

CHARTERED PROFESSIONALS IN HUMAN RESOURCES OF BC & YUKON
FINANCIAL STATEMENTS
Year Ended December 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Chartered Professionals in Human Resources of BC & Yukon

Report on the Financial Statements

Opinion

We have audited the financial statements of Chartered Professionals in Human Resources of BC & Yukon (the Association), which comprise the statement of financial position as at December 31, 2024, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2024, 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 (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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Independent Auditor's Report to the Members of Chartered Professionals in Human Resources of BC & Yukon (*continued*)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations have been applied on a basis consistent with that of the preceding year.

Empire CPA

EMPIRE, CHARTERED PROFESSIONAL ACCOUNTANTS

Langley, BC
February 25, 2025

CHARTERED PROFESSIONALS IN HUMAN RESOURCES OF BC & YUKON
STATEMENT OF REVENUES AND EXPENDITURES
Year Ended December 31, 2024

	2024	2023
REVENUES		
Advertising and communication	\$ 331,863	\$ 344,215
Conference	1,597,180	1,474,227
Membership	3,843,109	3,611,086
Professional development	448,969	443,194
Other	99,146	59,028
	6,320,267	5,931,750
EXPENDITURES		
Advertising and communication	5,000	6,500
Amortization of tangible assets	16,057	21,869
Amortization of intangible assets	20,222	14,390
Bank charges and credit card fees	146,188	129,855
Computer services (Note 11)	513,558	527,210
Conference	993,012	943,052
Consulting	151,140	237,133
Legal and audit	128,312	50,849
Meeting	318,977	345,755
Membership and professional designation	42,165	37,467
Overhead, supplies and other	590,055	630,571
Professional development	93,736	115,690
Rent	226,165	266,511
Repairs and Maintenance	38,200	73,195
Salaries, benefits and contracting	2,808,451	2,790,043
Strategical Initiatives	305,212	203,668
Training	26,146	68,793
	6,422,596	6,462,551
Deficiency of revenues over expenditures from operations	(102,329)	(530,801)
Other income		
Dividend income	35,440	24,248
Interest income	83,709	66,047
Realized gain on investments	38,788	44,776
Unrealized gain on investments	178,938	71,353
	336,875	206,424
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 234,546	\$ (324,377)

See notes to financial statements

CHARTERED PROFESSIONALS IN HUMAN RESOURCES OF BC & YUKON
STATEMENT OF CHANGES IN NET ASSETS
Year Ended December 31, 2024

		Invested in Capital Assets	Unrestricted Fund	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$	152,381	\$ 1,543,562	\$ 1,695,943	\$ 2,020,320
Excess (deficiency) of revenue over expenditures		(36,279)	270,825	234,546	(324,377)
NET ASSETS - END OF YEAR	\$	116,102	\$ 1,814,387	\$ 1,930,489	\$ 1,695,943

See notes to financial statements

CHARTERED PROFESSIONALS IN HUMAN RESOURCES OF BC & YUKON
STATEMENT OF CASH FLOWS
Year Ended December 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	\$ 234,546	\$ (324,377)
Items not affecting cash:		
Amortization of tangible capital assets	16,057	21,868
Amortization of intangible assets	20,222	14,390
Unrealized gain on investments	(178,938)	(71,353)
	91,887	(359,472)
Changes in non-cash working capital:		
Accounts receivable	(31,817)	22,150
Interest receivable	(7,637)	(22,096)
Prepaid expenses	(11,019)	(2,843)
Accounts payable and accruals	65,760	276,032
Unearned revenue	245,190	230,270
	260,477	503,513
Cash flow from operating activities	352,364	144,041
INVESTING ACTIVITIES		
Increase in short-term investment	(150,000)	(141,281)
Increase in long-term investment	(74,228)	(69,024)
Acquisition of tangible capital assets	-	(22,074)
Cash flow used by investing activities	(224,228)	(232,379)
INCREASE (DECREASE) IN CASH FLOW	128,136	(88,338)
Cash - beginning of year	890,345	978,683
CASH - END OF YEAR	\$ 1,018,481	\$ 890,345

See notes to financial statements

CHARTERED PROFESSIONALS IN HUMAN RESOURCES OF BC & YUKON
STATEMENT OF FINANCIAL POSITION
December 31, 2024

	2024	2023
ASSETS		
Current		
Cash	\$ 1,018,481	\$ 890,345
Short term investments (Note 3)	1,750,002	1,600,002
Accounts receivable	159,552	127,735
Interest receivable	44,301	36,664
Prepaid expenses (Note 4)	177,361	166,342
	3,149,697	2,821,088
Long term investments (Note 5)	1,844,939	1,591,772
Tangible capital assets (Note 6)	24,005	40,061
Intangible assets (Note 7)	92,096	112,318
	\$ 5,110,737	\$ 4,565,239
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 959,545	\$ 893,783
Unearned revenue (Note 8)	2,220,703	1,975,513
	3,180,248	2,869,296
NET ASSETS		
Invested in capital assets (Note 2)	116,102	152,381
Unrestricted fund (Note 2)	1,814,387	1,543,562
	1,930,489	1,695,943
	\$ 5,110,737	\$ 4,565,239

