



# **FINANCIAL STATEMENTS**

**December 31, 2024**

**AUDITED**



## Consumer Protection BC

### Financial Statements

#### Table of Contents

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Statement of Financial Position	4
Statement of Operations & Net Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-24



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## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Consumer Protection BC

### ***Opinion***

We have audited the financial statements of Consumer Protection BC (the "Authority"), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations and changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### ***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 auditor's report.

We are independent of the Authority in accordance with the 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 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.



In preparing the financial statements, management is responsible for assessing the Authority'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 Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority'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 the financial statements.

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 Authority'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 Authority'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 Authority 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.
- 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.

*KPMG LLP*

Chartered Professional Accountants

Victoria, Canada

March 25, 2025

**Consumer Protection BC**

## Statement of Financial Position

December 31, 2024 with comparative information for 2023

	Internally restricted			Externally restricted		2024	2023
	Operating	Reserve	Capital	Licensee	Securities		
<b>Assets</b>							
Cash	\$ 2,662,880	\$ 31,239	\$ -	\$ -	\$ -	\$ 2,694,119	\$ 2,858,585
Security held as cash (Note 3)	\$ -	\$ -	\$ -	\$ 682,835	\$ -	\$ 682,835	\$ 307,517
Short-term investments (Notes 3 & 5)	\$ -	\$ 632,682	\$ -	\$ 1,513,989	\$ -	\$ 2,146,671	\$ 2,077,270
Trade and other receivables	\$ 429,537	\$ -	\$ -	\$ -	\$ -	\$ 429,537	\$ 409,775
Prepaid expenses	\$ 174,054	\$ -	\$ -	\$ -	\$ -	\$ 174,054	\$ 196,649
	\$ 3,266,471	\$ 663,921	\$ -	\$ 2,196,824	\$ -	\$ 6,127,216	\$ 5,849,796
Investments (Notes 3 & 6)	\$ -	\$ 3,889,267	\$ -	\$ 1,500,000	\$ -	\$ 5,389,267	\$ 5,040,934
Tangible capital assets (Note 8)	\$ -	\$ -	\$ 223,360	\$ -	\$ -	\$ 223,360	\$ 203,215
<b>Total assets</b>	<b>\$ 3,266,471</b>	<b>\$ 4,553,188</b>	<b>\$ 223,360</b>	<b>\$ 3,696,824</b>	<b>\$ -</b>	<b>\$ 11,739,843</b>	<b>\$ 11,093,945</b>
<b>Liabilities</b>							
Trade and other payables	\$ 373,855	\$ 559	\$ -	\$ -	\$ -	\$ 374,414	\$ 427,815
Security payable (Note 3)	\$ -	\$ -	\$ -	\$ 3,696,824	\$ -	\$ 3,696,824	\$ 3,321,507
Wages and benefits payable (Note 10)	\$ 197,430	\$ -	\$ -	\$ -	\$ -	\$ 197,430	\$ 313,453
Deferred revenue (Note 11)	\$ 2,240,986	\$ -	\$ -	\$ -	\$ -	\$ 2,240,986	\$ 2,099,434
	\$ 2,812,271	\$ 559	\$ -	\$ 3,696,824	\$ -	\$ 6,509,654	\$ 6,162,209
Retirement allowance (Note 12)	\$ 184,225	\$ -	\$ -	\$ -	\$ -	\$ 184,225	\$ 132,505
<b>Total liabilities</b>	<b>\$ 2,996,496</b>	<b>\$ 559</b>	<b>\$ -</b>	<b>\$ 3,696,824</b>	<b>\$ -</b>	<b>\$ 6,693,879</b>	<b>\$ 6,294,714</b>
Net assets	\$ 269,975	\$ 4,552,629	\$ 223,360	\$ -	\$ -	\$ 5,045,964	\$ 4,799,231
Commitments (Note 9)							
<b>Total liabilities and net assets</b>	<b>\$ 3,266,471</b>	<b>\$ 4,553,188</b>	<b>\$ 223,360</b>	<b>\$ 3,696,824</b>	<b>\$ -</b>	<b>\$ 11,739,843</b>	<b>\$ 11,093,945</b>

**Consumer Protection BC**

## Statement of Operations and Net Assets

December 31, 2024 with comparative information for 2023

	Internally Restricted			Externally Restricted				
	Operating	Reserve	Capital	Licensee Securities	2024		2023	
<b>Revenue</b>								
Licences, classification, and other fees and charges	\$ 6,712,445	\$ -	\$ -	\$ -	\$ 6,712,445	\$	6,647,292	
Recoveries	\$ 310,994	\$ -	\$ -	\$ -	\$ 310,994	\$	257,419	
Interest, investment and other income (Note 13)	\$ 320,901	\$ 458,694	\$ -	\$ -	\$ 779,595	\$	551,717	
<b>Total revenue</b>	<b>\$ 7,344,340</b>	<b>\$ 458,694</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,803,034</b>	<b>\$</b>	<b>7,456,428</b>	
<b>Expense</b>								
Accounting and legal	\$ 79,979	\$ -	\$ -	\$ -	\$ 79,979	\$	157,967	
Amortization	\$ -	\$ -	\$ 95,629	\$ -	\$ 95,629	\$	75,571	
Bank and service charges	\$ 131,084	\$ 18,323	\$ -	\$ -	\$ 149,407	\$	152,894	
Communications	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-	
Contract services	\$ 209,846	\$ -	\$ -	\$ -	\$ 209,846	\$	260,371	
Governance	\$ 219,485	\$ -	\$ -	\$ -	\$ 219,485	\$	277,114	
Information systems	\$ 239,513	\$ -	\$ -	\$ -	\$ 239,513	\$	137,588	
Insurance	\$ 97,849	\$ -	\$ -	\$ -	\$ 97,849	\$	91,560	
Office	\$ 131,225	\$ -	\$ -	\$ -	\$ 131,225	\$	85,747	
Professional development	\$ 63,232	\$ -	\$ -	\$ -	\$ 63,232	\$	73,746	
Rent - premises	\$ 693,817	\$ -	\$ -	\$ -	\$ 693,817	\$	698,392	
Travel	\$ 74,525	\$ -	\$ -	\$ -	\$ 74,525	\$	67,423	
Wages and benefits	\$ 5,503,206	\$ -	\$ -	\$ -	\$ 5,503,206	\$	5,194,262	
<b>Total expenses</b>	<b>\$ 7,443,761</b>	<b>\$ 18,323</b>	<b>\$ 95,629</b>	<b>\$ -</b>	<b>\$ 7,557,713</b>	<b>\$</b>	<b>7,272,635</b>	
<b>Excess (deficiency) of revenues over expenses from operations</b>	<b>\$ (99,421)</b>	<b>\$ 440,371</b>	<b>\$ (95,629)</b>	<b>\$ -</b>	<b>\$ 245,321</b>	<b>\$</b>	<b>183,793</b>	
<b>Other income</b>								
Gain (loss) on disposition of tangible capital assets	\$ -	\$ -	\$ 1,412	\$ -	\$ 1,412	\$	336	
<b>Excess (deficiency) of revenues over expenses</b>	<b>\$ (99,421)</b>	<b>\$ 440,371</b>	<b>\$ (94,217)</b>	<b>\$ -</b>	<b>\$ 246,733</b>	<b>\$</b>	<b>184,129</b>	
Net assets, beginning of year	\$ 483,758	\$ 4,112,258	\$ 203,215	\$ -	\$ 4,799,231	\$	4,615,102	
Interfund transfers	\$ (114,362)	\$ -	\$ 114,362	\$ -	\$ -	\$	-	
<b>Net assets, end of period</b>	<b>\$ 269,975</b>	<b>\$ 4,552,629</b>	<b>\$ 223,360</b>	<b>\$ -</b>	<b>\$ 5,045,964</b>	<b>\$</b>	<b>4,799,231</b>	

**Consumer Protection BC**  
Statement of Cash Flow  
December 31, 2024 with comparative information for 2023

	Internally Restricted			Externally Restricted				
	Operating	Reserve	Capital	Licensee Securities	2024		2023	
Operating activities								
Excess (deficiency) of revenues over expenses	\$ (99,421)	\$ 440,371	\$ (94,217)	\$ -	\$ 246,733	\$	184,129	
Adjustments to reconcile net income to new cash provided by operating activities								
Amortization	\$ -	\$ -	\$ 95,629	\$ -	\$ 95,629	\$	75,571	
(Gain) loss on sale of assets	\$ -	\$ -	\$ (1,412)	\$ -	\$ (1,412)	\$	(336)	
Changes in current assets and liabilities								
Change in trade and other receivables	\$ (19,762)	\$ -	\$ -	\$ -	\$ (19,762)	\$	(114,392)	
Change in prepaid expenses	\$ 22,595	\$ -	\$ -	\$ -	\$ 22,595	\$	(27,448)	
Change in trade and other payables	\$ (53,961)	\$ (559)	\$ -	\$ -	\$ (54,520)	\$	117,569	
Change in wages and benefits payable	\$ (116,023)	\$ -	\$ -	\$ -	\$ (116,023)	\$	(51,202)	
Change in deferred revenue	\$ 141,552	\$ -	\$ -	\$ -	\$ 141,552	\$	3,111	
Change in security payable	\$ -	\$ -	\$ -	\$ 375,318	\$ 375,318	\$	(207,000)	
Change in retirement allowance	\$ 51,720	\$ -	\$ -	\$ -	\$ 51,720	\$	(10,672)	
Total cash flow from operating activities	\$ (73,300)	\$ 439,812	\$ -	\$ 375,318	\$ 741,830	\$	(30,670)	
Financing activities								
Cash transferred to the Capital fund	\$ (114,362)	\$ -	\$ 114,362	\$ -	\$ -	\$	-	
Total cash flow from financing activities	\$ (114,362)	\$ -	\$ 114,362	\$ -	\$ -	\$	-	
Investing activities								
Cash impact of net change in investments	\$ -	\$ (416,617)	\$ -	\$ -	\$ (416,617)	\$	(257,235)	
Cash paid for acquisition of tangible capital assets	\$ -	\$ -	\$ (116,212)	\$ -	\$ (116,212)	\$	(112,748)	
Cash received on sale of tangible capital assets	\$ -	\$ -	\$ 1,850	\$ -	\$ 1,850	\$	-	
Total cash flow from investing activities	\$ -	\$ (416,617)	\$ (114,362)	\$ -	\$ (530,979)	\$	(369,983)	
Net increase (decrease) in cash and cash equivalents	\$ (187,662)	\$ 23,195	\$ -	\$ 375,318	\$ 210,851	\$	(400,653)	
Cash and cash equivalents, beginning of the year	\$ 2,850,541	\$ 8,044	\$ -	\$ 307,517	\$ 3,166,102	\$	3,566,755	
Cash and cash equivalents, end of the period	\$ 2,662,879	\$ 31,239	\$ -	\$ 682,835	\$ 3,376,954	\$	3,166,102	



