

**College of Naturopathic Physicians of
British Columbia**
Financial Statements
For the year ended December 31, 2012
(Unaudited)

**College of Naturopathic Physicians of
British Columbia**
Financial Statements
For the year ended December 31, 2012
(Unaudited)

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Review Engagement Report

To the Members of the Board
College of Naturopathic Physicians of British Columbia

We have reviewed the Statement of Financial Position of the College of Naturopathic Physicians of British Columbia as at December 31, 2012, December 31, 2011 and January 1, 2011 and the Statements of Operations, Changes in Net Assets and Cash Flows for the years ended December 31, 2012 and December 31, 2011. These financial statements are the responsibility of the organization's management. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the organization.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our reviews, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Chartered Accountants

Vancouver, British Columbia
April 9, 2013

College of Naturopathic Physicians of British Columbia
Statement of Financial Position
(Unaudited)

	December 31 2012	December 31 2011	January 1 2011
Assets			
Current			
Cash (Note 3)	\$ 731,250	\$ 687,242	\$ 617,252
Accounts receivable	910	-	7,500
Prepaid expenses	8,798	8,798	8,798
	<u>740,958</u>	<u>696,040</u>	<u>633,550</u>
Property and equipment (Note 5)	8,792	10,534	9,869
	<u>\$ 749,750</u>	<u>\$ 706,574</u>	<u>\$ 643,419</u>

Liabilities and Net Assets

Liabilities

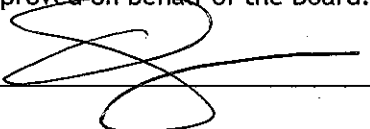
Current

Accounts payable and accrued liabilities	\$ 52,581	\$ 15,990	\$ 25,358
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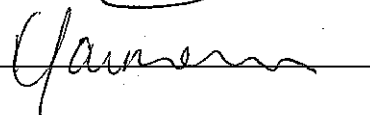
Net assets

Invested in property and equipment	8,792	10,534	9,869
Internally restricted funds (Note 5)	238,801	238,801	218,801
Building fund (Note 6)	153,297	153,297	153,297
Unrestricted	296,279	287,952	236,094
	<u>697,169</u>	<u>690,584</u>	<u>618,061</u>
	<u>\$ 749,750</u>	<u>\$ 706,574</u>	<u>\$ 643,419</u>

Approved on behalf of the Board:



Director



President

College of Naturopathic Physicians of British Columbia
Statement of Operations
(Unaudited)

For the year ended December 31	2012	2011
Revenue		
Registrants' dues, registration and license fees	\$ 582,466	\$ 558,509
Interest income	6,343	5,544
	<u>588,809</u>	<u>564,053</u>
Expenses		
Accounting and professional	15,038	13,787
Amortization	2,272	3,286
Annual general meeting	3,052	2,774
Board expenses (Note 8)	60,535	52,941
Committee expenses (Note 8)	64,968	40,636
Legal costs	125,001	41,455
Office expenses:		
Credit card charges	1,277	1,581
Website and Internet	6,366	6,398
General expenses	28,912	27,639
Insurance and security	2,371	2,754
Printing	8,563	6,111
Telephone and utilities	10,089	8,729
Repairs and maintenance	886	921
Occupancy charges	58,507	57,976
Wages and benefits	194,387	224,542
	<u>582,224</u>	<u>491,530</u>
Excess of revenues over expenses for the year	\$ 6,585	\$ 72,523

College of Naturopathic Physicians of British Columbia
Statement of Changes in Net Assets
(Unaudited)

	Invested in Property and Equipment	Internally Restricted	Building Fund	Unrestricted	Total
Balance, January 1, 2011	\$ 9,869	\$ 218,801	\$ 153,297	\$ 236,094	\$ 618,061
Excess of revenues over expenses	-	-	-	72,523	72,523
Amortization of property and equipment	(3,286)	-	-	3,286	-
Purchase of property and equipment	3,951	-	-	(3,951)	-
Interfund transfer	-	20,000	-	(20,000)	-
Balance, December 31, 2011	10,534	238,801	153,297	287,952	690,584
Excess of revenues over expenses	-	-	-	6,585	6,585
Amortization of property and equipment	(2,272)	-	-	2,272	-
Purchase of property and equipment	530	-	-	(530)	-
Balance, December 31, 2012	\$ 8,792	\$ 238,801	\$ 153,297	\$ 296,279	\$ 697,169

College of Naturopathic Physicians of British Columbia
Statement of Cash Flows
(Unaudited)

For the year ended December 31	2012	2011
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenses for the year	\$ 6,585	\$ 72,523
Items not involving cash		
Amortization	2,272	3,286
	8,857	75,809
Changes in non-cash operating balances		
Accounts receivable	(910)	7,500
Accounts payable and accrued liabilities	36,591	(9,368)
	44,538	73,941
Investing activities		
Acquisition of property and equipment	(530)	(3,951)
Increase in cash during the year	44,008	69,990
Cash, beginning of year	687,242	617,252
Cash, end of year	\$ 731,250	\$ 687,242

College of Naturopathic Physicians of British Columbia
Notes to the Financial Statements
(Unaudited)

December 31, 2012

1. Summary of Significant Accounting Policies

(a) Purpose of Organization

The College of Naturopathic Physicians of British Columbia (the "College") is a health profession regulatory body mandated by the Health Professions Act to license, regulate and monitor naturopathic physicians and practice of naturopathic medicine. The College is not subject to income taxes pursuant to Section 149(1) of the Income Tax Act.

