



College of

**HEALTH AND CARE
PROFESSIONALS OF BC**

College of Health and Care Professionals of British Columbia

Financial Statements

For the fiscal years ended March 31, 2026 and 2025

College of Health and Care Professionals of British Columbia
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For the fiscal year ended March 31, 2026

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF COLLEGE OF HEALTH AND CARE PROFESSIONALS OF BRITISH COLUMBIA

Opinion

We have audited the financial statements of College of Health and Care Professionals of British Columbia, which comprise the statement of financial position as at March 31, 2026, and the statement of changes in net assets, statement of operations and statement of 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 College as at March 31, 2026, and its financial performance 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 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.

Emphasis of Matter

On June 28, 2024, the Legacy Colleges combined to modernize the health-profession regulatory framework of the province. The combined entity was named by way of Ministerial Order M49 of the BC Minister of Health.

The results for the year ended March 31, 2025 are the aggregated results for the period April 1, 2024 to June 27, 2024 for the Legacy Colleges when they were operating independently and the results of the combined entity for the period June 28, 2024 to March 31, 2025. Our audit opinion, issued on September 19, 2025 extends only to the operating results for the period after amalgamation (June 28 2024 to March 31, 2025). The comparative figures presented in these statements are for a combined fiscal year and presented for comparative purposes only. We do not express an opinion on the combined comparative figures on the statement of operations, changes in net assets and cash flows for the year ended March 31, 2025.

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.

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

INDEPENDENT AUDITORS' REPORT, CONTINUED

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.



REID HURST NAGY INC.
CHARTERED PROFESSIONAL ACCOUNTANTS

VANCOUVER, B.C.
September 24, 2026

College of Health and Care Professionals of British Columbia
Statements of Financial Positions
As at March 31
(in Canadian dollars)

ASSETS	2026	2025
Current assets		(note 3)
Cash and cash equivalents	\$ 7,797,981	\$ 1,016,475
Accounts receivable	341,061	396,624
Short-term investments (note 4)	9,882,667	8,466,097
Prepaid expenses	248,527	230,219
Total current assets	18,270,236	10,109,415
Tangible capital assets (note 5)	83,433	1,111,554
Intangible assets (note 6)	-	6,678
Loan receivable (note 7)	62,000	-
Restricted investments (note 4)	9,426,551	7,576,267
TOTAL ASSETS	\$ 27,842,220	\$ 18,803,914
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	\$ 906,157	\$ 749,153
Deferred revenue (note 9)	16,116,344	8,117,725
Total current liabilities	17,022,501	8,866,878
Total liabilities	17,022,501	8,866,878
Commitments (note 10)		
Net assets		
Unrestricted	1,309,735	1,242,537
Restricted	9,426,551	7,576,267
Invested in tangible and intangible capital assets	83,433	1,118,232
Total net assets	10,819,719	9,937,036
TOTAL LIABILITIES AND NET ASSETS	\$ 27,842,220	\$ 18,803,914

Approved on behalf of the Board:

(Signed by) Jennifer Agnew
Board Member

(Signed by) Nathan Doidge
Board Member

See accompanying notes to these Financial Statements.

College of Health and Care Professionals of British Columbia
Statements of Operations
For the fiscal years ended March 31
(in Canadian dollars)

	2026	2025
Revenue		(note 3)
Licensee revenue (note 11)	\$ 14,875,128	\$ 12,582,691
Supplemental revenue (note 11)	1,215,749	3,255,433
Total revenue	16,090,877	15,838,124
Expenses		
Employee compensation	9,205,558	9,061,186
Regulatory	1,409,810	3,069,877
Office	1,133,051	1,243,009
Information technology	1,158,926	1,047,683
Legal	780,280	729,562
Financial	727,500	857,910
Board and committee compensation	224,955	308,829
Organizational development	173,123	128,912
Travel	168,044	182,382
Governance and strategic initiatives	84,602	139,929
Licensee and public relations	76,331	122,801
Depreciation and amortization	66,014	127,667
Total expenses	15,208,194	17,019,747
Excess (deficiency) of revenue over expenses	\$ 882,683	\$ (1,181,623)

See accompanying notes to these Financial Statements.