# Consumer Protection BC

## Notes to the Financial Statements

### For the Year Ended December 31, 2024

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#### 1. Purpose of the organization

The Business Practices and Consumer Protection Authority (“the Authority”) was established on March 31, 2004 under the *Business Practices and Consumer Protection Authority Act* of British Columbia as a not-for-profit corporation without share capital. After a rebranding process on August 24, 2009, the Authority commenced doing business as Consumer Protection BC.

As outlined in an administrative agreement with the Ministry of Public Safety and Solicitor General, the responsibilities of the Authority are to deliver consumer protection services throughout British Columbia, to promote fairness and understanding in the marketplace and to administer in the public interest any Act for which the administration has been delegated. The Authority is classified as a public body for income tax purposes and therefore is not subject to income taxes.

#### 2. Significant accounting policies

The financial statements of the Authority have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. Effective for the fiscal year ending December 31, 2024, the Authority has changed how it reports cash flows from operating activities from the direct method to the indirect method. While the transition to the indirect method does not impact the total cash flows reported, it changes the presentation format. The Authority believes this change will provide readers with more relevant and useful information for assessing the Authority’s financial performance and cash management.

The following significant accounting policies have been adopted by the organization:

##### (a) Fund accounting

The Authority presents financial results using the following funds:

- i. Operating: this unrestricted fund reports the revenues and expenses related to operational and administrative activities;
- ii. Capital: this is an internally restricted fund that reports the revenues and expenses related to tangible and intangible assets;
- iii. Reserve: this is an internally restricted fund that has been established to finance any deficiencies in operations and is the resource before raising dues; and
- iv. Licensee Securities: this is an externally restricted fund established under Section 14(2) of the Travel Industry Regulation for licensed travel agents, and under Section 14(3) of the Travel Industry Regulation for licences travel wholesalers, and under Section 12(1) of the Debt Collection Industry Regulation for licensed debt collectors. The fund reports the security collected in the form of cash or approved investments to be held against claims and potential claims for a specific period of time. The amounts are reimbursed to licence holders upon the occurrence of specific actions and if there are no outstanding claims against the licence holder. See note 3 for more details.

**Consumer Protection BC**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

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**2. Significant accounting policies cont.**

(b) Financial instruments

The Authority's financial instruments consist of cash, security held as cash, short-term investments, trade and other payables, wages and benefits payable and security payable:

i. Cash

Cash includes balances held at Canadian financial institutions for the purpose of meeting short-term cash commitments.

ii. Short-term investments

Short-term investments include cash, guaranteed investment certificates and bonds with terms to maturity less than one year at December 31, 2024, and accrued investment income receivable, held for investing.

iii. Investments

Investments include guaranteed investment certificates and bonds with terms to maturity greater than one year at December 31, 2024, preferred shares and equities.

Financial assets purchased and sold, where the contract requires the asset to be delivered within an established timeframe, are recognized on a settlement-date basis. Financial assets with actively traded markets are reported at fair value determined on the last business day of the fiscal period, with any unrealized gains or losses reported as income. All other financial instruments are reported at amortized cost and assessed for impairment at each reporting date. Transaction costs are expensed as incurred.

