

MARITIME COLLEGE OF FOREST TECHNOLOGY

Financial Statements

Year Ended April 30, 2025

MARITIME COLLEGE OF FOREST TECHNOLOGY

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Year Ended April 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Governors of Maritime College of Forest Technology

Opinion

We have audited the financial statements of Maritime College of Forest Technology (the "organization"), which comprise the statement of financial position as at April 30, 2025, and the statements of changes in net assets, revenues and expenditures and cash flows 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 organization as at April 30, 2025, and the results of its operations and 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 organization in accordance with 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

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

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Independent Auditor's Report to the Board of Governors of Maritime College of Forest Technology (*continued*)

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 organization'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 organization'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 organization 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.

Teed Saunders Doyle

Fredericton, New Brunswick
September 16, 2025

CHARTERED PROFESSIONAL ACCOUNTANTS

MARITIME COLLEGE OF FOREST TECHNOLOGY

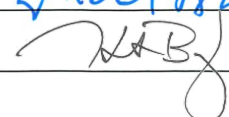
Statement of Financial Position

April 30, 2025

	2025	2024
ASSETS		
CURRENT		
Unrestricted cash and cash equivalents <i>(Note 4)</i>	\$ 655,520	\$ 349,248
Cash and cash equivalent, internally restricted for equipment replacement <i>(Note 4)</i>	200,790	116,415
Cash and cash equivalent, internally restricted for prizes and donations <i>(Note 4)</i>	120,245	121,622
Accounts receivable <i>(Note 5)</i>	233,454	83,613
Prepaid expenses	48,013	47,932
	<u>1,258,022</u>	<u>718,830</u>
INTANGIBLES <i>(Note 6)</i>	-	-
CAPITAL ASSETS <i>(Note 7)</i>	<u>831,608</u>	<u>962,305</u>
	<u>\$ 2,089,630</u>	<u>\$ 1,681,135</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 175,682	\$ 262,463
Deferred revenue	101,913	100,680
	<u>277,595</u>	<u>363,143</u>
NET ASSETS		
Net assets internally restricted for prizes and donations	120,245	121,623
Net assets internally restricted for equipment replacement	200,790	116,415
Net assets invested in capital assets	831,608	962,305
Unrestricted net assets	659,392	117,649
	<u>1,812,035</u>	<u>1,317,992</u>
	<u>\$ 2,089,630</u>	<u>\$ 1,681,135</u>

ON BEHALF OF THE BOARD

X  Director

 Director

MARITIME COLLEGE OF FOREST TECHNOLOGY

Statement of Changes in Net Assets

Year Ended April 30, 2025

	2024 Balance	Excess (deficiency) of revenue over expenses	Interfund transfers	Net change in investments in capital assets	2025 Balance
Net assets internally restricted for prizes and donations	\$ 121,623	\$ (1,378)	\$ -	\$ -	\$ 120,245
Net assets internally restricted for equipment replacement	116,415	(20,399)	104,774	-	200,790
Net assets invested in capital assets	962,305	(159,380)	-	28,683	831,608
Unrestricted net assets	117,649	675,204	(104,774)	(28,683)	659,396
	<u>\$ 1,317,992</u>	<u>\$ 494,047</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,812,039</u>

	2023 Balance	Excess (deficiency) of revenue over expenses	Interfund transfers	Net change in investment in capital assets	2024 Balance
Net assets internally restricted for prizes and donations	\$ 117,150	\$ 4,473	\$ -	\$ -	\$ 121,623
Net assets internally restricted for equipment replacement	46,705	(33,411)	103,121	-	116,415
Net assets invested in capital assets	964,893	(178,613)	-	176,025	962,305
Unrestricted net assets	454,111	(57,316)	(103,121)	(176,025)	117,649
	<u>\$ 1,582,859</u>	<u>\$ (264,867)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,317,992</u>

Transfers of \$104,774 (2024 - \$103,121) from the net assets internally restricted for equipment replacement were made to the unrestricted net assets to purchase capital assets.