College of Health and Care Professionals of British Columbia
Statements of Changes in Net Assets
For the fiscal years ended March 31
(in Canadian dollars)

	Unrestricted	Restricted	Invested in Capital Assets	Total
As at March 31, 2024	\$ 5,327,689	\$ 4,699,818	\$ 1,091,152	\$ 11,118,659
(Deficiency) excess of revenue over expenses	(1,384,922)	360,823	(157,524)	(1,181,623)
Interfund transfer	(2,700,230)	2,515,626	184,604	-
As at March 31, 2025 (note 3)	\$ 1,242,537	\$ 7,576,267	\$ 1,118,232	\$ 9,937,036
Sale of capital asset (note 5 and 12)	(31,215)	1,000,000	(968,785)	-
Excess of revenue over expenses (note 5 and 11)	698,413	250,284	(66,014)	882,683
Interfund transfer (note 12)	(600,000)	600,000	-	-
As at March 31, 2026	\$ 1,309,735	\$ 9,426,551	\$ 83,433	\$ 10,819,719

See accompanying notes to these Financial Statements.

College of Health and Care Professionals of British Columbia
Statements of Cash Flows
For the fiscal years ended March 31
(in Canadian dollars)

	2026	2025
Operating activities		(note 3)
Excess (deficiency) of revenue over expenses	\$ 882,683	\$ (1,181,623)
Adjustments to reconcile excess of revenue over expenses to cash from operating activities:		
Depreciation and amortization (notes 5 and 6)	66,014	127,667
(Gain) loss on disposition of tangible capital assets (note 5)	(386,788)	29,857
Change in working capital (note 13)	6,776,308	(2,966,617)
Cash from (used in) operating activities	7,338,217	(3,990,716)
Investing activities		
Capital asset additions	-	(184,604)
Proceeds from sale of capital assets (note 5)	1,355,573	-
Loan advanced (note 7)	(62,000)	-
Purchase of investments, net	(1,850,284)	(4,765,838)
Cash used in investing activities	(556,711)	(4,950,442)
Net change in cash	6,781,506	(8,941,158)
Cash at beginning of year	1,016,475	9,957,633
Cash at end of year	\$ 7,797,981	\$ 1,016,475

Supplementary Information to Statements of Cash Flows (note 13).

See accompanying notes to these Financial Statements

College of Health and Care Professionals of British Columbia
Notes to the Financial Statements
For the fiscal year ended March 31, 2026

1. NATURE OF OPERATIONS

The College of Health and Care Professionals of BC (“CHCPBC” or the “College”) is a health regulatory college with a mandate to protect the public by regulating audiologists, dietitians, hearing instrument practitioners, occupational therapists, opticians, optometrists, physical therapists, psychologists, and speech-language pathologists in British Columbia. The College ensures that the more than 17,000 licensees in the professions it regulates have the required competencies to practice and that they adhere to required standards for safe and ethical care.

The College was formed on June 28, 2024, with the combination of seven former health regulatory colleges, namely, the College of Dietitians of BC (“CDBC”), College of Psychologists of BC (“CPBC”), College of Opticians of BC (“COBC”), College of Optometrists of BC (“CDOBC”), College of Occupational Therapists of BC (“COTBC”), College of Physical Therapists of BC (“CPTBC”), and College of Speech and Hearing Professionals of BC (“CSHBC”) (collectively, the “Legacy Colleges”). The amalgamation took place by order of the Government of British Columbia (Order in Council No. 421) and the subsequent name changes for the Legacy Colleges occurred by way of Ministerial Order M49 of the BC Minister of Health. The amalgamation was designed to streamline regulatory processes, elevate public safety, and cultivate an integrated health community through shared knowledge, resources, and standards, and is described further in note 3, *Combination of Health Profession Regulatory Colleges*.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These Financial Statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations (“ASNPO”) and are presented in Canadian dollars unless otherwise specified. In management’s opinion, the Consolidated Financial Statements include all adjustments that are necessary to present fairly the consolidated financial position of the College.

An evaluation of subsequent events through September 23, 2026, the date these Financial Statements were issued, was completed to determine whether any circumstances warranted recognition or disclosure of events or transactions in the Financial Statements as at March 31, 2026. Subsequent events, described further in note 16, “Subsequent Events”, have been appropriately disclosed in these Financial Statements.

Cash and Cash Equivalents

Cash includes cash and cash equivalents held in banks and savings accounts which are redeemable at any time for a known amount of cash and are subject to an insignificant risk of changes in value.

Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated depreciation. Repairs and maintenance costs are recorded as expenses. Betterments which extend the life of an asset are capitalized. The excess of a tangible capital asset’s carrying amount over its fair value or replacement cost is recognized as an expense when it no longer fully or partially contributes to the College’s ability to provide services.

College of Health and Care Professionals of British Columbia
Notes to the Financial Statements
For the fiscal year ended March 31, 2026

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation is computed over the estimated useful life of the assets as follows:

Asset	Basis	Rate
Furniture and equipment	Straight-Line	20.0%
Computer equipment	Straight-Line	30.0%
Buildings	Declining Balance	4.0%

Similar assets acquired throughout the year are grouped for depreciation purposes.