The financial assets and financial liabilities of the Authority are classified and measured as follows:

Assets/liabilities	Measurement
Cash	Amortized cost
Security held as cash	Amortized cost
Short term investments	Fair value
Investments (equity)	Fair value
Investments (non-equity)	Amortized cost
Trade and other receivables	Amortized cost
Trade and other payables	Amortized cost
Wages and benefits payable	Amortized cost
Security payable	Amortized cost

**Consumer Protection BC**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

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**2. Significant accounting policies cont.**

(c) Tangible capital assets (continued)

Tangible capital assets are measured at cost less accumulated amortization and impairment losses. Cost includes the purchase price and any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management. Amortization is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Asset	Useful life - years
Furniture and equipment	5
Internally developed software	5
Computer hardware	3
Other software	2
Motor vehicles	5 with 20% residual value
Leasehold improvements	Straight line over the term of the lease

When a capital asset no longer has any long-term service potential to the Authority, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

(d) Revenue recognition

The Authority follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the period 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.

Tangible capital assets contributed or externally restricted contributions for the purchase of tangible capital assets are deferred and amortized over the life of the related tangible capital asset. Unamortized deferred capital contributions relating to tangible capital asset dispositions are recognized as revenue in the period of disposal, provided that the Authority is in compliance with all restrictions.

Government grants are accounted for as unrestricted contributions or externally restricted contributions in accordance with the terms of funding.

Unrestricted interest, investment and recoveries income is recognized as revenue when earned.

Licence fees are recognized on a straight-line basis as revenue throughout the period the licence is valid.

Classification fees are recognized when earned.

**2. Significant accounting policies cont.**

(d) Revenue recognition (continued)

Recoveries fees are determined along with administrative penalties and are recognized as revenue for the Authority once the administrative penalty and recovery amounts have been paid.

(e) Accounts receivable

The Authority conducts credit business with film distributors for film classification services. Ongoing credit evaluations are performed on customers and prepayment is required in the event of unsatisfactory payment history. An allowance for doubtful accounts for estimated losses due to the inability of customers to make payments is maintained. The allowance is adjusted periodically based on the best estimate of bad debt write-offs.

(f) Employee benefit plan

i. Pension plan

The Authority and its employees contribute to the Public Service Pension Plan in accordance with the *Public Sector Pensions Plans Act*. The British Columbia Pension Corporation administers the plan, including the payment of pension benefits, on behalf of employers and employees to whom the Act applies. The pension plan is a multi-employer defined benefit plan.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent actuarial valuation (March 31, 2023) has determined that the plan has a surplus of \$4.5 billion.

Employers participating in the plan record their personal expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and costs to individual employers participating in the plan.

ii. Defined supplemental retirement benefit plan

The supplemental retirement benefit plan payable at retirement is based on the employee's service and earnings projected to retirement. For employees currently not yet eligible to retire and receive the retirement benefit on the year-end date, the benefit is prorated by the ratio of their service to-date over their total service at the time of retirement. The prorated benefit represents the portion of the benefit accrued to the year-end date. For employees eligible to receive the retirement benefit at the year-end date, the expected retiring benefit payment has been included in the accrued liability. The value of the benefit is calculated based on the likelihood that the member will retire from the plan and discounted with interest to the current date.

**2. Significant accounting policies cont.**

(g) Long-term disability

The Authority contributes to the Public Service Long-term Disability Multi-employer Plan, as a member of an employer group. The long-term disability plan liability rests with the Province of BC and is not a liability of the Authority. As such, defined contribution plan accounting is applied to this benefit plan and the cost of these employee future benefits is recognized as an expense in the year that contributions are made.

(h) Asset retirement obligations

The fair value of a liability for an asset retirement obligation is recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated retirement costs are capitalized as part of the carrying amount of the long-lived assets and amortized over the life of the asset. Currently, the Authority has determined that there are no significant asset retirement obligations.

(i) Use of estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. This includes, but is not limited to, the collection of receivables, fair value of investments, useful lives of tangible capital assets and the accrual of liabilities, such as the defined supplemental retirement benefit.

**Consumer Protection BC**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

**3. Security payable**

Under Section 14(2) of the Travel Industry Regulation, licensed travel agents , and under Section 14(3), licences travel wholesalers in BC must provide security to the Authority prior to the issuance of a licence. The security may be provided in the form of cash, letter of credit or approved investments. Security provided in the form of cash is held in a separate bank account and returned six months after the licence is cancelled if there are no outstanding claims against the security. If claims are made by consumers for travel services that were prepaid but not received, the security is used to reimburse the Travel Assurance Fund for the claims. The licensee has the opportunity to reimburse the Travel Assurance Fund prior to the security becoming realized.

Under Section 12(1) of the Debt Collection Industry Regulation, licensed debt collectors in BC must provide security to the Authority prior to the issuance of a licence. The security may be provided in the form of cash, letter of credit or approved investments. Security provided in the form of cash is held in a separate bank account and returned two years after the licence is cancelled if there are no outstanding claims against the security.

