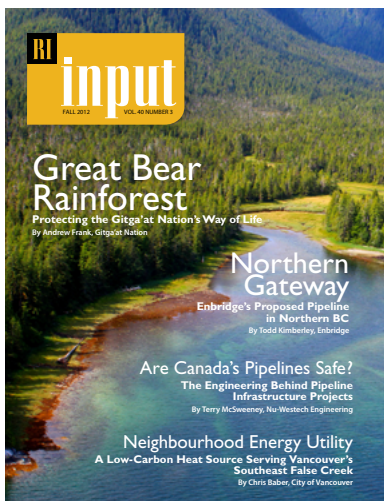
The Institute also offers member events throughout the year—the President's Luncheon, the Recognition Dinner (sold-out in 2012), and a student-focused event called Meet the Pros. The chapters run additional events.

STRATEGIC GOAL #2

We are a financially sustainable organization.

REIBC looks at areas to improve in each year, but without funding we are unable to do too much. So, we reorganized a little this past year and hired a Development Coordinator. Doing this has allowed us to look for sponsorship so that we can move in new directions and keep member dues at reasonable rates.

Membership is remaining steady. We seem to be unable to grow in leaps and bounds. We speak of this each year when we do the Strategic Plan, and then work



Input, the Pipeline Issue, Fall 2012.

hard to increase membership during the year. Have you asked a colleague to join the Institute?

For the second year in a row we have greater revenues than expenses. I am very pleased to report this as we work extremely hard to keep expenses down at all levels. It is much easier to work from a positive position than a negative one, and I am pleased to report we are doing well. You can read more about the finances in the Secretary/Treasurer's report.

STRATEGIC GOAL #3

We are known and respected by our members, government, employers, other professional organizations, and the public.

Over the last year we have been working hard to meet with other industry organizations to form partnerships and put some joint events together—watch for a couple in the coming year. We know the collaboration will be beneficial.

We have over ten employers advertising careers opportunities on our website. This is a huge increase over the previous year. This benefits the members greatly as these positions are looking for the expertise that the RI holds. We continue to work towards having more and more companies posting jobs on our site.

We have been in touch with some banks, and have heard from them that they are going to look for RIs to perform their real estate-related services. It was difficult to find the right folk to speak to, but the topic was an interesting one and we were able to meet with a few key people.

This is definitely a good direction for us to be moving in.

Meeting with MLAs of the Liberal and NDP parties over the last year has been very good for the Institute. We have successfully met with over 30 MLAs and over 10 leaders in government organizations. The government and opposition parties are now aware of REIBC and our members, and from those meetings we have received requests for a couple of pieces of research to be done.

Of course, we also have a charity golf tournament. Last summer's tournament set a record—we raised \$27,000 for Make-A-Wish Foundation of BC and Yukon. Great work done by the committee!

STRATEGIC GOAL #4

We practice excellence in Board Governance.

Over the last few years the Board of Governors has taken a proactive approach in ensuring they are working effectively. After each meeting they do an assessment of the meeting and of themselves. This practice is not common among many boards and REIBC leads in this area.

It has also been decided that each year the Board will receive board training. Training is done the same day as we do the Strategic Plan update. This is a great refresher for the existing members and a very important part for the new members. This helps each member of the Board to be clear about his or her role and responsibilities, which allows the Board to operate very effectively.

We have updated the Nominations Committee's mandate to ensure that there is adequate succession through nominations to the Board of Governors. Further, the constitution and bylaws are reviewed each year and updated to ensure they are relevant to the governance of REIBC.

We have a number of members that volunteer to work on REIBC committees, who are then often considered for nomination to the Institute's Board of Governors and/or a chapter's board of Directors. The more people we have working at the chapter level, the more great things we can do for the membership. The maximum number of members on a chapter Board is ten, so there's plenty of room for interested members to get involved in their local area. If you are interested, please contact the Governor in your area.

I would like to take this opportunity to thank the Board of Governors for their trust and support over the last year. They deal with my occasional yet respectful rants, and I thank them for that! Thanks also to the staff, Maureen McKnight and Maggie Tkalcic.



