

Financial Statements of

COLLEGE OF APPLIED BIOLOGY

And Independent Auditor's Report thereon

Year ended December 31, 2025



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the College of Applied Biology

Opinion

We have audited the financial statements of the College of Applied Biology (the Entity), which comprise:

- the balance sheet as at December 31, 2025
- 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 Entity as at December 31, 2025, 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 Entity 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 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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 Entity'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 Entity'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 Entity to cease to continue as a going concern.



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- 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

April 14, 2026

COLLEGE OF APPLIED BIOLOGY

Balance Sheet

December 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,139,989	\$ 970,159
Short-term investments (note 2)	1,109,265	913,028
Accounts receivable	495,587	399,628
Prepaid expenses and deposits	47,499	32,201
	<u>2,792,340</u>	<u>2,315,016</u>
Tangible capital assets (note 3)	16,938	20,285
Intangible assets (note 4)	23,591	27,316
	<u>\$ 2,832,869</u>	<u>\$ 2,362,617</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 208,495	\$ 119,357
Deferred revenue (note 6)	1,760,987	1,399,432
	<u>1,969,482</u>	<u>1,518,789</u>
Net assets:		
Operating fund	210,017	180,972
Capital fund	40,529	47,601
Contingency fund	-	19,793
Legal contingency fund	612,841	595,462
	<u>863,387</u>	<u>843,828</u>
Commitments (note 9)		
	<u>\$ 2,832,869</u>	<u>\$ 2,362,617</u>

See accompanying notes to financial statements.

On behalf of the Board:





COLLEGE OF APPLIED BIOLOGY

Statement of Operations and Changes in Net Assets

Year ended December 31, 2025, with comparative information for 2024

	Operating fund	Capital fund	Contingency fund	Legal contingency fund	Total 2025	Total 2024
Revenue:						
Annual dues	\$ 1,697,942	\$ -	\$ -	\$ -	\$ 1,697,942	\$ 1,396,868
Course fees	249,962	-	-	-	249,962	190,652
Application	212,855	-	-	-	212,855	162,341
Conference	91,475	-	-	-	91,475	87,020
Other fees	31,902	-	-	-	31,902	60,108
Interest income	22,672	-	-	17,379	40,051	56,298
	<u>2,306,808</u>	<u>-</u>	<u>-</u>	<u>17,379</u>	<u>2,324,187</u>	<u>1,953,287</u>
Expenses:						
Advertising	2,055	-	-	-	2,055	1,828
Amortization	-	13,626	-	-	13,626	14,199
Bank charges and processing fees	66,507	-	-	-	66,507	51,499
Conference	81,610	-	-	-	81,610	85,998
Council and committee meetings	128,560	-	-	-	128,560	167,838
Database and website (note 8)	32,178	-	-	-	32,178	13,145
Insurance	11,467	-	-	-	11,467	11,470
Office and general	135,365	-	-	-	135,365	176,815
Professional fees	67,365	-	-	-	67,365	85,318
Rent	138,671	-	-	-	138,671	134,285
Salaries and benefits (note 8)	1,622,117	-	-	-	1,622,117	1,453,635
Training	5,107	-	-	-	5,107	16,548
	<u>2,291,002</u>	<u>13,626</u>	<u>-</u>	<u>-</u>	<u>2,304,628</u>	<u>2,212,578</u>
Excess (deficiency) of revenues over expenses	15,806	(13,626)	-	17,379	19,559	(259,291)
Net assets, beginning of year	180,972	47,601	19,793	595,462	843,828	1,103,119
Interfund transfers						
Release of contingency funds	19,793	-	(19,793)	-	-	-
Capital asset acquisitions	(6,554)	6,554	-	-	-	-
Net assets, end of year	<u>\$ 210,017</u>	<u>\$ 40,529</u>	<u>\$ -</u>	<u>\$ 612,841</u>	<u>\$ 863,387</u>	<u>\$ 843,828</u>

See accompanying notes to financial statements.