MARITIME COLLEGE OF FOREST TECHNOLOGY

Statement of Revenues and Expenditures

Year Ended April 30, 2025

	2025	2024
REVENUES		
Government grants, unrestricted, operating	\$ 2,391,549	\$ 2,295,800
Government grants, restricted, non-space, alt & reno	-	20,935
Government grants, restricted, student information system	-	100,653
Government grants, restricted, other	-	32,000
Student academic fees, regular, Fredericton	701,087	538,282
Student academic fees, regular, Bathurst	149,270	170,066
Student academic fees, regular, education	422,083	351,951
Miscellaneous revenues <i>(Note 9)</i>	632,029	587,217
Ancillary enterprises	636,828	490,591
Interest income	15,616	21,672
	<u>4,948,462</u>	<u>4,609,167</u>
EXPENSES		
Academic	1,107,635	1,183,692
Continuing education	249,051	252,854
Administration	898,464	1,098,306
Plant maintenance and operations	639,723	747,344
Bathurst campus	597,311	572,406
Vehicles and equipment	34,069	46,573
Miscellaneous	46,006	14,005
Major repairs, alterations and renovations	-	20,935
Ancillary enterprises	722,776	759,306
	<u>4,295,035</u>	<u>4,695,421</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>653,427</u>	<u>(86,254)</u>
Amortization of capital assets	(288,189)	(289,692)
Amortization of deferred contributions for capital assets	128,809	111,079
Amortization of intangible assets	(12,000)	(12,000)
Amortization of deferred contributions for intangible assets	12,000	12,000
	<u>(159,380)</u>	<u>(178,613)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 494,047</u>	<u>\$ (264,867)</u>

MARITIME COLLEGE OF FOREST TECHNOLOGY

Statement of Cash Flows Year Ended April 30, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 494,047	\$ (264,867)
Items not affecting cash:		
Amortization of capital assets	288,189	289,692
Amortization of deferred contributions for capital assets	(128,809)	(111,079)
Amortization of intangible assets	12,000	12,000
Amortization of deferred contributions for intangible assets	(12,000)	(12,000)
	<u>653,427</u>	<u>(86,254)</u>
Changes in non-cash working capital:		
Accounts receivable	(149,841)	(41,363)
Prepaid expenses	(81)	27,528
Accounts payable and accrued liabilities	(86,786)	123,724
Deferred revenue	1,233	(242,526)
	<u>(235,475)</u>	<u>(132,637)</u>
	<u>417,952</u>	<u>(218,891)</u>
INVESTING ACTIVITY		
Acquisition of capital assets	<u>(339,460)</u>	<u>(456,250)</u>
FINANCING ACTIVITY		
Contributions for capital assets	<u>310,777</u>	<u>280,225</u>
INCREASE (DECREASE) IN CASH FLOW	389,269	(394,916)
Cash - beginning of year	<u>587,286</u>	<u>982,202</u>
CASH - END OF YEAR	<u>\$ 976,555</u>	<u>\$ 587,286</u>
CASH CONSISTS OF:		
Unrestricted cash and cash equivalents <i>(Note 4)</i>	\$ 655,520	\$ 349,250
Cash and cash equivalents internally restricted for equipment replacement <i>(Note 4)</i>	200,790	116,414
Cash and cash equivalents internally restricted for prizes and donations <i>(Note 4)</i>	<u>120,245</u>	<u>121,622</u>
	<u>\$ 976,555</u>	<u>\$ 587,286</u>

MARITIME COLLEGE OF FOREST TECHNOLOGY

Notes to Financial Statements

Year Ended April 30, 2025

1. NATURE OF OPERATIONS

Maritime College of Forest Technology (the "College") is a Public College incorporated without share capital under the Companies Act of New Brunswick. The College provides post-secondary education including programs in Forest Technology and Fish & Wildlife Technology. The College is a not-for-profit organization under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Internally restricted funds - prizes and donations

The College receives gifts and donations from outside organizations and individuals for the purpose of awarding prizes to students. The Board of Governors has required that these funds, together with interest earned thereon, be segregated and that all prizes be deemed to come from such segregated funds.

Internally restricted funds - equipment replacement

The Board of Governors has segregated funds for the purpose of replacing equipment and other capital assets approved by the Board. Interest earned on the funds is segregated and a portion of student tuition and professional certification fees is also accumulated for this purpose. Withdrawal from such funds is made when equipment and other capital assets, as approved by the Board, are acquired from general operating funds.

Revenue recognition

The deferral method of accounting for contributions is as follows: Contributions for capital assets are captured when received and amortized using the same rates of amortization as the assets to which they relate. Externally restricted contributions are recognized as revenue in the year 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. Pledged amounts are not recorded until received.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks, temporary money market instruments, and guaranteed investment certificates maturing within one year.

Capital assets

All significant additions are recorded at cost. Donated assets are recorded at the cost amount to the donor where this is reasonably determinable or otherwise at the estimated fair market value at the time the gift is made.

Capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates:

Leasehold improvements	5%
Furniture and equipment	10%
Vehicles and rolling stock	20%
Computers and GPS equipment	25%

Capital grants received to finance capital asset acquisitions are netted against the cost of the related asset and amortization is calculated on a net basis.

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MARITIME COLLEGE OF FOREST TECHNOLOGY

Notes to Financial Statements

Year Ended April 30, 2025

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Intangible assets

All significant additions are recorded at cost. Intangible assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates:

Student Information System Development	10%
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Grants received to finance intangible asset acquisitions are netted against the cost of the related asset and amortization is calculated on a net basis.

Deferred revenue

The balance consists of regular and continuing education student fees and other amounts received during the year but applicable to future periods.

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the 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.

Financial instruments

(i) Measurement of financial instruments

The College initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs.

The College subsequently measures all of its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in the statement of operations in the period incurred.

(ii) Impairment

At the end of each reporting period the College assesses whether there are any indications that the financial asset measured at amortized cost may be impaired.

When there is an indication of impairment, the College determines whether a significant adverse change has occurred during the period in the expected timing or amount of future in cash flows from the financial asset. Where there is a significant adverse change, the carrying amount of the asset is reduced and the impairment loss is recognized in the statement of operations.

(iii) Transaction costs

Transaction costs are recognized in the statement of operations in the period incurred, except for the financial instruments that will be subsequently measured at amortized costs.

MARITIME COLLEGE OF FOREST TECHNOLOGY

Notes to Financial Statements

Year Ended April 30, 2025

3. FINANCIAL INSTRUMENTS

The College is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the College's risk exposure and concentration as of April 30, 2025.

Credit risk

Credit risk is the risk that a party may default on their financial obligations to the College, or if there is a concentration of transactions carried out with the same party or a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the College could incur a financial loss.

The maximum exposure that the College has to credit risk as at April 30, 2025 is as follows:

	2025	2024
Unrestricted cash and cash equivalents	\$ 655,520	\$ 349,248
Restricted cash and cash equivalents	321,035	238,037
Accounts receivable	233,454	83,613
	<u>\$ 1,210,009</u>	<u>\$ 670,898</u>

Credit risk in cash, restricted cash and term deposits is minimized by depositing cash in major Canadian financial institutions. Management minimizes credit risks in accounts receivable by dealing with selected known customers and affiliates of the College and close monitoring of accounts receivable balances. A provision for doubtful accounts has been recorded for accounts receivable of \$nil (2024 - \$nil).

Liquidity risk

Liquidity risk is the risk that the College will not be able to meet a demand for cash or fund its obligations as they come due. as at April 30, 2025 and forward the College is exposed to additional liquidity risk resulting from general economic and inflationary factors.

Generally, the College meets its liquidity requirements by preparing an annual budget for operations, anticipating investing and financing activities and holding assets that can be readily converted into cash. The College holds significant cash reserves and investments throughout the year resulting from its semi-annual advances of the operating grant from the Department of Post-Secondary Education, Training and Labour.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk.

Currency risk

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. The College does not normally transact a significant portion of its business in non-Canadian dollars and is not exposed to any significant currency risks.

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MARITIME COLLEGE OF FOREST TECHNOLOGY

Notes to Financial Statements

Year Ended April 30, 2025

3. FINANCIAL INSTRUMENTS *(continued)*

Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with instruments will fluctuate due to changes in market interest rates.

The exposure of the College to interest rate risk arises from its interest-bearing assets. Fluctuations in market rates of interest do not presently have a significant impact on the College's results of operations. Any increase in interest rates could be beneficial to the College. The College presently does not have any interest-bearing debt, if it did, increases in rates would impact the College in a negative manner.

Other price risk

The College is not presently exposed to any significant price risks on its financial instruments.

Summary of risks

It is management's opinion that the college is not exposed to significant risks arising from financial instruments.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of the following as at April 30:

	2025	2024
Cash	\$ 557,553	\$ 38,175
Guaranteed investment certificates (GIC)	419,002	549,111
	<u>\$ 976,555</u>	<u>\$ 587,286</u>

The current year GIC balance is comprised of two amounts: \$193,077 (2.95% maturing July 15, 2025) and \$225,925 (3.25% maturing February 25, 2026).

The prior year GIC balance is comprised of two amounts: \$334,003 (4.50% maturing June 17, 2024) and \$215,108 (5.00% maturing Jan 20, 2025).

