

**College of Naturopathic Physicians of
British Columbia
Financial Statements
For the year ended December 31, 2015
(Unaudited)**

**College of Naturopathic Physicians of
British Columbia**
Financial Statements
For the year ended December 31, 2015
(Unaudited)

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Review Engagement Report

To the Members of the Board of the 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, 2015 and the Statements of Operations, Changes in Net Assets and Cash Flows for the year then ended. 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.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia
May 5, 2016

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

December 31 2015 2014

Assets

Current

Cash (Note 2)	\$ 1,084,184	\$ 1,033,262
Accounts receivable	3,794	-
Prepaid expenses	8,798	8,798
	1,096,776	1,042,060

Property and equipment (Note 3)

	1,096,776	1,042,060
	56,411	54,505
	\$ 1,153,187	\$ 1,096,565

Liabilities and Net Assets

Liabilities

Current

Accounts payable and accrued liabilities	\$ 27,856	\$ 38,601
Deferred revenue	669,427	660,471
	697,283	699,072

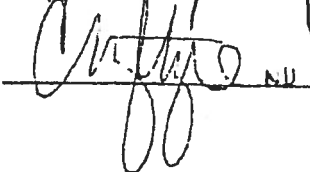
Net assets

Invested in property and equipment	56,411	54,505
Internally restricted funds (Note 4)	138,801	138,801
Building fund (Note 5)	153,297	153,297
Unrestricted	107,395	50,890
	455,904	397,493

\$ 1,153,187 **\$ 1,096,565**

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	2015	2014
Revenue		
Registration, other fees and cost recovery	\$ 859,668	\$ 752,948
Interest income	5,457	4,251
	<u>865,125</u>	<u>757,199</u>
Expenses		
Accounting	12,429	17,536
Amortization	29,686	15,675
Annual general meeting	2,213	3,683
Board expenses (Note 7)	63,890	54,927
Committee expenses (Note 7)	92,334	122,183
Legal costs	37,643	127,102
Occupancy charges	59,691	59,954
Office expenses:		
General expenses	55,664	54,212
Insurance and security	2,684	2,771
Payment processing charges	25,416	1,665
Printing	6,892	6,999
Professional fees	11,250	9,006
Repairs and maintenance	755	969
Telephone and utilities	13,792	14,044
Website and Internet	6,051	6,257
Wages and benefits	386,324	297,163
	<u>806,714</u>	<u>794,146</u>
Excess (deficiency) of revenues over expenses for the year	\$ 58,411	\$ (36,947)

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

For the year ended December 31	Invested in Property and Equipment	Internally Restricted	Building Fund	Unrestricted	2015	2014
		(Note 4)	(Note 5)			
Balance, beginning of year	\$ 54,505	\$ 138,801	\$ 153,297	\$ 50,890	\$ 397,493	\$ 434,440
Excess (deficiency) of revenues over expenses	-	-	-	58,411	58,411	(36,947)
Amortization of property and equipment	(29,686)	-	-	29,686	-	-
Purchase of property and equipment	31,592	-	-	(31,592)	-	-
Balance, end of year	\$ 56,411	\$ 138,801	\$ 153,297	\$ 107,395	\$ 455,904	\$ 397,493

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

For the year ended December 31	2015	2014
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenues over expenses for the year	\$ 58,411	\$ (36,947)
Item not involving cash		
Amortization	29,686	15,675
	88,097	(21,272)
Changes in non-cash operating balances		
Accounts receivable	(3,794)	-
Deferred revenue	8,956	660,471
Accounts payable and accrued liabilities	(10,745)	12,836
	82,514	652,035
Investing activities		
Acquisition of property and equipment	(31,592)	(56,085)
Increase in cash during the year	50,922	595,950
Cash, beginning of year	1,033,262	437,312
Cash, end of year	\$ 1,084,184	\$ 1,033,262

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

December 31, 2015

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").

(c) Revenue Recognition

Dues are recorded in the year they relate to as payment of dues is required for maintenance of registration. Interest income is recorded as it is earned. In prior years, payment processing charges related to registration fees, other fees and cost recovery were netted against revenue. During the year, management has decided to classify payment processing charges separately and has included them within office expenses.

(d) Property and Equipment

Property and 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
Website	- 55% diminishing balance basis
Computer equipment	- 20% diminishing balance basis
Artwork	- indefinite life

(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. Significant areas requiring management estimates are the determination of property and equipment and their useful life, as well as the provisions for contingencies. 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, 2015

1. Summary of Significant Accounting Policies (Continued)

(f) Financial Instruments

The College's financial instruments consist of cash, accounts receivable and accounts payable.

Loans and receivables

The College has classified accounts receivable as loans and receivables. These are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Loans and receivables are subsequently measured at their amortized cost, using the effective interest method. Gains and losses arising from changes in fair value are recognized in net income upon derecognition or impairment. Given the short-term nature of these items their carrying value equates to their fair value.

Other financial liabilities

The College has classified accounts payable as other financial liabilities. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Other financial liabilities are subsequently measured at their amortized cost, using the effective interest method. Gains and losses arising from changes in fair value are recognized in net income upon derecognition or impairment. Given the short-term nature of accounts payable and accrued liabilities their carrying value equates to its fair value.

2. Cash

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

3. Property and Equipment

	2015		2014	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 25,234	\$ 11,713	\$ 13,521	\$ 12,015
Equipment, furniture, and fixtures	12,495	8,468	4,027	4,346
Website	73,769	39,346	34,423	33,704
Artwork	4,440	-	4,440	4,440
	\$ 115,938	\$ 59,527	\$ 56,411	\$ 54,505

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

December 31, 2015

4. Internally Restricted Funds

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

5. Building Fund

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

6. 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:

2016	\$	35,143
2017		36,778
2018		38,413
2019		38,413
2020		<u>4,285</u>
	\$	<u>153,032</u>

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

December 31, 2015

7. Board and Committee Expenses

Board expenses are presented as follows:

	<u>2015</u>	<u>2014</u>
Honourarium	\$ 24,900	\$ 24,034
Meals and meetings	28,931	21,894
Travel	10,059	8,999
Total board expenses	<u>\$ 63,890</u>	<u>\$ 54,927</u>

Committee expenses are presented as follows:

	<u>2015</u>	<u>2014</u>
Honourarium	\$ 35,900	\$ 38,950
Exam and inspectors	28,583	59,079
Meals and meetings	7,133	4,152
Professional development	2,379	-
Travel	18,339	20,002
Total committee expenses	<u>\$ 92,334</u>	<u>\$ 122,183</u>

8. Financial Instrument Risk

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. The College maintains sufficient liquid cash reserves and internally restricted funds to manage any unexpected obligations.