Brenda Southam, CAE
Executive Officer



STANDARDS AND PRACTICE REPORT

The mandate of the Standards and Practice Committee is to review and update the bylaws on a yearly basis and to ensure they are consistent with the *Society Act*. This year there were several updates to be made.

The first grouping relates to situations where Governors vacate their posts mid-term. A provision was added in the event that a Governor moves away from his or her chapter area, the Governor would lose his or her seat at the board table. Section 7.7 was amended to say that should a Governor seat become vacant, the remaining Governors may appoint someone to fill the vacant position until the end of the term. This changes the duration of the appointment so that election cycles remain consistent with current practice.

Last year, the sections on chapter leadership were amended to encourage active member participation at the chapter level. One of the provisions was to limit the Chapter Chairs to serving one

term of two years. In practice this has proved difficult to implement over the course of one year. This section is being amended again to permit Chapter Chairs to serve two terms for a maximum of four years in the event that no suitable candidate has been identified. It is expected that this additional term will provide Chapter Chairs the opportunity to identify and mentor their successor.

The bylaw regarding the discipline of members has also been revised. Previously, the bylaws were silent on whether the identity of complainants would be disclosed. This has now been addressed, and the bylaw maintains anonymity of complainants until such time as a disciplinary hearing is held. We believe this strikes a balance between providing a safe environment for the public to come forward with issues, while ensuring that professionals are not subject to frivolous claims. Fairness and due process are important tenets of the disciplinary framework, and by specifically articulating this aspect within the bylaws, additional clarity is provided for professionals and the public.

Overall, the committee believes these changes should allow REIBC to function more effectively and assist us in achieving our strategic goals. It has been a pleasure to work with the Standards and Practice Committee members and I extend my thanks to them for their time and commitment.

A handwritten signature in black ink, appearing to be 'Mandy Hansen'.

Mandy Hansen, RI
Standards and Practice Chair





APPLICATION REVIEW REPORT

At the Board of Governor's Meeting on April 25, 2013, it was decided to change the name of the Membership Committee to the Application Review Committee. This was undertaken to ensure there would be no confusion with the Member Services Committee.

The Application Review Committee is tasked with reviewing applications for membership in which applicants are deemed to be lacking in one of three areas:

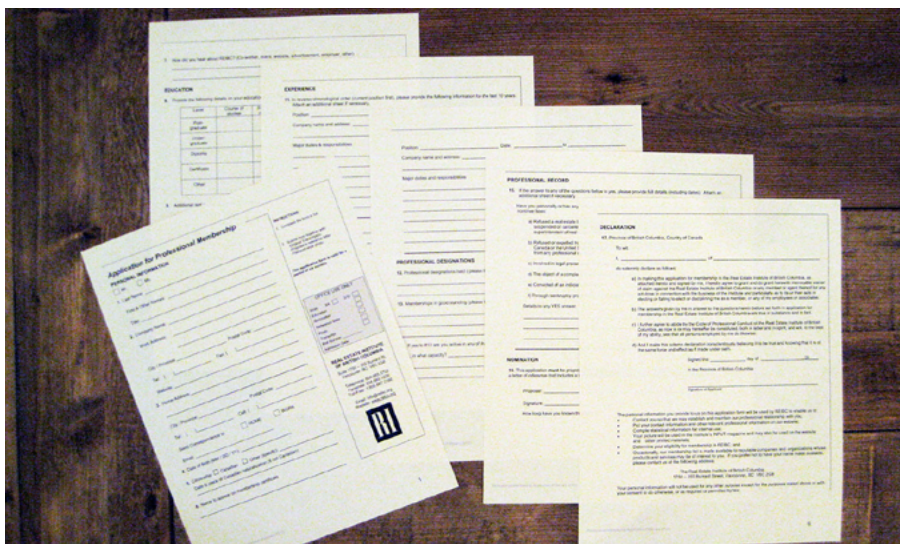
- 1) Real estate industry experience
- 2) Acceptable education
- 3) An RI proposer

An established "Exception Matrix" is utilized to aid committee members in making these difficult decisions. The matrix lays out expected educational requirements and amount of comprehensive real estate experience. The issue of an applicant

lacking an RI proposer is dealt with on an ad hoc basis.