COLLEGE OF APPLIED BIOLOGY

Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenues over expenses	\$ 19,559	\$ (259,291)
Item not involving cash:		
Amortization	13,626	14,199
	33,185	(245,092)
Changes in non-cash operating working capital:		
Increase in accounts receivable	(95,959)	(21,207)
Decrease (increase) in prepaid expenses and deposits	(15,298)	10,045
Increase (decrease) in accounts payable and accrued liabilities	89,138	(24,642)
Increase in deferred revenue	361,555	249,857
	372,621	(31,039)
Investing:		
Disposal (purchase) of short-term investments	(196,237)	109,650
Purchase of tangible capital assets	(6,554)	(5,330)
	(202,791)	104,320
Increase in cash and cash equivalents	169,830	73,281
Cash and cash equivalents, beginning of year	970,159	896,878
Cash and cash equivalents, end of year	\$ 1,139,989	\$ 970,159

See accompanying notes to financial statements.

COLLEGE OF APPLIED BIOLOGY

Notes to Financial Statements

Year ended December 31, 2025

Nature of operations:

College of Applied Biology (the "Entity") was created under the College of Applied Biology Act that was signed into law by the Provincial Legislature of British Columbia (the "Act"). The Professional Governance Act ("PGA") took effect on February 5, 2021 after receiving Royal Assent on November 27, 2018, which resulted in the repeal of the Act. The PGA provides a consistent governance framework for self-regulating professions that incorporates best practices of professional governance. The PGA currently governs the six regulatory bodies overseeing agrologists, applied biologists, applied science technologists and technicians, architects, engineers and geoscientists, and forest professionals. The College is a regulatory body included under the PGA.

As a professional regulator, the College is committed to acting in the best interests of the public, by ensuring that all registrants apply, represent and maintain the highest ethical standards of professional conduct and competence.

The College is exempt from income taxes under the Income Tax Act.

1. Significant accounting policies:

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

(a) Fund accounting:

The College follows the restricted fund method of accounting using the following funds:

- Operating Fund: this fund reports the revenues and expenses related to administrative and operational activities;
- Capital Fund: this fund reports the revenues and expenses related to tangible and intangible assets;
- Contingency Fund: this is an internally restricted fund that has been established to finance any deficiencies in operations and is the resource before raising registrant dues; and
- Legal Contingency Fund: this is an internally restricted fund that has been established to finance legal costs that may be incurred on behalf of the College.

(b) Cash and cash equivalents:

Cash and cash equivalents consist of cash, bank overdrafts and investments in money market or other short-term instruments or investments with an original maturity of less than 90 days.

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Notes to Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(c) Short-term investments:

Short-term investments consist of term deposits maturing within one year and are stated at cost, which together with accrued interest income approximates fair value given the short-term nature of these investments.

(d) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Assets acquired under capital leases are amortized over the estimated life of the assets or over the lease term, as appropriate. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the College's ability to provide services, its carrying amount is written down to its residual value.

Capital assets are amortized on following methods and annual rates:

Asset	Method	Rate
Computer equipment	Straight-line	3 years
Furniture and fixtures	Declining balance	20%
Leasehold improvements	Straight-line	5 years
Equipment	Declining balance	20%
Computer software	Straight-line	3 years

The estimated useful lives of assets are reviewed by management and adjusted if necessary.

(e) Intangible assets:

The carrying amount of an intangible asset, whose life is determined to be indefinite, is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may exceed its fair value. An impairment loss is recognized when the asset's carrying amount exceeds its fair value. Impairment losses are not subsequently reversed.

Intangible assets are amortized on following methods and annual rates:

- Registrants database - Straight-line over 10 years
- Ethics course - Straight-line over 3 years

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Notes to Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(f) Revenue recognition:

Annual dues and application fees are recognized as revenue in the Operating Fund when received or receivable. Annual dues and application fees received in advance of the year to which they relate are recorded as deferred revenue.

Course fees are recognized as revenue in the Operating Fund at the time the services are provided or the products are delivered, and collection is reasonably assured.

Other fees are recognized as revenue in the Operating Fund in the period received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted revenue related to operations other than endowment contributions is recognized as revenue in the Operating Fund in the year in which the related expenses are recognized. All other restricted contributions are recognized as revenue of the appropriate restricted fund when received or receivable.

