

MARITIME COLLEGE OF FOREST TECHNOLOGY
Financial Statements
Year Ended April 30, 2026

MARITIME COLLEGE OF FOREST TECHNOLOGY

Index to Financial Statements

Year Ended April 30, 2026

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Revenues and Expenditures	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 13

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, 2026, 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, 2026, 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.

(continues)

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 15, 2026

CHARTERED PROFESSIONAL ACCOUNTANTS

MARITIME COLLEGE OF FOREST TECHNOLOGY

Statement of Changes in Net Assets

Year Ended April 30, 2026

	2025 Balance	Excess (deficiency) of revenue over expenses	Interfund transfers	Net change in investments in capital assets	2026 Balance
Net assets internally restricted for prizes and donations	\$ 120,245	\$ (3,686)	\$ -	\$ -	\$ 116,559
Net assets internally restricted for equipment replacement	200,790	(15,869)	(37,067)	-	147,854
Net assets invested in capital assets	831,608	(160,108)	-	164,483	835,983
Unrestricted net assets	659,396	585,186	37,067	(164,483)	1,117,166
	<u>\$ 1,812,039</u>	<u>\$ 405,523</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,217,562</u>
	2024 Balance	Excess (deficiency) of revenue over expenses	Interfund transfers	Net change in investment 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	(5,876)	90,251	-	200,790
Net assets invested in capital assets	962,305	(159,380)	-	28,683	831,608
Unrestricted net assets	117,649	660,681	(90,251)	(28,683)	659,396
	<u>\$ 1,317,992</u>	<u>\$ 494,047</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,812,039</u>

Transfers of \$37,067 (2025 - \$90,251) between unrestricted net assets to internally restricted for equipment replacement were made.

MARITIME COLLEGE OF FOREST TECHNOLOGY

Statement of Revenues and Expenditures

Year Ended April 30, 2026

	2026	2025
REVENUES		
Government grants, unrestricted, operating	\$ 2,527,347	\$ 2,391,549
Government grants, restricted, student information system	21,067	-
Student academic fees, regular, Fredericton	750,155	701,087
Student academic fees, regular, Bathurst	118,036	149,270
Student academic fees, regular, continuing education	391,238	422,083
Other revenues <i>(Note 10)</i>	634,684	632,029
Ancillary enterprises	679,974	636,828
Interest income	10,858	15,616
	<u>5,133,359</u>	<u>4,948,462</u>
EXPENSES		
Academic	1,159,159	1,111,735
Administration	1,009,700	898,464
Ancillary enterprises	776,990	722,776
Bathurst campus	619,122	597,311
Continuing education	315,503	249,051
Miscellaneous	3,831	31,256
Plant maintenance and operations	629,222	639,723
Replacement reserve fund	17,789	10,650
Vehicles and equipment	36,412	34,069
	<u>4,567,728</u>	<u>4,295,035</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	565,631	653,427
Amortization of capital assets	<u>(160,108)</u>	<u>(159,380)</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 405,523</u>	<u>\$ 494,047</u>

MARITIME COLLEGE OF FOREST TECHNOLOGY

**Statement of Cash Flows
Year Ended April 30, 2026**

	2026	2025
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 405,523	\$ 494,047
Item not affecting cash:		
Amortization of capital assets	<u>160,108</u>	<u>159,380</u>
	<u>565,631</u>	<u>653,427</u>
Changes in non-cash working capital:		
Accounts receivable	148,606	(149,841)
Prepaid expenses	(30,824)	(81)
Accounts payable and accrued liabilities	51,774	(86,786)
Deferred revenue	<u>(59,625)</u>	<u>1,233</u>
	<u>109,931</u>	<u>(235,475)</u>
	<u>675,562</u>	<u>417,952</u>
INVESTING ACTIVITY		
Acquisition of capital assets	<u>(362,666)</u>	<u>(339,460)</u>
FINANCING ACTIVITY		
Contributions for capital assets	<u>198,183</u>	<u>310,777</u>
INCREASE IN CASH FLOW	<u>511,079</u>	<u>389,269</u>
Cash - beginning of year	<u>976,555</u>	<u>587,286</u>
CASH - END OF YEAR	<u>\$ 1,487,634</u>	<u>\$ 976,555</u>
CASH CONSISTS OF:		
Unrestricted cash and cash equivalents <i>(Note 4)</i>	\$ 1,223,221	\$ 655,520
Cash and cash equivalents internally restricted for equipment replacement <i>(Note 4)</i>	147,854	200,790
Cash and cash equivalents internally restricted for prizes and donations <i>(Note 4)</i>	<u>116,559</u>	<u>120,245</u>
	<u>\$ 1,487,634</u>	<u>\$ 976,555</u>

MARITIME COLLEGE OF FOREST TECHNOLOGY

Notes to Financial Statements

Year Ended April 30, 2026

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. Due to its not-for-profit status, the college is exempt from income tax by virtue of paragraph 149 (1) (1) of the Income Tax Act.

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

Maritime College of Forest Technology follows the deferral method of accounting for contributions.

Contributions for capital assets are captured when received and are netted against the cost of the related asset and amortization is calculated on a net basis.

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.

Fees for services, including student academic fees and fees for ancillary enterprises, are recognized as revenue proportionately over the term of the service agreements as performance is achieved and collection is reasonably assured. Fees for services are measured at pre-established rates.

Interest income is recognised as interest accrued on a time basis by reference to the principal outstanding and to the effective interest rate applicable. The effective interest rate applicable is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenues are recognized when performance has been achieved, amounts are reliably measured, and collection is reasonably assured.

(continues)

MARITIME COLLEGE OF FOREST TECHNOLOGY

Notes to Financial Statements

Year Ended April 30, 2026

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

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%
--	-----

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.

(continues)

MARITIME COLLEGE OF FOREST TECHNOLOGY

Notes to Financial Statements

Year Ended April 30, 2026

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

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, 2026.

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, 2026 is as follows:

	2026	2025
Unrestricted cash and cash equivalents	\$ 1,223,221	\$ 655,520
Restricted cash and cash equivalents	264,413	321,035
Accounts receivable	84,848	233,454
	<u>\$ 1,572,482</u>	<u>\$ 1,210,009</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 (2025 - \$nil).

(continues)

MARITIME COLLEGE OF FOREST TECHNOLOGY

Notes to Financial Statements

Year Ended April 30, 2026

3. FINANCIAL INSTRUMENTS *(continued)*

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, 2026 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.

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.

MARITIME COLLEGE OF FOREST TECHNOLOGY

Notes to Financial Statements

Year Ended April 30, 2026

4. CASH AND CASH EQUIVALENTS

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

	2026	2025
Cash	\$ 1,056,130	\$ 557,553
Guaranteed investment certificates (GIC)	431,504	419,002
	<u>\$ 1,487,634</u>	<u>\$ 976,555</u>

The current year GIC balance is comprised of two amounts: \$198,237 (2.25% maturing July 14, 2026) and \$233,267 (2.80% maturing March 23, 2027).

The prior 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).

5. ACCOUNTS RECEIVABLE

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

	2026	2025
HST receivable	\$ 44,111	\$ 198,334
Customers	36,486	29,224
Accrued interest	4,251	5,896
	<u>\$ 84,848</u>	<u>\$ 233,454</u>

6. INTANGIBLE ASSETS

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Intangible assets:				
Student Information System Development	\$ 156,750	\$ (39,675)	\$ 117,075	\$ 96,000
Deferred contributions for intangible assets:				
Student Information System Development	(156,750)	39,675	(117,075)	(96,000)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MARITIME COLLEGE OF FOREST TECHNOLOGY

Notes to Financial Statements

Year Ended April 30, 2026

7. CAPITAL ASSETS

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Capital assets:				
Leasehold improvements	\$ 19,864,200	\$ 18,082,011	\$ 1,782,189	\$ 1,697,192
Furniture and equipment	5,750,091	5,643,658	106,433	141,505
Computer and GPS equipment	1,575,867	1,460,312	115,555	53,804
Vehicles and rolling stock	1,071,061	1,032,144	38,917	65,354
	<u>28,261,219</u>	<u>26,218,125</u>	<u>2,043,094</u>	<u>1,957,855</u>
Deferred contributions for capital assets:				
Leasehold improvements	(18,341,321)	(17,228,969)	(1,112,352)	(993,556)
Furniture and equipment	(4,355,755)	(4,299,724)	(56,031)	(70,035)
Computer and GPS equipment	(218,357)	(214,434)	(3,923)	(7,042)
Vehicles and rolling stock	(1,282,475)	(1,247,670)	(34,805)	(55,614)
	<u>(24,197,908)</u>	<u>(22,990,797)</u>	<u>(1,207,111)</u>	<u>(1,126,247)</u>
NET CAPITAL ASSETS	<u>\$ 4,063,311</u>	<u>\$ 3,227,328</u>	<u>\$ 835,983</u>	<u>\$ 831,608</u>

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 Strickland building, 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.

8. INVESTMENT IN CAPITAL ASSETS

	2026	2025
(a) Investment in capital assets is calculated as follows:		
Capital assets	\$ 2,043,094	\$ 1,957,855
Amounts financed by deferred contributions	<u>(1,207,111)</u>	<u>(1,126,247)</u>
	<u>835,983</u>	<u>831,608</u>
(b) Change in net assets invested in capital assets is calculated as follows:		
Amortization of capital assets	<u>(160,108)</u>	<u>(159,380)</u>
Net change in investment in capital assets:		
Capital assets acquired	362,666	339,460
Amount funded by deferred contributions	<u>(198,183)</u>	<u>(310,777)</u>
	<u>\$ 164,483</u>	<u>\$ 28,683</u>

MARITIME COLLEGE OF FOREST TECHNOLOGY

Notes to Financial Statements

Year Ended April 30, 2026

9. ACCOUNTS PAYABLE

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

	2026	2025
Accounts payable	\$ 110,401	\$ 114,266
Accrued liabilities	72,348	61,412
Government remittances	44,703	-
	<u>\$ 227,452</u>	<u>\$ 175,678</u>

10. OTHER REVENUES

	2026	2025
Student fees	\$ 336,174	\$ 330,571
Facilities rental	255,485	240,173
HST adjustment	18,277	20,418
Merchandise	11,096	10,701
Miscellaneous income	10,681	27,877
Donations	2,496	2,289
Equipment rental	475	-
	<u>\$ 634,684</u>	<u>\$ 632,029</u>

11. COMMITMENTS

The College leases land in Kingsclear under an operating lease which expires in 2035.

The College leases a building in Bathurst under an operating lease which expires in 2027.

Future annual minimum payments per year are approximately as follows:

Land in Kingsclear - 2027 to 2035	\$ 3,964
Building in Bathurst - 2027	<u>22,012</u>
	<u>\$ 25,976</u>

12. ECONOMIC DEPENDENCE

The College receives a significant portion of its funding from the Government of New Brunswick. For the year ended April 30, 2026, government funding represented approximately 49.6% of total revenues (2025 - 49.3%). As a result, the College is economically dependent on the continuation of this funding support and related funding agreements.

13. COMPARATIVE FIGURES

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