	<b>Debt</b>		<b>Travel</b>		<b>Total</b>
Balance, beginning of year	\$	111,507	\$	3,210,000	\$ 3,321,507
Contributions received		-		720,000	720,000
Refunds & transfers to Unclaimed Property Society of BC issued		(91,507)		(260,000)	(351,507)
Interest owed to Operating Fund		-		6,824	6,824
Balance, end of year	\$	20,000	\$	3,676,824	\$ 3,696,824

  

	<b>Total</b>	
Security held as cash	\$	682,835
Security held as short-term investments		1,513,989
Security held as investments		1,500,000
	\$	3,696,824

**4. Trade and other receivables**

	<b>2024</b>		<b>2023</b>	
Trade receivables	\$	238,957	\$	181,363
Interest receivable		170,386		119,583
Receivable from TAF, CAF, Recoveries & CFEF		20,194		108,829
	\$	429,537	\$	409,775

**5. Short-term investments**

	<b>2024</b>		<b>2023</b>	
Accrued investment income receivable	\$	12,113	\$	10,894
Guaranteed investment certificates		1,713,989		1,774,600
Bonds		420,569		291,776
	\$	2,146,671	\$	2,077,270

**Consumer Protection BC**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

**6. Investments**

		<b>2024</b>		<b>2023</b>
Guaranteed investment certificates	\$	1,750,000	\$	1,713,990
Bonds		1,374,149		1,263,865
Preferred shares		244,578		250,538
Canadian equities		1,324,768		1,141,989
Foreign equities		695,772		670,552
	\$	5,389,267	\$	5,040,934

**7. Operating line of credit**

The Authority maintains an operating line of credit in the amount of \$900,000 with Scotiabank. The credit facility bears interest at Scotiabank's prime rate. As of December 31, 2024, there were no borrowings under the line of credit (2023: \$Nil).

**8. Tangible capital assets**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>	
			<b>2024</b>	<b>2023</b>
Furniture and equipment	\$ 668,263	\$ 575,560	\$ 92,703	\$ 83,188
Internally developed software	924,228	924,228	-	-
Computer hardware	291,306	198,441	92,865	76,118
Motor vehicles	120,077	96,062	24,015	28,039
Leasehold improvements	301,847	288,070	13,777	15,870
	\$ 2,305,721	\$ 2,082,361	\$ 223,360	\$ 203,215

**9. Lease obligation and commitments**

The Authority has entered into lease agreements for its premises. Future minimum lease payments are as follows:

	<b>Total Future Commitments</b>
2025	\$ 290,885
2026	225,428
2027	225,428
2028	225,428
2029	75,143
	\$ 1,042,312

The Authority has applied the simplification approach in accounting for its cloud computing arrangement and recognized expenses totaling \$66,843 (2023: \$Nil), and where \$36,239 is included in information systems expense, and \$30,604 is included in contract services expense.

**Consumer Protection BC**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

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**10. Wages and benefits payable**

Wages and benefits payable represents the Authority's obligations for employee benefits that are expected to be settled during the next 12 months. The liabilities recognized for wages and benefits consist of the following amounts:

		<b>2024</b>		<b>2023</b>
Salaries payable	\$	90,367	\$	227,017
Employee leave liability		47,917		41,022
Pension, WSBC & Group Life payable		59,146		45,414
	\$	197,430	\$	313,453

**11. Deferred revenue**

Deferred revenue consists of funds received for licences issued that are in effect for all or part of the next fiscal year. The balance consists of the following unrecognized licence fees by industry:

		<b>2024</b>		<b>2023</b>
Cemetery/crematorium	\$	12,707	\$	12,620
Debt collection & repayment		680,538		599,886
Film licensing		118,168		117,177
Funeral services		87,770		40,723
High-cost credit grantors		378,456		397,778
Home inspectors		141,451		142,250
Payday lenders		421,671		405,117
Telemarketing		23,094		26,434
Travel		377,131		357,449
	\$	2,240,986	\$	2,099,434



## **12. Employee future benefits**

### **(a) Public service pension plan**

The Authority is a member of a defined benefit plan providing pension and other retirement benefits to its employees. The plan is administered by the British Columbia Pension Corporation. Eligible employees make contributions to the plan via payroll deductions.

The employer contribution rate to the Public Service Pension Plan is 9.85% of the pensionable salary. This rate has been in effect since April 1, 2018.

The Authority recognized \$427,431 in employer contributions as an expense during the fiscal year (2023: \$408,801).

### **(b) Defined supplemental retirement benefit plan**

In addition to the Public Service Pension Plan, eligible employees are entitled to a supplemental retirement benefit as provided for under the collective agreement and terms of employment. The retirement benefit is based on years of service and final average salary and paid through an unfunded Defined Supplemental Retirement Benefit Plan, which is administered by the Authority.

An independent actuarial valuation of the Defined Supplemental Retirement Benefit Plan has not been performed, therefore the amount accrued as a liability at December 31, 2024 is management's best estimate based on the following assumptions:

	Assumption
Accrued benefit obligation	\$184,225
Discount rate	3.25%
Staff attrition rate	25% for staff with 10+years of service and 50% for staff with less than 10 years of service
Rate of compensation increase	3.08%

The full accrued benefit obligation has been recorded as a liability. The Authority recognized \$51,714 (2023: \$10,674 benefit recovery) as a supplemental retirement expense during the fiscal year and made no cash payments (2023: \$Nil).

