

**COLLEGE OF APPLIED BIOLOGY
FINANCIAL STATEMENTS**

December 31, 2017

COLLEGE OF APPLIED BIOLOGY INDEX TO FINANCIAL STATEMENTS

Year ended December 31, 2017

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PARTNERS* designates incorporated member

MARLON BADESSO, BComm, CPA, CA*

BRENT V. ENGLAND, BSc, CPA, CA, CPA (Colorado)*

PHILIP HOGAN, CPA, CA, CPA (Colorado)*

AMMO BAINES, BBA, CPA, CA*

TONY THEAKER, CPA, CA, CPA (Arizona)*



200-1137 Yates Street,
Victoria, BC V8V 3N1

T 250 381 2400

F 250 381 1816

HUTCHESON.CA

INDEPENDENT AUDITOR'S REPORT

To: The Members of College of Applied Biology

We have audited the accompanying financial statements of College of Applied Biology, which comprise the statement of financial position as at December 31, 2017, and the statements of changes in net assets, operations, and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the management's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the management's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the College of Applied Biology as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Victoria, British Columbia
February 18, 2018

Chartered Professional Accountants

**COLLEGE OF APPLIED BIOLOGY
STATEMENT OF FINANCIAL POSITION**

December 31

2017

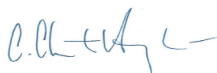
2016

ASSETS

Current

Cash and cash equivalents		
Operating Fund	\$ 436,147	\$ 283,361
Short term investments		
Operating Fund	152,737	150,833
Contingency Fund	193,767	191,234
Legal Contingency Fund	242,389	136,642
Accounts receivable	129,635	83,495
Prepaid expenses	9,925	5,652
	1,164,600	851,217
Long term investments - Legal Contingency Fund	168,808	267,215
Tangible capital assets (note 3)	5,168	4,631
Leased furniture (note 4)	9,065	11,322
	\$ 1,347,641	\$ 1,134,385

APPROVED BY THE BOARD



Executive Director



Councillor

See accompanying notes

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**COLLEGE OF APPLIED BIOLOGY
STATEMENT OF FINANCIAL POSITION**

December 31	2017	2016
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	\$ 36,011	\$ 50,586
Deferred revenue	501,885	418,310
	537,896	468,896
Obligation for capital lease (note 5)	745	6,318
	538,641	475,214
Net Assets		
Operating Fund	204,037	64,080
Contingency Fund	193,766	191,234
Legal Contingency Fund	411,197	403,857
	809,000	659,171
	\$ 1,347,641	\$ 1,134,385

See accompanying notes

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**COLLEGE OF APPLIED BIOLOGY
STATEMENT OF CHANGES IN NET ASSETS**

Year ended December 31, 2017

	Operating Fund	Contingency Fund	Legal Contingency Fund	Total 2017	Total 2016
Balance, beginning of year	\$ 64,080	\$ 191,234	\$ 403,857	\$ 659,171	\$ 488,787
Excess of revenues over expenses for the year	139,957	2,532	7,340	149,829	170,384
Balance, end of year	\$ 204,037	\$ 193,766	\$ 411,197	\$ 809,000	\$ 659,171