Intangible Assets

Intangible assets represent internally customized software and other purchased software. Intangible assets are recorded at cost less accumulated amortization. Direct costs attributable to customizations or modifications of software are capitalized after the technological feasibility has been established. The excess of an intangible asset's carrying amount over its fair value or replacement cost is recognized as an expense when it no longer fully or partially has long-term service potential to the College.

Amortization commences when the software is brought into service. Amortization is computed on a straight-line basis over the estimated useful life of the asset as follows:

Asset	Rate
Computer software	50.0%

Financial Instruments

Measurement of Financial Instruments

Financial instruments are recorded at fair value on initial recognition.

Equity and bond instruments 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.

Financial assets measured at amortized cost include cash, accounts receivable, and investments. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and wages and benefits payable. Financial assets measured at fair value include quoted shares and marketable bonds.

Transaction Costs

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in net income over the life of the instrument using the straight-line method.

Employment Benefits

The College accrues all earned but unpaid cash entitlements for severance pay, sick leave, vacation pay, and other employment related benefits.

College of Health and Care Professionals of British Columbia
Notes to the Financial Statements
For the fiscal year ended March 31, 2026

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The College is a participating employer in the Municipal Pension Plan ("MPP" or the "Plan"), a jointly trustee plan. MPP is a multiemployer plan and as a result, required contributions are expensed as incurred. The plan records accrued liabilities and accrued assets for the plan in the aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and costs to individual employers participating in it.

Leases

Leases are classified as capital or operating leases. A lease that transfers substantially all the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the asset's fair value at the beginning of the lease.

Assets related to a capital lease are amortized over the assets' useful lives. All other leases are recorded as operating leases with lease payments expensed as incurred.

Deferred lease inducements include financial inducements for tenant improvements to the office spaces, as well as providing free-rent periods and staggered lease payment increases. Amortization of deferred lease inducements is recognized over the initial term of the related lease, net of the related lease expense.

Net Assets

Unrestricted Net Assets

Unrestricted net assets include the revenue and expenses related to the College's operations.

Restricted Net Assets

Restricted net assets are funds designated to ensure the College has sufficient financial capacity to appropriately address risks inherent in fulfilling its mandate and provide sufficient capacity to fund major projects or capital expenditures that the Board deems to be of long-term strategic importance of the College. Withdrawals from this fund may only be made by Board resolution.

Invested in Capital Assets

Investment in capital assets is the net book value of the College's tangible and intangible capital assets.

Revenue Recognition

Contributions are accounted for using the deferral method.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred or when the deliverables required by the grant providers are achieved. 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. The College has no endowment contributions.

Licensing fees, administration fees, examination fees, and all other fees are recognized as revenue over the period of licensure, accreditation, or service provided when collection is reasonably assured. Amounts received or receivable, which relate to a future licensing period, are recorded as deferred revenue.

College of Health and Care Professionals of British Columbia
Notes to the Financial Statements
For the fiscal year ended March 31, 2026

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment income is recorded as revenue when the investment income is earned, and reasonable assurance exists regarding measurement and collectability. Income earned on restricted investments is contributed to restricted net assets.

Income Taxes

The College is a non-profit organization exempt from income tax under Section 149 of the Canadian Income Tax Act.

Use of Accounting Estimates

The preparation of the financial statements in conformity with ASNPO requires that management make estimates and assumptions about future events that affect the reported amounts of assets, liabilities, revenues and expenses as at the end of or during the reporting period. Management believes that the estimates used are reasonable and prudent. Actual results could differ from management's estimates as additional information becomes available in the future. Significant areas requiring the use of management estimates relate to the determination of the useful lives of capital assets for depreciation, and the amounts recorded as accrued liabilities.

Combinations

Section 4449, *Combinations by Not-For-Profit Organizations* provides guidance for the recognition and measurement of combinations by not-for-profit organizations. Not-for-profit organizations are directed to assess each combination based on criteria outlined in the standard, and account for the combination as either a merger, or an acquisition.

3. COMBINATION OF HEALTH PROFESSION REGULATORY COLLEGES

On June 28, 2024, the Legacy Colleges combined to modernize the health-profession regulatory framework of the province. The combination is accounted for as a merger in accordance with Section 4449, *Combinations by Not-For-Profit Organizations* in Part III of the CPA Canada Handbook. The results for the year ended March 31, 2025 are the aggregated results for the period April 1, 2024 to June 27, 2024 for the Legacy Colleges when they were operating independently and the results of the combined entity for the period June 28, 2024 to March 31, 2025.