The six-member Application Review Committee was called upon numerous times during the past year to scrutinize applications that were called into question. The committee was forwarded five applications for Professional Membership. During the review of these applications, two were deemed acceptable and recommended to receive Professional Membership status. Another was refused Professional Membership but was recommended to accept Candidate Membership status and the applicant accepted that recommendation. The other two applications required Board of Governors assistance, resulting in one application for Professional Membership accepted and the other applicant encouraged to accept Associate Membership status.

A goal of the committee is to ensure the Institute continues to be regarded as a highly professional organization by standing by its strict criteria for membership. The committee is proud to serve the Institute in this regard.



John Castle, RI
Application Review Chair

REIBC's six-page application sets strict criteria for membership.



MEMBER SERVICES REPORT

The purpose of the Member Services Committee is to continue to enhance the Institute's benefit to members and engage our members in the activities of the Institute.

The committee's primary responsibilities are to look for new ideas and ways to enhance member benefits; to engage students from institutions that have real estate programs to become involved in the Institute; to enhance the ways that members become engaged; to seek nominations for the Award of Excellence; and to seek persons eligible for Honorary Membership.

The 2011 Membership Survey contained numerous ideas from our members to improve services. Many of these ideas have led to change. The committee is now considering using micro-surveys on a regular basis to gain more information about very specific areas of member

services. Most topics would stem from the 2011 survey.

In order to supplement the information gained from the 2011 Membership Survey, the committee contemplated an exit survey of members leaving the organization. However, it was felt that the personal interviews conducted by the Executive Officer sufficed to understand what services the Institute may or may not have been providing successfully. The committee is now considering a "feedback button" for resigning or retiring members, consisting of three to five questions.

Much of our engagement with students has lately involved BCIT and Langara. The committee aims to increase our visibility to Sauder (UBC) students in the coming year. Some suggestions for increasing student participation were received by the committee from Professional members. It was felt that value, appeal, and outreach have the greatest impact on student membership. The committee will be discussing these suggestions with the authors of the submissions.

Peter Bretherton, RI
Member Services Chair



The Meet the Pros event allowed members to speak one-on-one with BCIT students.



SUSTAINABILITY REPORT

The Climate Change Committee has undergone a number of changes within the last year, the most important being the refocusing of its mandate to become the Sustainability Committee. With the Board of Governors' consent, the Terms of Reference for the committee were altered in order to broaden the mandate to provide more detailed and directly relevant information to the membership.

As such, the purpose of the committee is now to "inform members about impacts and issues relating to the sustainability of real estate on economic, environmental and social levels," and to "provide awareness and education to those in the REIBC as well as facilitate access to resources relating to sustainability in real estate." While the dissemination of information relating to climate change and its impact on real estate still forms an important part of the work of the

committee, this broadened scope has been effected so that it may more directly relate to a wider variety of real estate specialties. My Co-Chair, Troy Abromaitis, and I, as well as the members of the committee, look forward to providing this information to REIBC members.

As with previous years, the primary conduit the committee uses to provide its information is *Input* magazine. Articles over the past year have included: "Community Strategies for Farmland Access in BC," "The Greenest Building"—focusing on the conservation of existing buildings, an "Ask the Lawyer" article about heritage conservation tools and incentives, and an article on the Southeast False Creek neighbourhood energy utility. Additionally, information on sustainability will continue to be provided to members in the form of links in REIBC's monthly newsletter.

Lastly, the committee will be seeking new members in the coming year to help advance our mandate. There have been a number of departures and we therefore encourage all members with an interest in the Sustainability Committee to put their name forward as possible members.

A handwritten signature in black ink, appearing to read "Joshua Kitsul".

Joshua Kitsul, RI
Sustainability Co-Chair



Commercial agriculture in the city. From Input, Spring 2013. Photo by David Zhang.



GOLF REPORT

The 19th Annual Charity Golf Tournament, held on June 20, 2012 at Northview Golf and Country Club in Surrey, was a resounding success—we raised \$27,000 for the Make-A-Wish Foundation of BC and Yukon. The event has raised over \$370,000 since its inception.