See accompanying notes

**COLLEGE OF APPLIED BIOLOGY
STATEMENT OF OPERATIONS**

Year ended December 31	Operating Fund	Contingency Fund	Legal Contingency Fund	Total 2017	Total 2016
REVENUE					
Membership dues and application fees	\$ 672,616			\$ 672,616	\$ 676,491
Course fees	78,200			78,200	48,400
Conference	33,685			33,685	25,230
Reinstatement and late payment fees	11,867			11,867	10,002
Interest	1,904	2,532	7,340	11,776	10,061
Job postings	7,900			7,900	6,200
Assessment for professional seals	3,550			3,550	4,540
Grants	-			-	29,500
Gain on disposal of capital assets	-			-	630
	809,722	2,532	7,340	819,594	811,054
EXPENSES					
Administration and Executive					
Amortization	4,785			4,785	6,090
Bad debts	13,300			13,300	12,075
Bank and credit card charges	21,599			21,599	20,002
Computer database	3,093			3,093	12,490
Council expenses	41,142			41,142	35,669
Courses offered	1,207			1,207	3,366
Disciplinary investigations	3,281			3,281	11,105
Donations	733			733	-
Insurance office	1,211			1,211	1,170
Legal and audit	28,008			28,008	18,526
Office equipment and supplies	20,330			20,330	16,210
Outreach expenses	16,201			16,201	30,009
Postage	5,694			5,694	6,206
Publications and College Matters	10,144			10,144	10,708
Publicity and public relations	8,404			8,404	1,070
Rent	28,753			28,753	27,663
Salaries and benefits	376,716			376,716	360,239
Staff training	495			495	1,001
Telephone and internet	5,104			5,104	4,839
Web and online course development	9,253			9,253	12,023
	599,453	-	-	599,453	590,461
Committees					
AGM and conference	49,260			49,260	26,524
Audit Committee	5,885			5,885	5,159
Biologists Canada Committee	14			14	818
Communications Committee	1,169			1,169	618
Credentials	659			659	7,242
Discipline	2,483			2,483	840
Editorial Board	3,862			3,862	301
Ethics Committee	8			8	29
Executive Committee	65			65	3,057
Finance and Budget Committee	4,539			4,539	5,007
Right to Practice	2,368			2,368	614
	70,312	-	-	70,312	50,209
	669,765	-	-	669,765	640,670
Excess of revenues over expenses	\$ 139,957	\$ 2,532	\$ 7,340	\$ 149,829	\$ 170,384

See accompanying notes

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COLLEGE OF APPLIED BIOLOGY

CASH FLOW STATEMENT

Year ended December 31	2017	2016
Operating activities		
Dues, fees and assessments received	\$ 696,751	\$ 690,331
Interest received	10,280	2,493
Other revenue received	135,202	94,372
Grants received	-	56,000
Administrative and executive expenses paid	(605,790)	(560,931)
Committee expenses paid	(70,312)	(50,209)
	166,131	232,056
Investing activities		
Purchase of tangible capital assets	(3,065)	(6,028)
Proceeds on disposal of tangible capital assets	-	1,650
Net purchase of investments	(10,280)	(638,494)
	(13,345)	(642,872)
Increase (decrease) in cash and cash equivalents	152,786	(410,816)
Cash and cash equivalents, beginning of year	283,361	694,177
Cash and cash equivalents, end of year	\$ 436,147	\$ 283,361
Cash and cash equivalents consist of:		
Operating Fund and petty cash	\$ 436,147	\$ 283,361

See accompanying notes

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COLLEGE OF APPLIED BIOLOGY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

1. Purpose of the Organization

The College of Applied Biology (the "College") was created under the College of Applied Biology Act which was signed into law by the Provincial Legislature of British Columbia. Its purpose is to uphold and protect the public interest by (i) preserving and protecting the scientific methods and principles that are the foundation of the applied biological sciences, (ii) upholding the principles of stewardship of aquatic and terrestrial ecosystems and biological resources, (iii) ensuring the integrity, objectivity and expertise of its members, (iv) governing its members in accordance with this Act and the rules, and (v) cooperating with other bodies on matters relevant to applied biology. The College is an exempt entity under the Income Tax Act.

2. Accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(a) Fund accounting

The Operating Fund reports the revenues and expenses related to administrative and operational activities.

The Contingency Fund is an internally restricted fund that has been established to finance any deficiencies in operations and is the resource before raising member dues.

The Legal Contingency Fund 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 principally of cash held at financial institutions and any guaranteed investment certificates with a term of 90 days or less.

COLLEGE OF APPLIED BIOLOGY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

2. Accounting policies, continued

(c) Financial instruments

Financial instruments are recorded at fair value on initial recognition and subsequently measured at amortized cost.

Financial instruments measured at amortized cost include cash and cash equivalents, short term investments, accounts receivable, long term investments, and accounts payable and accrued liabilities.