Related party transactions (Note 9)

Lease commitments (Note 10)

ON BEHALF OF THE BOARD

Naz Kullar

Naz Kullar (Mar 27, 2025 11:09 PST)

Director

See notes to financial statements

CHARTERED PROFESSIONALS IN HUMAN RESOURCES OF BC & YUKON

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2024

1. NATURE OF THE ORGANIZATION

Chartered Professionals in Human Resources of BC & Yukon (the "Association") was incorporated pursuant to the British Columbia Society Act in 1954. The Association is a community dedicated to advancing professional people practices that enhance organizational performance. The Association is a not-for-profit organization pursuant to Section 149(1)(L) of the Income Tax Act, and thus is not subject to income tax.

The Association changed its name to Chartered Professionals in Human Resources of BC & Yukon on June 21, 2017.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), applied on a basis consistent with that of the preceding year, and include the following significant accounting policies:

Revenue recognition

Chartered Professionals in Human Resources of BC & Yukon follows the deferral method of accounting for contributions.

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 to be received can be reasonably estimated and collection is reasonably assured.

Membership fees are recognized as revenue over the term of the respective memberships.

Fees for events and services are recognized as revenue when the events are held or the services are rendered.

Investment income, other than interest income, is recognized as revenue when the investment income is received and/or when an investment is sold.

Interest income is recognized in accordance with the terms of the underlying investment.

Unrealized gains (losses) are calculated as the change in market value quoted on an active stock exchange for the specific period.

Cash

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the year-end.

Investments

Short term investments consist of guaranteed investment certificates with maturity dates of twelve months or less, or cashable at any time; with interest is accrued to the balance sheet date.

Long term investments consist of index pooled funds which the Association has no current plans for liquidation.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates:

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CHARTERED PROFESSIONALS IN HUMAN RESOURCES OF BC & YUKON
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Computer equipment	3 years
Furniture and equipment	5 years
Leasehold improvements	6 years

The Association regularly reviews its tangible capital assets to eliminate obsolete items. Government grants are treated as a reduction of tangible capital assets cost.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Intangible assets

Intangible assets are recorded at cost less accumulated amortization. Amortization is recorded over the assets useful lives on a straight line basis. The Association's computer software is amortized over its estimated useful life of seven years on a straight-line basis. The Association's database and website are amortized over its estimated useful life of seven years on a straight-line basis. The assets are reviewed for impairment whenever events or changes in circumstances indicated that the carrying value might not be recoverable.

Unearned revenue

Membership renewals occur throughout the year. Revenues from membership fees are recognized over the term of the respective memberships. Fees collected but not yet earned are recorded as unearned revenue. Revenue received from pre-registration for events occurring subsequent to the year end are also recorded as unearned revenue.

Foreign currency translation

The Association uses the temporal method to translate its US foreign currency transactions.

Monetary assets and liabilities are translated at the US exchange rate in effect at the balance sheet date. Other assets and liabilities are translated at the US exchange rate in effect at the transaction date. Revenue and expense items, if any, are recorded in the statement of operations at the average rate for the year. Exchange gains and losses are included in the statement of operations.

Net assets

Net assets invested in capital assets represents the organization's net investment in intangible and tangible capital assets which is comprised of the unamortized amount of property and equipment purchased with restricted funds.

Unrestricted net assets is the cumulative excess of revenue over expenditures derived from current and past years' operations. These funds are available for investment, funding of projects or to cover shortfalls in operations.

Volunteer services

The Association and members benefit greatly from donated services in the form of volunteer time. Because of the difficulty in determining their fair value, the value of donated services is not recognized in these financial statements.

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CHARTERED PROFESSIONALS IN HUMAN RESOURCES OF BC & YUKON
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when the Association becomes party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost, except for term deposits and long term investments. The Association has elected to use the fair value option to measure term deposits and long term investments, with any subsequent changes in fair value recorded in the Statement of Revenue and Expenditures.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of write-down is recognized in net income. The previously recognized impairment loss may be reversed to extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that has been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Use of Estimates

When preparing financial statements according to ASNPO, management makes estimates and assumptions relating to:

- Reported amounts of revenue and expenses
- Reported amounts of assets and liabilities
- Disclosure of contingent assets and liabilities

Management bases their assumptions on a number of factors including historical experience, current events, actions that the Association may undertake in the future, and other assumptions that management believes are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. The Association uses estimates when accounting for certain items such as useful lives of capital assets, impairment of long-lived assets and allowance for doubtful accounts.

