



### Regarding member queries June 27, 2009

On behalf of the President and Council of the AIBC, we are pleased to respond to your questions as follows:

In accordance with Council Policy 2.0: Operational Constraints and 2.3 Policy Focus: Financial Management, the Executive Director is required *to submit to Council on a quarterly basis, a financial statement that summarizes the financial condition of the organization to date and indicates the level of compliance with the Council's financial planning/budgeting and financial management policies.* (Policy 2.3.11).

Since April 2000, this financial report has been produced and presented to Council on a monthly basis. By doing so, the Executive Director has exceeded expectations. It is not a requirement of the Auditors or the Administration of the Institute to detail variances in the Annual Report.

### Note 8 Future Accounting Standards

There have been many changes to accounting standards over the last few years. Accounting standards in Canada are moving towards International Financial Reporting Standards (IFRS). One such change is the requirement to disclose in the notes to financial statements any "future accounting standard changes and new standards". As a result, a note was provided to the financial statements for the AIBC as these standards may be applicable to the AIBC at a future date.

The two standards listed in the AIBC's Note 8, to its financial statements, are Section 3862 Financial Instruments – Disclosure and Section 3863 Financial Instruments – Presentation. These standards were both issued in December 2006 and are currently required disclosure for publicly accountable entities only.

In late 2008, the Accounting Standards Board (AcSB) determined that not-for-profit organizations may defer adoption of these two standards on annual financial statements relating to fiscal years beginning on or after October 1, 2008. For the AIBC, this would be its fiscal year beginning January 1, 2009. This decision recognized that many not-for-profit organizations had not yet adopted the standards and, subject to the outcome of the Board's invitation to comment on the future of accounting standards for not-for-profits, due June 30 2009, may be in a position to apply the proposed set of standards for private enterprises instead.

Schedule 5 - Boards, Committees and Task Forces:

Council and president – included in this category are the president’s honourarium, unchanged since 1997, and expenses for Council. As the AIBC is a provincial organization with representation from across the province, this category covers the costs associated with Council travel for AIBC related business, within and outside the province. In 2008, Council included members from Vancouver Island and the Okanagan.

Committees and task forces – the remainder of Council expenses are located in this category and include: administration costs (photocopying, telephone, etc), costs of meetings including any additional and/or special information meetings and member forums, scholarships to UBC and BCIT, Chapter expenses and legal fees.

Schedule 6 – Communications and Public Relations:

Salaries and Benefits – The Director of Communications position was vacant for three months during 2007, accounting for the increase in this cost centre in 2008.

Publications, etc.- Each individual schedule listed represents a cost centre at the AIBC. In this case the brackets indicate a net surplus resulting from the anticipated revenue accruing from the sales of advertising in the AIBC publications (magazine and directory) over, and above, the cost of printing these items.

Schedule 7 – Professional Development:

In 2008, the Director of Professional Development position was increased from a .5FTE position to a .72FTE position. Lower revenues are the result of an expanded external provider program, greater member LU self-reporting and a decision to offer only Intern Architect courses.

Schedule 4 – Premises:

With effective strategic management, the AIBC, has targeted a portion of its surpluses toward repayment of its Fixed Term Loan, secured by the AIBC premises. As such, the mortgage scheduled to be paid in full in October 2011. The lower budget anticipated in 2009, recognizes the lower interest fees to be incurred by the Institute.

Schedule 8 – Annual Meeting and Conference:

Once again, schedule 8 must be regarded as a “cost centre” and as such the brackets indicate a surplus to the AIBC. The increase in revenue recognized in 2008 was the result of increased sponsorships received in 2008 and a 12% increase in attendance over the 2007 conference.

Schedule 9 – Registration:

Legal costs increased due to questions and opinions regarding the use of official marks by the AIBC.

Program and Committee – actual costs increased approximately 14% year over year. Cost increases were recorded in the processing, mailing and outsourcing of annual fee invoices.

Schedule 10 – Conduct:

A legal fee budget of \$50,000 has been allocated annually to Conduct Legal – Discipline since 2002. This amount is intended to defray costs for holding one or more Disciplinary Inquiries, based on historical legal costs. In 2008, another \$25,000 was allocated to Legal – Illegal Practice for investigation and resolution of illegal practice matters, including legal fees that may arise in a prosecution. The diligent work of the Professional Conduct Department, its Committees and its Consensual Resolution process, has meant that there have been no disciplinary cases referred to outside Counsel in recent years or judicial reviews or appeals for which legal fees would have been incurred. The AIBC has only partial control over whether a matter proceeds to Disciplinary Inquiry, judicial review or appeal, and it is prudent budgeting practice to prepare for and anticipate this contingency.

Salaries and Benefits – In 2008, the Illegal Practice Portfolio was added to the Professional Conduct Department and staffing in this newly combined department, therefore, increased from 2.0 FTE to 2.4 FTE.

Schedule 11 – Practice:

The increase in budget for the Professional Practice Department in 2009, is due to the increase in activity by the Practice Consultation Service. The 2009 budget was determined on 20 “audits” costing \$3,000 each, double the 2008 “audits”.

Trusting the foregoing to be helpful, I remain, yours truly,

Michael A. Ernest MAIBC  
Executive Director

cc. AIBC President & Council; Wolrige Mahon