Once again the sun shone on the event and there were numerous highlights during the day and throughout the evening. On the course we had a full complement of Platinum and Gold sponsors and a number of individual registrants to round out our 144-person shotgun format. Each of the par 3 holes offered hole-in-one prizes ranging from cash prizes of \$6,500 to \$20,000, plus 2012 Mazda 3 and 2012 Buick Verano vehicles. Sadly, none of those prizes left the golf course. The continual commitment of the corporate sponsors who support the tournament year in and year out by sponsoring lunch, dinner, power carts, driving range tokens, water, and on-course events help to ensure this is a first-class experience for both participants and volunteers.

Our evening festivities started with networking opportunities, where volunteers were busy selling 50/50 and raffle tickets for the prizes being awarded throughout the night. President Nathan

Worbets welcomed participants with his greetings on behalf of the Institute and thanked everyone for their participation and support.

Our MC for the evening, Shane Foxman of CBC, did a great job filling in for Perry Solkowski who was on assignment with TSN (and has committed to be our MC for the 2013 event). Shane also handled the auctioneering for our six Live Auction packages, which raised \$7,800. Although not in attendance to accept the award, Scott Ullrich was recognized as the recipient of the George Whyte Award, graciously presented by Judi Whyte. Scott was recognized at a subsequent REIBC event.

Simon Uden from Make-A-Wish Foundation of BC and Yukon was introduced and accepted a cheque from the Institute for \$16,000—the proceeds from our 2011 event. He then introduced the stars of the evening, the Make-a-Wish Family: Katrina (Wish child), sister Kiarra, mother Kelly, and father Kent. The two young girls, aged 10 and 7, respectively, stole the evening. Katrina took the microphone and, ably assisted by her sister, recounted her trip to Florida to swim with the dolphins and experience Disney World for the first time. The girls were so enthusiastic they didn't want to sit down. Shane kept them involved and busy throughout the evening, helping draw lucky tickets for our raffle prizes. The girls delivered a message that rang loud and clear with everyone attending and helped us to one of the highest fundraising efforts in our history. The generated donation of \$27,000 for Make-A-Wish Foundation will be formally presented at this year's tournament.

The 2013 tournament will mark the event's 20th anniversary, and the committee has been hard at work since October planning and organizing the event. We welcome the addition of Andrea Fletcher to the committee, to replace Gordon Kennedy who withdrew his participation due to business reasons. The Golf Committee remains otherwise intact, reinforcing the stability of the group for this year.

With Board approval, the committee decided to redistribute past funds typically used for a hole-in-one prize to purchase a Grand Raffle Prize, to give away to a lucky participant. This new prize will help in promotion of the event and ensure a full field to maximize the contribution to the charity.

Monthly meetings have been taking place to organize this year's tournament, and the Institute's staff have been instrumental in assisting the Golf Committee through the process. We are looking forward to another successful tournament, which is scheduled for Northview Golf and Country Club, in Surrey, on June 19, 2013.

Rob Reichelt, RI
Golf Chair

COMMITTEES

APPLICATION REVIEW

Chair: John Castle, RI

Members: Kevin Thom, RI, Colleen McCombe, RI, Bill Weissig, RI, Deb Wilson, RI

Staff: Maureen McKnight

AUDIT

Chair: David Graham, RI

Members: John Castle, RI, Brian Kennedy, RI

Staff: Brenda Southam, CAE

EXECUTIVE

Chair: Andre Gravelle, RI

Members: David Graham, RI, Mandy Hansen, RI, Nathan Worbets, RI

Staff: Brenda Southam, CAE

GOLF

Chair: Rob Reichelt, RI

Members: Richard Sirola, RI, Bruce Tanner, RI, Cam MacGregor, Rebecca Nguyen, Andrea Fletcher, RI

Staff: Maureen McKnight

GOVERNANCE

Chair: Mandy Hansen, RI

Members: David Graham, RI, Lita Powell, RI

Staff: Brenda Southam, CAE

MEMBER SERVICES

Chair: Peter Bretherton, RI

Members: Troy Abromaitis, RI, Lisa D'Errico, RI, Nancy Peterson, Andrea Fletcher, RI, Viera Janickova, RI