### **(c) Long-term disability plan**

A funded long-term disability, multi-employer plan provides disability income benefits after employment, but before retirement.

The contribution rate is 1.58% of the employees' salary (2023: 0.93%). The total contributions recognized as an expense in the year were \$60,964 (2023: \$42,192).

**Consumer Protection BC**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

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**13. Interest, investment and other income**

Interest, investment and other income consists of the following amounts:

		<b>2024</b>		<b>2023</b>
Interest earned from bank account balances	\$	270,901	\$	244,551
Investment income		126,724		111,421
Investment unrealized (losses)/gains		316,844		125,950
Other income		50,000		50,000
Investment realized (losses)/gains		15,126		19,795
	\$	779,595	\$	551,717

**14. Financial risk management**

The Authority adheres to an Investment Policy, which is approved by the Board of Directors, and outlines the objectives, policies and processes related to its investing activities. The Investment Policy provides guidance on portfolio management and investment decisions.

The Authority has exposure to the following risks from its use of financial instruments:

(a) Credit risk

Credit risk is the risk of financial loss to the Authority if a counterparty to a financial instrument fails to meet its contractual obligations. The Authority's investments in short-term investments and investments are subject to credit risk. The maximum exposure to credit risk on these instruments is their carrying value.

The Authority manages the risk by limiting the credit exposure allowed under the investment management guidelines in the Investment Policy. The Investment Policy mandates that the majority of the fixed-income portfolio will be invested in investment-grade securities and the maximum amount allowable per investment-grade non-government fixed-income security will be the greater of 10% of the portfolio or 15% of the fixed-income portfolio. The credit risk regarding cash and term deposits is considered negligible because they are held by a reputable financial institution with an investment grade external credit rating.

The Authority is exposed to credit risk from trade and other receivables. Credit evaluations are performed, prepayment is required and an allowance for doubtful accounts is determined to address the risk of uncollectibility.

(b) Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they become due. The Investment Policy states that about 5% of the investment portfolio should be held in cash or cash equivalents for operational requirements. The Authority aims to retain a sufficient cash position to manage liquidity. An internally restricted reserve has been established to finance unexpected deficiencies.

**14. Financial risk management cont.**

(c) Market risk

Market risk is the risk that changes in market prices, because of changes in foreign exchange rates, interest rates and equity prices, will affect the Authority's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while achieving return objectives.

i. Currency risk

Investments in foreign securities are exposed to currency risk due to fluctuations in foreign exchange rates.

The Authority is exposed to currency risk on its foreign securities as the prices denominated in foreign currencies are converted to Canadian dollars in determining fair value. The Investment Policy asset allocation statement sets a maximum of 30% of the value of the investment portfolio will be invested in foreign securities.

ii. Interest rate risk

Interest rate risk relates to the risk that changes in interest rates will affect the fair value or future cash flows of financial instruments. The Authority is invested in a number of individual bonds.

Interest rate risk is managed by the investment managers through the staggering of maturity dates for the individual fixed-income investment holdings and by having no fixed-income investments with a term to maturity greater than 10 years.

The Authority is exposed to interest rate risk through its prime-based line of credit. The line of credit is undrawn during the reporting periods presented.

iii. Other price risk

The Investment Policy includes restrictions regarding the minimum and maximum amount of cash and equivalents, fixed-income, Canadian equity and foreign securities. The diversification across various asset classes is designed to decrease the volatility of portfolio returns.

**Consumer Protection BC**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

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**15. Travel Assurance Fund**

The Travel Assurance Fund is established pursuant to Section 130(2) of the *Business Practices and Consumer Protection Act* ("Act") and is funded by required initial and annual contributions from licensees. It has been created to reimburse eligible consumers who have prepaid for travel services with a BC licensed travel agency or wholesaler but did not receive the service. These compensation funds are to be maintained in trust and do not form part of the assets of the Authority. The statement of financial position and statement of operations and net assets of the Travel Assurance Fund are as follows:

<b>Statement of Financial Position</b>	<b>2024</b>		<b>2023</b>	
Cash	\$	631,298	\$	702,592
Accounts receivable		-		1,708
Due from Consumer Protection BC		12,086		-
Short-term investments (Note 15(a))	\$	1,259,389	\$	1,263,186
		1,902,773		1,967,486
Investments (Note 15(b))		5,106,042		4,590,547
Total assets	\$	7,008,815	\$	6,558,033
Trade and other payables	\$	-	\$	21,675
Due to Consumer Protection BC		-		21,210
Total liabilities	\$	-	\$	42,885
Net assets		7,008,815		6,515,148
Total liabilities and Net assets	\$	7,008,815	\$	6,558,033

  