5. ACCOUNTS RECEIVABLE

Accounts receivable are comprised of the following as at April 30:

	2025	2024
HST receivable (payable)	\$ 198,334	\$ (4,899)
Customers	29,224	39,542
Accrued interest	5,896	16,171
Grants	-	32,000
Students	-	799
	<u>\$ 233,454</u>	<u>\$ 83,613</u>

MARITIME COLLEGE OF FOREST TECHNOLOGY

Notes to Financial Statements

Year Ended April 30, 2025

6. INTANGIBLE ASSETS

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Intangible assets:				
Student Information System Development	\$ 120,000	\$ (24,000)	\$ 96,000	\$ 108,000
Deferred contributions for intangible assets:				
Student Information System Development	(120,000)	24,000	(96,000)	(108,000)
	\$ -	\$ -	\$ -	\$ -

7. CAPITAL ASSETS

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value (Note 12)
Capital assets:				
Leasehold improvements	\$ 19,638,602	\$ 17,941,410	\$ 1,697,192	\$ 1,587,100
Furniture and equipment	5,745,718	5,604,213	141,505	171,279
Computer and GPS equipment	1,443,172	1,389,368	53,804	108,008
Vehicles and rolling stock	1,071,061	1,005,707	65,354	40,197
	27,898,553	25,940,698	1,957,855	1,906,584
Deferred contributions for capital assets:				
Leasehold improvements	(18,143,138)	(17,149,582)	(993,556)	(836,020)
Furniture and equipment	(4,355,755)	(4,285,720)	(70,035)	(72,610)
Computer and GPS equipment	(218,357)	(211,315)	(7,042)	(6,946)
Vehicles and rolling stock	(1,282,475)	(1,226,861)	(55,614)	(28,703)
	(23,999,725)	(22,873,478)	(1,126,247)	(944,279)
NET CAPITAL ASSETS	\$ 3,898,828	\$ 3,067,220	\$ 831,608	\$ 962,305

Capital assets are located on both the Fredericton and Bathurst campuses.

Leasehold improvements relate to buildings on the Fredericton campus including the academic building, student residences (2), workshop/vehicle maintenance building, staff houses, field training building and training sawmill, as well as some start-up furniture and equipment. These buildings are owned by the Maritime Forestry Complex Corporation. In return for the College's initial contribution of funds to the construction of these capital assets, the Corporation agreed to lease the premises to the College until August 6, 2084 for an initial consideration of \$1. The College is responsible annually for its proportionate share of operating expenses applicable to its premises.

MARITIME COLLEGE OF FOREST TECHNOLOGY**Notes to Financial Statements****Year Ended April 30, 2025****8. INVESTMENT IN CAPITAL ASSETS**

	<u>2025</u>	<u>2024</u>
(a) Investment in capital assets is calculated as follows:		
Capital assets	\$ 1,957,855	\$ 1,906,584
Amounts financed by deferred contributions	<u>(1,126,247)</u>	<u>(944,279)</u>
	<u>831,608</u>	<u>962,305</u>
(b) Change in net assets invested in capital assets is calculated as follows:		
Amortization of capital assets	(288,189)	(289,692)
Amortization of deferred contributions for capital assets	128,809	111,079
Amortization of intangible assets	(12,000)	(12,000)
Amortization of deferred contributions for intangible assets	<u>12,000</u>	<u>12,000</u>
	<u>(159,380)</u>	<u>(178,613)</u>
Net change in investment in capital assets:		
Capital assets acquired	339,460	456,250
Amount funded by deferred contributions	<u>(310,777)</u>	<u>(280,225)</u>
	<u>28,683</u>	<u>176,025</u>

9. MISCELLANEOUS REVENUES

	<u>2025</u>	<u>2024</u>
Facilities rental	\$ 240,173	\$ 235,307
Equipment rental	-	1,270
Other student fees	330,571	295,022
Donations	2,289	-
Other	<u>58,996</u>	<u>55,618</u>
	<u>\$ 632,029</u>	<u>\$ 587,217</u>

MARITIME COLLEGE OF FOREST TECHNOLOGY

Notes to Financial Statements

Year Ended April 30, 2025

10. COMMITMENTS

The College leases space for the Bathurst campus under an operating lease which expires in 2025 and leases land in Kingsclear under an operating lease which expires in 2035.

Future minimum payments by year and in aggregate are approximately as follows:

2026	\$	38,069
2027 to 2035		13,300

11. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.
