

**COLLEGE OF APPLIED BIOLOGY
FINANCIAL STATEMENTS**

December 31, 2019

COLLEGE OF APPLIED BIOLOGY INDEX TO FINANCIAL STATEMENTS

Year ended December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To: The Members of College of Applied Biology

Opinion

We have audited the financial statements of the College of Applied Biology (the College), which comprise the statement of financial position as at December 31, 2019, and the statements of changes in net assets, operations, and cash flow 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 College as at December 31, 2019, 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 (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 College 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 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 College'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 College or to cease operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITOR'S REPORT

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. 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 College'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 College'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 College 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.

Victoria, British Columbia
March 17, 2020



Chartered Professional Accountants

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

December 31	2019	2018
ASSETS		
Current		
Cash and cash equivalents		
Operating Fund	\$ 489,026	\$ 421,142
Short term investments		
Operating Fund	158,283	155,187
Contingency Fund	201,419	197,394
Legal Contingency Fund	412,785	317,507
Accounts receivable	169,963	154,730
Prepaid expenses	27,661	17,080
	1,459,137	1,263,040
Tangible capital assets (note 3)	31,933	24,554
	\$ 1,491,070	\$ 1,287,594

APPROVED BY THE BOARD



Chief Executive Officer



Councillor

See accompanying notes

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

December 31	2019	2018
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	\$ 58,863	\$ 44,487
Deferred revenue (note 4)	702,914	483,635
Deferred revenue-special levy (note 4)	-	70,465
	761,777	598,587
Net Assets		
Operating Fund	115,089	174,105
Contingency Fund	201,419	197,395
Legal Contingency Fund	412,785	317,507
	729,293	689,007
	\$ 1,491,070	\$ 1,287,594

See accompanying notes

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

Year ended December 31, 2019

	Operating Fund	Contingency Fund	Legal Contingency Fund	Total 2019	Total 2018
Balance, beginning of year	\$ 174,105	\$ 197,395	\$ 317,507	\$ 689,007	\$ 809,000
Excess (deficiency) of revenues over expenses for the year	40,286	-	-	40,286	(119,993)
Interfund transfers (note 2a)	(99,302)	4,024	95,278	-	-
Balance, end of year	\$ 115,089	\$ 201,419	\$ 412,785	\$ 729,293	\$ 689,007

See accompanying notes

COLLEGE OF APPLIED BIOLOGY

STATEMENT OF OPERATIONS

Year ended December 31	2019	2018
REVENUE		
Membership dues and application fees	\$ 720,272	\$ 676,501
Course fees	61,855	44,147
Conference	41,055	35,457
Reinstatement and late payment fees	18,684	10,825
Interest	16,127	13,273
Job postings	13,900	10,500
Assessment for professional seals	6,650	4,340
Grants	7,500	3,004
Legal settlements revenue	7,000	-
Special levy (note 4)	91,730	-
	984,773	798,047
EXPENSES		
Administration and Executive		
Amortization	10,175	6,604
Bank and credit card charges	28,835	26,257
Computer database	16,670	5,721
Council expenses	56,200	60,217
Courses offered	2,175	1,050
Disciplinary investigations	8,924	5,901
Donations	1,618	1,790
Insurance office	1,334	1,438
Legal and audit	20,984	179,035
Office equipment and supplies	25,871	51,724
Other travel expenses	7,575	-
Outreach expenses	24,645	25,106
Postage	6,086	3,702
Professional governance act implementation	5,829	-
Publications and college matters	8,209	16,734
Publicity and public relations	2,533	1,255
Rent	35,953	29,714
Salaries and benefits	542,511	396,492
Staff training	2,527	3,602
Telephone and internet	4,978	6,623
Web development	5,475	7,758
	819,107	830,723