Cloud Computing Arrangements

The Association has entered into cloud computing arrangements to access software and related services hosted on the vendor's cloud infrastructure. These arrangements are accounted for in accordance with Accounting Guideline AcG-20, Customer's Accounting for Cloud Computing Arrangements, issued by the Accounting Standards Board (AcSB). The Association has elected to apply the simplification approach for cloud computing arrangements, which permits the expensing of all expenditures related to cloud computing arrangements as incurred.

3. SHORT TERM INVESTMENTS

	2024	2023
Guaranteed investment certificates	\$ 1,750,002	\$ 1,600,002

The guaranteed investment certificates are all cashable and have effective rates ranging from 3.68% to 5.20%, with maturity dates ranging from April 2025 to April 2026.

CHARTERED PROFESSIONALS IN HUMAN RESOURCES OF BC & YUKON
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

4. PREPAID EXPENSES

	2024	2023
Prepaid expenses	\$ 154,810	\$ 131,162
Security deposits	20,316	20,316
Prepaid office expenses and other	2,235	14,864
	\$ 177,361	\$ 166,342

5. LONG TERM INVESTMENTS

	2024	2023
Index pooled funds	\$ 1,844,939	\$ 1,591,772

The index pooled funds are recorded at their fair value. The fair market value at December 31, 2024 is \$1,844,939. [2023 - \$1,591,772]. The original investment was \$700,000 in November 2007 and the book value at December 31, 2024 is \$1,347,234 [2023 - \$1,273,006].

CHARTERED PROFESSIONALS IN HUMAN RESOURCES OF BC & YUKON
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

6. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Computer equipment	\$ 150,712	\$ 142,895	\$ 7,817	\$ 16,429
Furniture and equipment	32,751	16,563	16,188	20,602
Leasehold improvements	108,459	108,459	-	3,030
	\$ 291,922	\$ 267,917	\$ 24,005	\$ 40,061

7. INTANGIBLE ASSETS

	Cost	Accumulated amortization	2024	2023
Computer software	\$ 10,483	\$ 10,483	\$ -	\$ 308
Database	253,669	177,113	76,556	92,272
Website	28,940	13,400	15,540	19,738
	\$ 293,092	\$ 200,996	\$ 92,096	\$ 112,318

8. UNEARNED REVENUE

	2024	2023
Unearned revenue - membership	\$ 1,677,693	\$ 1,603,083
Unearned revenue - conference	176,385	93,201
Unearned revenue - other	366,625	279,229
	\$ 2,220,703	\$ 1,975,513

9. RELATED PARTY TRANSACTIONS

The Association is a member of CPHR Canada. The following is a summary of the Association's related party transactions with CPHR Canada:

	2024	2023
Membership fee	\$ 298,000	\$ 258,000
Consulting fee - national knowledge exam levy	24,531	22,320
	\$ 322,531	\$ 280,320

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

CHARTERED PROFESSIONALS IN HUMAN RESOURCES OF BC & YUKON
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

10. LEASE COMMITMENTS

The Association has a long term lease with respect to its premises. The lease contains renewal options and provides for payment of utilities, property taxes and maintenance costs. Future minimum lease payments as at year end are as follows:

2025	\$	128,810
2026		107,342

11. CLOUD COMPUTING ARRANGEMENTS

The Association has entered into multi-year cloud computing arrangements for Software as a Service (SaaS) solutions, which include access to software, hosting services, and regular updates. These arrangements are hosted on the vendor's cloud infrastructure and do not involve the transfer of software ownership to the Association.

Significant implementation activities, such as data migration, configuration, and user training, were incurred during the initial setup of the cloud solutions. These costs are expensed as incurred under the simplification approach.

During the year, the Association recognized \$207,693 in cloud computing expenses.

12. RISK MANAGEMENT

The Association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Association's risk exposure and concentration as of December 31, 2024.

Credit risk

The Association is exposed to credit risk equal to the sum of its financial instruments. In order to reduce its credit risk, the Association conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Association has a significant number of customers which minimizes concentration of credit risk.

Currency risk

Currency risk is the risk to the Association's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Association is exposed to foreign currency exchange risk on cash held in U.S. dollars. The Association does not use derivative instruments to reduce its exposure to foreign currency risk. As at December 31, 2024, the following items are denominated in U.S. currency and have been converted to Canadian currency:

	2024	2023
Coast Capital Business Chequing - US	\$ 105,205	\$ 76,817

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CHARTERED PROFESSIONALS IN HUMAN RESOURCES OF BC & YUKON
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

12. RISK MANAGEMENT *(continued)*

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Association manages exposure through its normal operating and financing activities. In seeking to minimize the risks from interest rate fluctuations, the Association manages exposure through investing in guaranteed investment certificates with fixed interest rates.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources and accounts payable.

13. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation. Certain computer services expense has been reclassified from advertising and communication, professional development, conference to computer services expenses; Certain meeting expenses has been reclassified from Professional development to meeting expenses; Certain salaries, benefit and contracting expenses has been reclassified from conference to salaries, benefit and contracting expenses.