Financial assets are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess (deficiency) of revenues over expenses. The previously recognized impairment loss may be reversed directly or by adjusting the allowance account to the extent of the impairment recognized previously. The amount of reversal is recognized in excess (deficiency) of revenues over expenses.

(d) Tangible capital assets

Tangible capital assets, other than leased furniture, are recorded at cost. The College provides for amortization using the following methods at rates designed to amortize the cost over their estimated useful lives. Amortization begins the month following purchase, up to and including the month of disposal. The annual amortization rates are as follows:

Computer equipment	3 years straight-line
Computer software	3 years straight-line
Office furniture	20% declining balance

Leased furniture is recorded at the present value of future lease obligations.

The College provides for amortization using the declining balance method at rates designed to amortize the cost of the furniture over its estimated useful life. One half of the year's amortization is recorded in the year of acquisition and disposal. The annual amortization rate is as follows:

Leased furniture	20%
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COLLEGE OF APPLIED BIOLOGY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

2. Accounting policies, continued

(e) Revenue recognition

The College follows the restricted fund method of accounting for contributions.

Endowment contributions are recognized as revenue of the endowment fund in the current period.

Restricted contributions for which a corresponding restricted fund is presented are recognized as revenue of that fund in the current period.

Restricted contributions for which no corresponding restricted fund is presented are recognized in the general fund in accordance with the deferral method of accounting for contributions. Under the deferral method, restricted contributions are recognized as revenue in the period in which the related expenses are recognized.

Unrestricted contributions are recognized as revenue of the general fund when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership dues and fees are recognized in the year to which they apply. Dues received in the current year that apply to the subsequent year are deferred. Interest revenue is recognized when earned.

Membership dues that are overdue and outstanding at year end are written off as bad debts in the statement of operations.

(f) Web and online course development costs

Web and online course development costs are expensed.

(g) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of the revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant.

COLLEGE OF APPLIED BIOLOGY
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

3. Tangible capital assets

	Cost	Accumulated amortization	2017 Net	2016 Net
Computer equipment	\$ 13,759	\$ 9,453	\$ 4,306	\$ 3,544
Computer software	818	818	-	-
Office furniture	1,124	262	862	1,087
	\$ 15,701	\$ 10,533	\$ 5,168	\$ 4,631

4. Leased furniture

	2017	2016
Cost	\$ 24,575	\$ 24,575
Accumulated amortization	(15,510)	(13,253)
Leased furniture, net	\$ 9,065	\$ 11,322

5. Obligation for capital lease

	2017
Capital lease furniture contract, repayable in monthly instalments of \$480, calculated using interest at 5.0% per annum with a maturity date of March 2018 and a buyout option of \$1 at maturity	\$ 745
Estimated lease payments are as follows:	
2018	\$ 750
Total future minimum lease payments	750
Less amount representing interest	5
Present value of minimum lease payments	\$ 745

COLLEGE OF APPLIED BIOLOGY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

6. Government remittances payable

Included in accounts payable and accrued liabilities are government remittances of \$10,819 (2016 - \$4,355) which consist of payroll withholdings and WCB payable.

7. Related party balances and transactions

Related parties include the Registrar and the Executive Director, who are the College's key employees.

Transactions with related parties are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

There were no related party transactions during fiscal year 2017.

8. Financial instruments

The College's financial instruments consist of cash and cash equivalents, short term investments, accounts receivable, long term investments, and accounts payable and accrued liabilities. It is management's opinion that the College is not exposed to significant price risk, market risk, credit risk, liquidity risk, currency risk, interest rate risk or cash flow risk.

Investment risk

All investments are Canadian Guaranteed Investment Certificates, which mature before January 7, 2019 and have an average interest rate of 1.67%.

COLLEGE OF APPLIED BIOLOGY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

9. Commitments

The College's total commitments, under various operating lease agreements (including rent) are as follows:

2018	\$	31,960
2019		31,960
2020		31,960
2021		23,766
		<hr/>
		\$ 119,646
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10. Comparative amounts

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.