See accompanying notes

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**COLLEGE OF APPLIED BIOLOGY
STATEMENT OF OPERATIONS**

Year ended December 31	2019	2018
EXPENSES, continued		
Committees		
AGM and conference	44,522	51,536
Audit and Practice Review Committee	12,409	14,989
Credentials Committee	21,638	12,234
Discipline Committee	2,067	1,022
Editorial Board	61	63
Ethics Committee	-	13
Executive Committee	3,203	4,373
Finance and Budget Committee	978	2,055
Nominations Committee	3,092	-
Practice Review Policy Task Force	5,692	-
Right to Practice	-	1,032
Scope of Practice Task Force	31,718	-
	125,380	87,317
	944,487	918,040
Excess of revenues over expenses	\$ 40,286	\$ (119,993)

See accompanying notes

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COLLEGE OF APPLIED BIOLOGY

CASH FLOW STATEMENT

Year ended December 31	2019	2018
Operating activities		
Dues, fees and assessments received	\$ 905,308	\$ 683,921
Interest received	19,410	12,024
Other revenue received	149,144	105,269
Grants received	7,500	3,004
Administrative and executive expenses paid	(764,861)	(802,814)
Committee expenses paid	(125,380)	(88,347)
	191,121	(86,943)
Investing activities		
Purchase of tangible capital assets	(17,554)	(16,924)
Net redemption (purchase) of investments	(105,683)	88,862
	(123,237)	71,938
Increase (decrease) in cash and cash equivalents	67,884	(15,005)
Cash and cash equivalents, beginning of year	421,142	436,147
Cash and cash equivalents, end of year	\$ 489,026	\$ 421,142
Cash and cash equivalents consist of:		
Operating fund and petty cash	\$ 489,026	\$ 421,142

See accompanying notes

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COLLEGE OF APPLIED BIOLOGY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting 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, 2019

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 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
Leasehold improvements	5 years straight-line
Equipment	20% declining balance

COLLEGE OF APPLIED BIOLOGY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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.

(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, 2019

3. Tangible capital assets

	Cost	Accumulated amortization	2019 Net	2018 Net
Computer equipment	\$ 28,997	\$ 14,460	\$ 14,537	\$ 12,893
Computer software	818	818	-	-
Office furniture	30,127	20,799	9,328	11,661
Leasehold Improvements	7,187	838	6,349	-
Equipment	1,984	265	1,719	-
	\$ 69,113	\$ 37,180	\$ 31,933	\$ 24,554

4. Deferred Revenue-Special Levy

During the year, the College recognized \$91,730 as revenue in the Operating Fund from the 2019 special levy for the purpose of replenishing the Legal Contingency Fund. During the year, the College transferred \$86,305 from the Legal Contingency Fund to the Operating Fund and has been recognized as an interfund transfer. \$5,425 is currently in the Operating Fund and will be transferred to the Legal Contingency Fund subsequent to the fiscal year-end.

A 2020 special levy was collected in fiscal 2019 to fund operations. As of December 2019, annual dues have increased by \$75 per RPBio member, equal to the 2020 special levy collected. Members who were charged the 2020 special levy were charged the original annual dues rate while members who paid the increased annual dues rate were not charged the 2020 special levy. The 2020 special levy is not restricted and has been classified as deferred revenue.

COLLEGE OF APPLIED BIOLOGY

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

5. Government remittances payable

Included in accounts payable and accrued liabilities are government remittances of \$12,542 (2018 - \$7,505) which consist of payroll withholdings and WCB payable.

6. Comparative Figures

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.

7. Related party balances and transactions

Related parties include the Registrar and the Chief Executive Officer, 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.

8. Financial instruments

The College's financial instruments consist of cash and cash equivalents, short term investments, accounts receivable, 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 July 6, 2020 and have an average interest rate of 2.25%.

**COLLEGE OF APPLIED BIOLOGY
NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2019

9. Commitments

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

2020	\$	42,094
2021		38,653
2022		38,653
2023		38,653
2024		12,884
		<hr/>
		\$ 170,937