4. INVESTMENTS

The components of the College's investments as at March 31 were as follows:

	2026	2025
Short-term marketable investments (a)	2,313,771	2,153,745
Fixed income (b)	12,263,123	9,759,855
Equities and other assets (c)	1,418,840	723,138
Diversified investment funds (d)	3,313,484	3,405,626
Total investments	19,309,218	16,042,364
Less: short-term investments	9,882,667	(8,466,097)
Restricted investments	9,426,551	7,576,267

College of Health and Care Professionals of British Columbia
Notes to the Financial Statements
For the fiscal year ended March 31, 2026

4. INVESTMENTS (continued)

- (a) Cash and short-term marketable investments include cash in brokerage or investment accounts deemed restricted, government treasury bills, commercial paper, or similar instruments issued by non-government entities, and holdings in exchange traded funds ("ETFs") which invest primarily in these instruments, with interest ranging from interest free to 2.5% (2025 – 0.0% to 3.5%) with maturities within one year.
- (b) Fixed income investments include publicly traded bonds and guaranteed investment certificates issued by banks, credit unions, or other financial institutions, with interest ranging from 2.8% to 5.3% (2025 – 3.0% to 5.6%) with maturities ranging from May 2026 to March 2031 (2025 – April 2025 to January 2030).
- (c) Equities consist of publicly traded common and preferred shares.
- (d) Diversified investment funds include ETFs and investment funds with professional investment management firms.

The components of the College's investment income for the years ended March 31, 2026 and 2025 are disclosed in note 11, "Revenue".

5. TANGIBLE CAPITAL ASSETS

March 31	Cost	Accumulated Depreciation	2026	2025
Furniture and equipment	69,780	(69,780)	-	4,883
Computer equipment	296,027	(212,594)	83,433	131,257
Buildings	-	-	-	206,141
Land	-	-	-	769,273
Total tangible capital assets	365,807	(282,374)	83,433	1,111,554

During the year ended March 31, 2026, the College disposed of its owned building with carrying amount of \$968,785 for net proceeds of \$1,355,573, resulting in a gain on sale of \$386,788. During the year ended March 31, 2025, the College disposed of \$651,970 of tangible capital assets with a loss on disposal of \$29,857.

6. INTANGIBLE ASSETS

March 31	Cost	Accumulated Depreciation	2026	2025
Computer software	468,344	(468,344)	-	6,678
Total intangible capital assets	468,344	(468,344)	-	6,678

7. LOAN RECEIVABLE

During the fiscal year ended March 31, 2026, the College advanced a non-interest-bearing loan of \$62,000 to the Optometry Examining Board of Canada ("OEBC") to support its transition to becoming the sole national examiner for the optometry profession in Canada. The loan is unsecured and is repayable over time as OEBC's examination volumes and related revenues increase. The loan was funded from the College's operating funds and is recorded as a loan receivable on the statement of financial position.

College of Health and Care Professionals of British Columbia
Notes to the Financial Statements
For the fiscal year ended March 31, 2026

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The components of the College's accounts payable and accrued liabilities as at March 31 were as follows:

	2026	2025
Trade accounts payable	442,283	436,029
Accrued liabilities	226,441	48,267
Wages and benefits payable	237,433	264,857
Total accounts payable and accrued liabilities	906,157	749,153

9. DEFERRED REVENUE

The components of the College's deferred revenue as at March 31 were as follows:

	2026	2025
Licensing	15,919,490	7,865,007
Application and reinstatement	115,214	134,968
Assessment and certification	81,640	112,520
Supplemental	-	6,230
Total deferred revenue	16,116,344	8,117,725

During the fiscal year ended March 31, 2025, CHCPBC requested and was approved access to \$500,000 of funding held by the BC Health Regulators ("BCHR") to support BC's health profession regulatory colleges align operations with the Health Professions and Occupations Act ("HPOA"). BCHR was granted a total of \$4.5 million of funding from the Minister of Health. The funding is reimbursed, as incurred, for eligible expenses. As at March 31, 2026, \$nil (2025 – \$319,996) of this funding was deferred.

During the fiscal year ended March 31, 2025, the College received funding of \$34,540 from the Canadian Institute of Health Information to update the Occupational Therapy and Physical Therapy profession databases to align with updated human resource data set requirements. As at March 31, 2026, \$nil (2025 - \$6,230) of this funding was deferred.

10. COMMITMENTS

The College leases office facilities with remaining terms of 1 to 3 years. Certain lease agreements include rental payments adjusted periodically for inflation or require the payment of real estate taxes, insurance, maintenance, or other operating expenses associated with the lease premises.

