

Financial Statements of

**BRITISH COLUMBIA INSTITUTE
OF AGROLOGISTS**

And Independent Auditors' Report thereon

Year ended December 31, 2021



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INDEPENDENT AUDITORS' REPORT

To the of British Columbia Institute of Agrologists

Opinion

We have audited the financial statements of British Columbia Institute of Agrologists (the Entity), which comprise:

- the balance sheet as at December 31, 2021
- the statement of operations for the year then ended
- the statement of 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, 2021 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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' 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 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 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.

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

Auditors' 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 auditors' 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 auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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

May 19, 2022

BRITISH COLUMBIA INSTITUTE OF AGROLOGISTS

Balance Sheet

December 31, 2021, with comparative information for 2020

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 343,983	\$ 247,799
Short-term investments (note 2)	676,622	628,044
Prepaid expenses	36,103	9,606
	<u>1,056,708</u>	<u>885,449</u>
Capital assets (note 3)	81,905	65,623
	<u>\$ 1,138,613</u>	<u>\$ 951,072</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 58,716	\$ 51,809
Deferred revenue (note 5)	190,855	116,320
	<u>249,571</u>	<u>168,129</u>
Net assets:		
Internally restricted (note 6)	225,000	225,000
Unrestricted	664,042	557,943
	<u>889,042</u>	<u>782,943</u>
Commitments (note 7)		
	<u>\$ 1,138,613</u>	<u>\$ 951,072</u>

See accompanying notes to financial statements.

Approved by Council:


Treasurer


Executive Director

BRITISH COLUMBIA INSTITUTE OF AGROLOGISTS

Statement of Operations

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Membership dues	\$ 720,810	\$ 677,914
Professional development revenue	43,508	35,703
Application and other fees	26,775	30,125
Other income	21,580	34,477
Interest income	3,456	8,178
AGM and conference revenue	-	6,305
	<u>816,129</u>	<u>792,702</u>
General and administrative expenses:		
Salaries and benefits	443,250	383,151
Office and general	56,467	51,311
Professional development	46,389	50,735
Rent	32,321	31,277
Professional fees	31,678	24,079
Executive director expenses	28,755	26,612
Bank charges and credit card fees	24,832	22,747
Council and executive expenses	21,675	16,508
Committee expenses	7,687	2,935
Other	5,923	8,108
Communications and memberships	5,684	16,625
Amortization	4,739	2,549
AGM and conference expenses	630	21,483
Professional Governance Act	-	15,024
	<u>710,030</u>	<u>673,144</u>
Excess of revenues over expenses	\$ 106,099	\$ 119,558

See accompanying notes to financial statements.

BRITISH COLUMBIA INSTITUTE OF AGROLOGISTS

Statement of Changes in Net Assets

Year ended December 31, 2021, with comparative information for 2020

	Internally restricted	Unrestricted	Total 2021	Total 2020
Balance, beginning of year	\$ 225,000	\$ 557,943	\$ 782,943	\$ 663,385
Excess of revenues over expenses	-	106,099	106,099	119,558
Balance, end of year	\$ 225,000	\$ 664,042	\$ 889,042	\$ 782,943

See accompanying notes to financial statements.

BRITISH COLUMBIA INSTITUTE OF AGROLOGISTS

Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Excess of revenues over expenses	\$ 106,099	\$ 119,558
Amortization, an item not involving cash	4,739	2,549
	110,838	122,107
Changes in non-cash operating working capital:		
Accrued interest on short-term investments	1,422	(1,445)
(Increase) decrease in prepaid expenses	(26,497)	9,627
Increase in accounts payable and accrued liabilities	6,907	24,532
Increase (decrease) in deferred revenue	74,535	(9,104)
	167,205	145,717
Investing:		
Purchase of capital assets	(21,021)	(63,311)
Purchase of short-term investments	(50,000)	-
	(71,021)	(63,311)
Increase in cash and cash equivalents	96,184	82,406
Cash and cash equivalents, beginning of year	247,799	165,393
Cash and cash equivalents, end of year	\$ 343,983	\$ 247,799

See accompanying notes to financial statements.