Investment income is recognized as revenue in the appropriate fund when earned.

(g) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Investments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the College determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the College expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

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Notes to Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(h) 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 which affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

2. Short-term investments:

Short-term investments consist of redeemable guaranteed investment certificates with interest rates ranging from 2.75% to 3.36% maturing between March 13, 2026 and October 28, 2026.

The short-term investments are separated into the following funds:

	2025	2024
Operating fund	\$ 574,230	\$ 340,113
Contingency fund	-	19,793
Legal contingency fund	519,500	521,136
Accrued interest	15,535	31,986
	\$ 1,109,265	\$ 913,028

3. Tangible capital assets:

	2025		2024	
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 39,172	\$ 31,220	\$ 7,952	\$ 11,514
Furniture and fixtures	35,841	30,086	5,755	7,194
Leasehold improvements	7,187	7,187	-	-
Equipment	3,844	3,791	53	1,577
Computer software	3,575	397	3,178	-
	\$ 89,619	\$ 72,681	\$ 16,938	\$ 20,285

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Notes to Financial Statements (continued)

Year ended December 31, 2025

4. Intangible assets:

	2025	2024
Registration database	\$ 49,665	\$ 49,665
Ethics course content	7,140	7,140
	56,805	56,805
Accumulated amortization	(33,214)	(29,489)
	\$ 23,591	\$ 27,316

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities as at December 31, 2025 are government remittances payable of \$114,909 (2024 – \$26,632) relating to federal and provincial sales taxes, payroll taxes, health taxes and workers' safety insurance.

6. Deferred revenue:

Deferred revenue represents funds received in advance for 2026 annual dues. The amounts will be recognized as revenue in 2026.

7. Employee future benefits:

The College is a participating employer in the British Columbia Public Service Pension Plan ("PSPP"), a jointly trustee pension plan. The pension plan is a multi-employer plan and as a result, required contributions are expensed as incurred. 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.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of the plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate is then adjusted to the extent there is amortization of any funding deficit.

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Notes to Financial Statements (continued)

Year ended December 31, 2025

7. Employee future benefits: (continued):

The most recent actuarial valuation for the plan at March 31, 2023 indicated a surplus of approximately \$4,491 million. The plan covers approximately 66,000 active members. The next actuarial valuation of the plan will be as of March 31, 2026.

Contributions to the PSPP of \$111,856 (2024 - \$93,563) were expensed during the year.

8. Government assistance:

During the year, the College recognized government grants of \$3,500 (2024 - \$32,000 and \$9,680), which has been recorded as a reduction to database and website costs (2024 - salaries and benefits costs and database and website costs).

9. Lease commitments:

The College is committed to minimum annual lease payments under its premises and equipment leases over the next five years, as follows:

2026	\$	69,351
2027		68,457
2028		68,457
2029		70,259
2030		70,259

COLLEGE OF APPLIED BIOLOGY

Notes to Financial Statements (continued)

Year ended December 31, 2025

10. Endowment fund with Victoria Foundation:

In 2014, the College established the Linda Michaluk Scholarship Fund with the Victoria Foundation, a permanent endowment fund, with an initial gift of \$10,000. The purpose of the scholarship is to provide financial assistance to a Master or Doctor of Philosophy degree candidate at a Canadian university whose project advances science-informed decisions/decision making in the public interest with respect to natural resources in Canada.

	2025		2024	
Balance, beginning of year	\$	41,224	\$	38,355
Investment returns, net of management fees		3,678		5,369
Scholarships awarded		-		(2,500)
Balance, end of year	\$	44,902	\$	41,224

11. Financial risks and concentration of risk:

The maximum credit risk exposure for the College's financial assets is the carrying value of those assets. To reduce credit risk, cash and cash equivalents and short-term investments are only held at major financial institutions.

It is management's opinion that the College is not exposed to significant interest rate or foreign exchange risk.

There have been no changes in exposures to risk since the prior year.