Staff: Maureen McKnight

NOMINATING

Members: Andre Gravelle, RI, Nathan Worbets, RI, Mandy Hansen, RI

Staff: Brenda Southam, CAE

PROFESSIONAL CONDUCT

Chair: Judi Whyte, RI

Members: Dan Wilson, RI, Wayne Yu, RI

Staff: Brenda Southam, CAE

PROFESSIONAL EXCELLENCE PROGRAM

Chair: Charles Johnstone, RI

Members: Andre Gravelle, RI, Peter Bretherton, RI, Don Ellis, RI, Nathan Worbets, RI

Staff: Brenda Southam, CAE

STANDARDS AND PRACTICE

Chair: Mandy Hansen, RI

Members: Josephine Lim, RI, Sean McGinnis, RI, Susan Antoniali, RI

Staff: Brenda Southam, CAE

SUSTAINABILITY

Co-Chairs: Troy Abromaitis, RI, Joshua Kitsul, RI

Members: Rob Howard, RI, Teresa Coady, RI, Nicholas Heap, Dr. Stephen Sheppard

Staff: Brenda Southam, CAE

President may sit on committees as an ex officio member.

STAFF

EXECUTIVE OFFICER Brenda Southam, CAE

ADMINISTRATIVE COORDINATOR Maureen McKnight

DEVELOPMENT COORDINATOR Maggie Tkalcic

REIBC RESEARCH

“REIBC’s role will be one that will start the conversation...”

In 2012, REIBC undertook two pieces of research generously funded by the Real Estate Foundation of British Columbia. The first was a collaboration with BC Housing: *Scoping a Registry for Adaptable and Accessible Homes in British Columbia*. This research focused on whether a registry for adaptable and accessible homes would be possible in British Columbia. We learned through the research that there are at least four registries of some sort in BC, each working alone. They are, of course, for four different purposes.

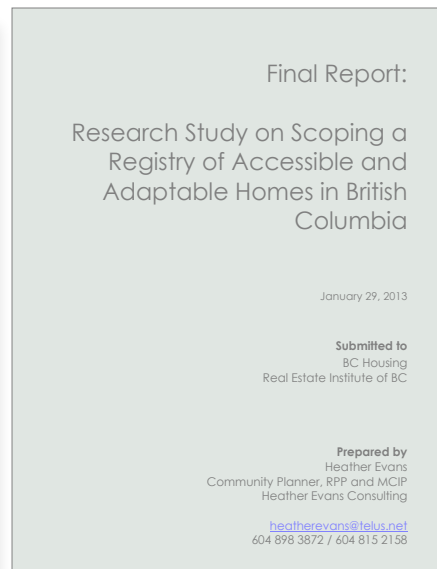
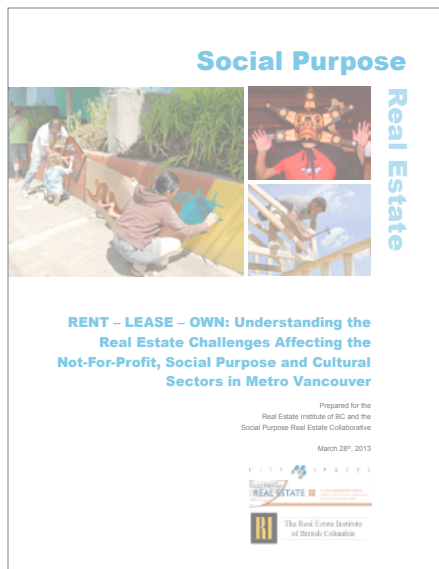
The next step in this piece is to pull together the stakeholders and start the conversation as to whether one registry can work for all or how can this be managed effectively and efficiently, and how it could be funded. REIBC’s role will be one that will start the conversation, and then we will leave it to the experts to put together. You can find the report on our website at: reibc.org/research_study_scoping.html

The second piece of research was a much larger one, focused on Social Purpose Real Estate. This was undertaken in collaboration with the Social Purpose Real Estate Consortium, which includes Central City Foundation, the Real Estate

Foundation of BC, Renewal Partners and Tides Canada Foundation, Vancity and the Vancity Community Foundation, and the City of Vancouver’s Cultural Services, Social Development, and DTES Planning Group. The title of the research is *RENT-LEASE-OWN: Understanding the Real Estate Challenges Affecting the Not-For-Profit, Social Purpose and Cultural Sectors in Metro Vancouver*. This piece of research takes an in-depth look at what is happening in the social sectors of our community and whether space for organizations is available, accessible, and affordable.