The College's total obligations under these agreements are as follows:

	2026
2027	537,976
2028	434,133
2029	441,734
2030	112,334
Total	1,526,177

College of Health and Care Professionals of British Columbia
Notes to the Financial Statements
For the fiscal year ended March 31, 2026

11. REVENUE

The major categories of the College's revenue for the years ended March 31 are as follows:

	2026	2025
Licensing	13,864,544	11,625,924
Application and reinstatement	563,987	478,516
Assessment and certification	354,011	192,056
Administrative	92,586	189,144
Education	-	97,051
Total licensee revenue	14,875,128	12,582,691
Grants	326,392	2,264,500
Investment income, net	502,569	1,020,790
Gains (losses) on disposal of assets	386,788	(29,857)
Total supplemental revenue	1,215,749	3,255,433
Total revenue	16,090,877	15,838,124

During the fiscal year ended March 31, 2026, the College earned \$250,284 on restricted investments.

12. INTERFUND TRANSFERS

During the fiscal year ended March 31, 2026, the Board approved contributions to the College's restricted fund of \$1,000,000 using proceeds from the sale of its owned building, described further in note 5, "Tangible Capital Assets", and \$600,000 of its excess of revenue over expenses for the year.

13. SUPPLEMENTARY INFORMATION TO STATEMENTS OF CASH FLOWS

The supplementary information to the Statements of Cash Flows for the years ended March 31 are as follows:

	2026	2025
Accounts receivable	55,563	(186,185)
Prepaid expenses and deposits	(18,308)	(105,902)
Short-term investments	(1,416,570)	(2,481,987)
Accounts payable and accrued liabilities	157,004	(98,416)
Deferred revenue	7,998,619	(94,127)
Total change in working capital	6,776,308	(2,966,617)

14. EMPLOYEE FUTURE BENEFITS

The College and its employees contribute to the MPP, a jointly trustee pension plan. The Board of Trustees, representing the plan members and employers, is responsible for administering the Plan, including investment of assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2024, the Plan's most recently published Annual Report, the Plan disclosed 273,000 active, and 133,300 retired members.

14. EMPLOYEE FUTURE BENEFITS (continued)

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the Plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Plan as at December 31, 2024, indicated a \$2.7 billion funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2027, with results available in 2028.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan. During 2026, CHCPBC paid \$589,857 (2025 - \$394,480) for employer contributions to the Plan.

15. FINANCIAL INSTRUMENTS RISK

The College's activities result in exposure to a variety of financial risks including risks related to credit and market, foreign exchange, interest rate and liquidity.

- a. Credit risk and market risk: The risk of loss due to the failure of debtors and tenants to meet their contractual obligations. CHCPBC is exposed to credit risk with respect to the cash and cash equivalents, investments and accounts receivable. Market risk is the risk that the fair value or future cash flows of an investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment or factors affecting all securities traded in the market.

CHCPBC limits its exposure to credit risk by placing its funds in high quality investments in accordance with investment policies adopted by the Board. The fixed income investments, including pooled funds, are diversified and consist of government and corporate issues. The classifications and terms of investments are disclosed in note 4, *Investments*.

Balances in accounts receivable are generally for shared services with other similar regulatory bodies and are considered to have a low risk of collectability.

- b. Foreign exchange risk: The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. CHCPBC limits its exposure to foreign exchange risk through its investment policy.
- c. Interest rate risk: The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. CHCPBC's primary exposure to interest rate risk is with its investments and it maintains a diversified investment portfolio to manage its exposure. The interest rates and terms of investments are disclosed in note 4, *Investments*.

College of Health and Care Professionals of British Columbia
Notes to the Financial Statements
For the fiscal year ended March 31, 2026

15. FINANCIAL INSTRUMENTS RISK (continued)

- d. Liquidity risk: The risk that CHCPBC will not be able to meet its obligations as they fall due. The College maintains adequate levels of working capital to ensure all its obligations can be met when due and a portion of investments are held in securities that can be liquidated within a few days' notice.

There has been no change to the risk exposures in 2026.

16. SUBSEQUENT EVENT

As a result of the April 1, 2026 effective date of the Health Professions and Occupations Act, the College was designated as an Education and Health Sector Government Organization under the Budget Transparency and Accountability Act and the Financial Administration Act. For the fiscal year ended March 31, 2027, the College will be required to adopt Canadian Public Sector Accounting Standards without any elections available for government not-for-profit organizations. This event does not impact these Financial Statements for the fiscal year ended March 31, 2026.