<b>Statement of Operations</b>	<b>2024</b>		<b>2023</b>	
Contributions	\$	98,483	\$	43,214
Recovery of claims (Note 15(d))		2,148		-
Interest and investment income (Note 15(c))		543,036		339,637
	\$	643,667	\$	382,851
Payment of claims (Note 15(d))		-		26,669
Administration (Note 19)		150,000		150,000
	\$	150,000	\$	176,669
Excess of revenue over expenses		493,667		206,182
Net assets, beginning of year		6,515,148		6,308,966
Net assets, end of year	\$	7,008,815	\$	6,515,148

**Consumer Protection BC**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

**15. Travel Assurance Fund cont.**

(a) Short-term investments

	<b>2024</b>		<b>2023</b>	
Cash	\$	34,590	\$	60,879
Accrued investment income receivable		29,740		25,224
Guaranteed investment certificates		100,000		468,800
Bonds		1,095,059		708,283
	\$	1,259,389	\$	1,263,186

(b) Investments

	<b>2024</b>		<b>2023</b>	
Guaranteed investment certificates	\$	415,000	\$	80,000
Bonds		2,981,139		2,889,230
Preferred shares		466,162		417,886
Canadian equities		921,202		887,607
Foreign equities		322,539		315,824
	\$	5,106,042	\$	4,590,547

(c) Interest and investment income

	<b>2024</b>		<b>2023</b>	
Investment income (net of fees)	\$	147,500	\$	133,785
Investment unrealized gains		342,560		149,033
Interest earned from bank account balances		31,337		36,826
Investment realized gains		21,639		19,992
	\$	543,036	\$	339,636

(d) Payment of claims

The Travel Assurance Fund paid out or was due to recover \$2,148 (2023: \$26,669) in reimbursements for eligible claims. The maximum amount that may be paid from the fund to a claimant in respect of a claim is \$5,000 for each person covered by the claim. Approved claims may include more than one person resulting in a payment greater than \$5,000 per claim.

Failed Supplier	Approved Claims	Approved Recoveries	Payments
Crystal Cruises	-	3	(\$13,204)
Anando Tours	1	-	\$8,621
Jauntree Tours	1	-	\$2,435
			(\$2,148)

(e) Claims payable in subsequent period

The Travel Assurance Fund has no claims payable from consumers (2023: eight claims from consumers totaling \$21,675) related to disputes with licensed travel agents. The claims from 2023 were deemed to be Unclaimed Property and were remitted to the British Columbia Unclaimed Property Society in 2024.

**Consumer Protection BC**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

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**16. Consumer Advancement Fund**

The Consumer Advancement Fund is established pursuant to Section 139(1) of the Act and is funded by proceeds from court ordered actions taken against violators of the Act and various administrative penalties. It is created to fund education of consumers and suppliers on compliance with the Act. These funds are maintained in trust and administered by, and do not form part of the assets of, the Authority. The statement of financial position and statement of operations and net assets of the Consumer Advancement Fund at are as follows:

<b>Statement of Financial Position</b>	<b>2024</b>		<b>2023</b>	
Cash	\$	10,121,198	\$	9,587,112
Short-term investments		1,000,000		3,345,000
Prepaid expenses		49,773		-
Interest receivable		30,195		65,764
	\$	11,201,166	\$	12,997,876
Investments		2,500,000		-
<b>Total assets</b>	<b>\$</b>	<b>13,701,166</b>	<b>\$</b>	<b>12,997,876</b>
Due to Consumer Protection BC	\$	7,963	\$	85,163
<b>Net assets</b>		<b>13,693,203</b>		<b>12,912,713</b>
<b>Total liabilities and net assets</b>	<b>\$</b>	<b>13,701,166</b>	<b>\$</b>	<b>12,997,876</b>

  

<b>Statement of Operations</b>	<b>2024</b>		<b>2023</b>	
Contributions	\$	58,503	\$	31,400
Mortgage discharge undertakings		642,375		11,981,575
Interest and investment income		611,935		231,218
	\$	1,312,813	\$	12,244,193
Expenses		532,323		245,994
Excess of revenue over expenses	\$	780,490	\$	11,998,199
Net assets, beginning of year		12,912,713		914,514
<b>Net assets, end of year</b>	<b>\$</b>	<b>13,693,203</b>	<b>\$</b>	<b>12,912,713</b>

**Consumer Protection BC**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

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**17. Recoveries Fund**

The Recoveries Fund consists of cost recoveries from legal actions and settlements the Authority managed on behalf of consumers. Pursuant to a court order, undertaking or consent agreement, the Authority is authorized to deduct the costs it has incurred from the gross settlement proceeds prior to distributing the net amount to the damaged parties. These funds are maintained in trust and administered by, and do not form part of the assets of, the Authority. Settlement amounts will vary from year-to-year depending upon the results of the actions taken. The statement of financial position and statement of operations and net assets of the Recoveries Fund at are as follows:

<b>Statement of Financial Position</b>	<b>2024</b>		<b>2023</b>	
Cash	\$	4,324	\$	6,298
Total assets	\$	4,324	\$	6,298
Trade and other payables	\$	4,274	\$	6,259
Net assets		50		39
Total liabilities and Net assets	\$	4,324	\$	6,298

  

<b>Statement of Operations</b>	<b>2024</b>		<b>2023</b>	
Contributions	\$	-	\$	-
Expenses		(11)		11
Excess/(deficiency) of revenue over expenses	\$	11	\$	(11)
Net assets, beginning of year		39		50
Net assets, end of year	\$	50	\$	39

**Consumer Protection BC**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

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**18. Consumer Financial Education Fund**

The Consumer Financial Education Fund is established pursuant to Section 141(1) of the Act and is funded by applicants for a licence under the High-cost Credit Products Regulation and the Payday Loans Regulation. It is created to fund financial education of consumers, increasing compliance with the Act and pay the costs of administering the fund. These funds are maintained in trust and administered by, and do not form part of the assets of, the Authority. The statement of financial position and statement of operations and net assets of the Consumer Financial Education Fund at are as follows.

<b>Statement of Financial Position</b>	<b>2024</b>		<b>2023</b>	
Cash	\$	136,780	\$	115,655
Total assets	\$	136,780	\$	115,655
Due to Consumer Protection BC		7,956		2,456
Net assets		128,824		113,199
Total liabilities and Net assets	\$	136,780	\$	115,655
<b>Statement of Operations</b>	<b>2024</b>		<b>2023</b>	
Contributions	\$	63,616	\$	64,750
Interest		4,514		3,596
	\$	68,130	\$	68,346
Expenses		52,505		19,926
Excess of revenue over expenses	\$	15,625	\$	48,420
Net assets, beginning of year		113,199		64,779
Net assets, end of year	\$	128,824	\$	113,199

**19. Related party transactions**

Administrative fees were collected and accrued by the Authority from the Travel Assurance Fund in the amount of \$150,000 (2023: \$150,000) to compensate for the costs of administering the Fund.

Administrative fees were collected and accrued by the Authority from the Consumer Advancement Fund in the amount of \$60,350 (2023: \$12,000) to compensate for the costs of administering the Fund.

Administrative fees were collected and accrued by the Authority from the Consumer Financial Education Fund in the amount of \$12,000 (2023: \$12,000) to compensate for the costs of administering the Fund.

Recovery of costs were collected and accrued by the Authority from the Consumer Advancement Fund in the amount of \$Nil (2023: \$Nil) to compensate for general consumer protection costs.



**Consumer Protection BC**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

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**19. Related party transactions (continued)**

The Authority collected and accrued \$11,918 (2023: \$4,486) from the Consumer Advancement Fund to recover administrative penalty costs.

Fees were collected and accrued by the Authority from the Consumer Advancement Fund in the amount of \$178,738 (2023: \$87,286) to compensate for investigative and legal costs.

**20. Board and employee compensation**

Director and non-union employee compensation was last reviewed by an external, third-party consulting firm in 2022. Reviews consist of comparing current compensation levels against those of similar organizations and the overall labour market. An independent review of Director and non-union employee compensation results are presented by the third-party firm to the Human Resources & Compensation Committee (HRCC). The HRCC assists the Board in discharging its responsibilities for Board and CEO compensation, including recommending changes to Board and CEO compensation for Board approval, as per the Committee Terms of Reference. Non-union employee compensation results are reviewed by the CEO.

The Board and Committee members are compensated by annual retainers for all time spent on the Authority's business (other than scheduled Board and Board Committee meetings). The Board retainer compensates Directors for activities such as time spent responding to Authority requests for information or advice, meetings under two hours and meeting preparation.

The HRCC annually reviews CEO compensation so that the compensation plan continues to be competitive, transparent, accountable and affordable. The CEO is eligible for an annual performance incentive. The amount of the performance incentive is based on an annual evaluation of specific individual performance measurements established at the beginning of the year.

Union employee compensation is based on the collective agreement between the Authority and the BC General Employees' Union (BCGEU). The collective agreement between the Authority and BCGEU is effective from January 1, 2022 to December 31, 2024 and was ratified on October 3, 2022.

All compensation plans assist in motivating, retaining and attracting candidates of outstanding abilities.

Summary of Board Compensation		
Annual retainers and meeting fees	\$	186,000
Expense reimbursements		21,663
	\$	207,663

**Consumer Protection BC**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

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**20. Board and employee compensation (continued)**

Reasonable Director out-of-pocket expenses and per diems are reimbursed at the same rate that is approved for the CEO and in accordance with the current Group III level of the British Columbia Public Service.

Employee wages and benefits listed below reflect wages and benefits paid in 2024 and reconcile to amounts recorded on the 2024 T4s.

<b>Summary of Employee Compensation</b>		
Non-union employee wages and benefits	\$	2,387,612
Union employee wages and benefits		2,115,307
	\$	4,502,919