We found through the research that many social purpose organizations would be open to sharing space, and that having a database system to compile such information would be very helpful to them. How to do that and who would do that are questions that need to be answered more thoroughly. There are a number of other areas that we received ideas on to assist the social purpose sector with its real estate needs. REIBC will once again play the role of starting the conversation about the next step. You can find this piece of research on our website at: reibc.org/final_spre_research.html

We are very pleased to have these two pieces of research done this year. We thank BC Housing and the SPRE Consortium for their assistance with these projects, and the Real Estate Foundation of BC for funding support.



AWARD OF EXCELLENCE

“Robert is also a great mentor to the volunteer leaders of British Columbia.”



Robert Fawcett, RI, winner of the 2012 REIBC Award of Excellence.

Robert Fawcett has served as the Executive Officer to the Real Estate Council of British Columbia since 1995. During his 32-year association with the Council, he has also served as Deputy Executive Officer and Assistant Executive Officer. Robert has a diploma in Urban Land Economics from the University of British Columbia and a diploma in Public Administration from the BC Institute of Technology. Robert has been a member of the Real Estate Institute of BC since 1986.

Throughout his career, Robert has been involved in varying capacities with several real estate organizations. From 1987 to present, he has chaired and participated in numerous committees and task forces for the Association of Real Estate License Law Officials, including serving as District Vice-President, Treasurer, and President in 1996/1997. In 2003 and 2009, he served as Chair of the Canadian Real Estate Regulators Group and is currently serving as Vice-Chair.

Robert has continually demonstrated the greatest respect for the real estate profession and has been dedicated to improving education and professional standards among real estate licenses. As a regulator, his mandate is executed without adversely affecting the ability of real estate professionals to succeed in their endeavors. Robert's sage advice and endless energy have led to many significant improvements to licensing and the re-licensing education process for licensees: the introduction of the *Real Estate Services Act*, which replaced a time-worn piece of legislation that had not seen significant changes in fifty years; personal real estate corporations for practitioners; the Real Estate Compensation Fund Corporation, which replaced the obsolete bonding requirements for brokerages; the licensing

of strata managers, and the current movement towards implementation of designated agency in British Columbia.

Robert is also a great mentor to the volunteer leaders of British Columbia. Robert is very active in the community, having served as President of the BCIT Alumni Association, a member of the BCIT Board of Governors, and a member of the Real Estate Advisory Committee at BCIT. Robert served two terms as President of the Western Institute of the Deaf and Hard of Hearing, and has been active on committees and the board of directors at the Vancouver Club.

Whether rounding up more attendees for industry functions, assisting a start-up charity, or even helping with a move when an industry organization relocates, Robert is always ready and willing to help out. He is a true gentleman who sincerely cares about everyone he surrounds himself with, whether family, friend, associate, employee, or someone who just needs a helping hand!

A resident of the North Shore for most of his life, Robert, Tina, Lisa, and Mark live near Cates Park in North Vancouver. When not working, Robert and Tina like to spend time on the water, at Kaleden on Skaha Lake and at Indian Arm.

ABOUT REIBC

WORKING TOGETHER

REIBC works with a variety of organizations and serves a diverse membership of real estate professionals. We are committed to:

- Supporting high industry standards and professional accreditation
- Promoting standards of excellence in business practices
- Facilitating ongoing professional education
- Collaborating with industry leaders and educators
- Contributing to provincial and municipal land policies and programs
- Providing an objective perspective through independent research

OUR UNIQUE ROLE

REIBC plays a unique role as the only professional organization whose members come from every segment of the real estate community. We bring together a diverse membership of industry professionals across nine provincial chapters, offering special benefits for our Professional, Retired, Honorary, Associate, Candidate, and Student members.

RI DESIGNATION

REIBC offers the recognized Professional RI designation to real estate professionals from all sectors of the industry who meet high educational and experience standards. The RI designation sets a high professional standard across the industry and provides an assurance of excellence for clients and consumers.

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