BRITISH COLUMBIA INSTITUTE OF AGROLOGISTS

Notes to Financial Statements

Year ended December 31, 2021

The British Columbia Institute of Agrologists (the "Institute") is incorporated under the B.C. Agrologists Act (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 five regulatory bodies overseeing agrologists, applied biologists, applied science technologists and technicians, engineers and geoscientists, and forest professionals. The Institute is a regulatory body included under the PGA.

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

The Institute is a non-profit organization and is not subject to income taxation.

1. Significant accounting policies:

These financial statements present the assets, liabilities, revenues and expenses of the Institute's head office and its eight branches.

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

(a) 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.

(b) 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.

BRITISH COLUMBIA INSTITUTE OF AGROLOGISTS

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(c) 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 Institute 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 Institute 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.

(d) Revenue recognition:

Membership dues, application and other fees are recorded when received or receivable. Membership dues, application and other fees received in advance of the year to which they relate are recorded as deferred revenue.

Other revenues are recognized at the time the services are provided or the products are delivered and when the amount can be reasonably estimated and collection is reasonably assured.

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

The Institute follows the deferral method of accounting for contributions. Unrestricted funding is recognized as revenue when received or receivable if the amount to be received can be reasonably established and collection is reasonably assured. Externally restricted funding is recognized as revenue in the year in which the related expenses are recognized.

BRITISH COLUMBIA INSTITUTE OF AGROLOGISTS

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(e) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized.

Capital assets are amortized on a straight line basis using the following annual rates:

Asset	Rate
Computer hardware and software	2 years
Furniture and equipment	5 years

When a capital asset no longer contributes to the Institute's ability to provide services its carrying value is written down to its residual value.

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

(f) Contributed services:

The Institute and its members benefit from contributed services in the form of volunteer time. Because of the difficulty in determining fair value, contributed services are not recognized in the financial statements.

(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 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.

(h) Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

BRITISH COLUMBIA INSTITUTE OF AGROLOGISTS

Notes to Financial Statements (continued)

Year ended December 31, 2021

2. Short-term investments:

Short-term investments consist of guaranteed investment certificates, as follows:

	2021	2020
Bearing interest at 0.35% and maturing July, 2022	\$ 225,000	\$ -
Bearing interest at 0.40% maturing on March 19, 2022	350,000	-
Bearing interest at 0.35% maturing on June 24, 2024	100,000	-
Matured during the year (2020 - 0.75%, maturing July, 2021)	-	225,000
Matured during the year (2020 - 1.2%, maturing June, 2021)	-	200,000
Matured during the year (2020 - 1.0%, maturing June, 2021)	-	200,000
Accrued interest	1,622	3,044
	\$ 676,622	\$ 628,044

3. Capital assets:

	2021	2020		
	Cost	Accumulated amortization	Net book value	Net book value
Computer hardware and software	\$ 18,420	\$ 14,330	\$ 4,090	\$ 6,644
Furniture and equipment	13,142	12,675	467	861
Website development costs	77,348	-	77,348	58,118
	\$ 108,910	\$ 27,005	\$ 81,905	\$ 65,623

4. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$15,742 (2020 - \$13,879), which includes amounts payable for payroll remittances and workers' safety insurance.

BRITISH COLUMBIA INSTITUTE OF AGROLOGISTS

Notes to Financial Statements (continued)

Year ended December 31, 2021

5. Deferred revenue:

Deferred revenue represents funds received in advance for 2022 membership fees. The amounts will be recognized as revenue in 2022.

6. Internally restricted:

The Board has internally restricted a reserve to a maximum of \$225,000 for potential legal and other costs that may arise in overseeing and administering professional conduct related issues of the Institute's members.

7. Commitments:

The Institute is committed to base rental payments for office premises and office equipment as follows:

2023	\$	54,102
2024		27,369
2025		2,042
	\$	83,513

8. Financial risks and concentration of risk:

The maximum credit risk exposure for the Institute'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 Institute is not exposed to significant interest rate or foreign exchange risk.

On March 11, 2020, COVID-19 outbreak was declared a pandemic by the World Health Organization, and has had a significant financial market impact globally, domestically and locally in jurisdictions in which the Institute operates. To date, the Institute has not seen significant impacts on operations as a result of the COVID-19 pandemic.