(b) Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations ("ASNPO"). These are the College's first financial statements prepared in accordance with ASNPO, which have been applied retrospectively. An explanation of how the transition to ASNPO has changed the College's reported financial position, results of operations, and cash flow is set out in Note 2.

(c) Revenue Recognition

Dues are recorded when received, as payment of dues is required for maintenance of registration. Interest income is recorded as it is earned.

(d) Property and Equipment

Equipment, furniture, fixtures and computer equipment are recorded at cost. Amortization based on the estimated useful life of the asset is as follows:

Equipment, furniture and fixtures	- 20% diminishing balance basis
Computer equipment	- 55% diminishing balance basis

(e) Use of Estimates

The preparation of the financial statements in accordance with Canadian accounting standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information might become available in the future.

College of Naturopathic Physicians of British Columbia
Notes to the Financial Statements
(Unaudited)

December 31, 2012

1. Summary of Significant Accounting Policies (Continued)

(f) **Financial Instruments**

Financial Instruments are recorded at fair value when acquired or issued. All financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

2. First-time Adoption

Effective January 1, 2011, the College adopted the requirements of the new accounting framework, Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO) found in Part III of the requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook. These are the College's first financial statements prepared in accordance with this framework. The accounting policies set out in Note 1 - Significant Accounting Policies have been applied in preparing the financial statements for the year ended December 31, 2012, the comparative information presented in these financial statements for the year ended December 31, 2011, and the preparation of an opening ASNPO statement of financial position at the date of transition of January 1, 2011.

The College issued financial statements for the period ended December 31, 2011 using generally accepted accounting principles prescribed by the CICA Handbook - Accounting Part V - Pre-changeover Accounting Standards. The adoption of ASNPO resulted in no adjustments to the previously reported assets, liabilities, net assets, excess of revenue over expenses, and cash flows of the College. As such, there are no charges to net assets at the date of transition of January 1, 2011. Excess revenue over expenses reported in the College's most recent issued financial statements is the same as the excess of revenue over expenses under ASNPO for the same period.

College of Naturopathic Physicians of British Columbia
Notes to the Financial Statements
(Unaudited)

December 31, 2012

3. Cash

Cash is held with one Canadian credit union earning interest at variable rates.

4. Property and Equipment

			December 31 2012	December 31 2011	January 1 2011
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	Net Book Value
Computer equipment	\$ 9,301	\$ 6,413	\$ 2,888	\$ 3,154	\$ 644
Equipment, furniture, and fixtures	10,250	4,346	5,904	7,380	9,225
	\$19,551	\$10,759	\$ 8,792	\$ 10,534	\$ 9,869

5. Internally Restricted Funds

The Board established a Contingency Reserve Account for the purpose of meeting unanticipated or unbudgeted expenses that are consistent with the objects of the College.

6. Building Fund

The Board established a Building Reserve Account for the purpose of funding a future real property purchase.

College of Naturopathic Physicians of British Columbia
Notes to the Financial Statements
(Unaudited)

December 31, 2012

7. Commitments

The College is committed under a number of operating lease agreements. The minimum lease payments for the remainder of the leases are as follows:

2013	\$	32,250
2014		32,250
2015		2,820
2016		<u>2,350</u>
	\$	<u>69,670</u>

8. Board and Committee Expenses

Board expenses are presented as follows:

	2012	2011
Honourarium	\$ 24,600	\$ 25,500
Meals and meetings	19,493	15,044
Miscellaneous	2,194	2,525
Travel	<u>14,248</u>	<u>9,872</u>
Total board expenses	<u>\$ 60,535</u>	<u>\$ 52,941</u>

Committee expenses are presented as follows:

	2012	2011
Honourarium	\$ 25,750	\$ 20,685
Exam and inspectors	24,449	5,191
Meals and meetings	3,030	2,149
Miscellaneous	2,434	149
Travel	<u>9,305</u>	<u>12,462</u>
Total committee expenses	<u>\$ 64,968</u>	<u>\$ 40,636</u>

College of Naturopathic Physicians of British Columbia
Notes to the Financial Statements
(Unaudited)

December 31, 2012

9. Financial Instrument Risk

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is exposed to credit risk arising from its accounts receivable.

Liquidity Risk

Liquidity risk is the risk that the College encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational requirements, the College will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities.