

**College of Naturopathic Physicians of
British Columbia**
Financial Statements
For the year ended December 31, 2018
(Unaudited)

**College of Naturopathic Physicians of
British Columbia**
Financial Statements
For the year ended December 31, 2018
(Unaudited)

	Contents
Review Engagement Report	2
Financial Statements	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 10



Independent Practitioner's Review Engagement Report

To the Members of College of Naturopathic Physicians of British Columbia

We have reviewed the accompanying financial statements of the College of Naturopathic Physicians of British Columbia that comprise the Statement of Financial Position as at December 31, 2018, and the Statements of Operations, Changes in Net Assets and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of the College of Naturopathic Physicians of British Columbia as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Professional Accountants

Vancouver, British Columbia
April 3, 2019

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

December 31 **2018** **2017**

Assets

Current

Cash (Note 2)	\$ 1,790,460	\$ 1,657,103
Prepaid expenses	23,573	37,585

	1,814,033	1,694,688
--	-----------	-----------

Property and equipment (Note 3)	55,140	54,439
---------------------------------	--------	--------

	\$ 1,869,173	\$ 1,749,127
--	--------------	--------------

Liabilities and Net Assets

Liabilities

Current

Accounts payable and accrued liabilities	\$ 28,563	\$ 48,212
Deferred revenue	1,133,696	1,089,147

	1,162,259	1,137,359
--	-----------	-----------

Net assets

Invested in property and equipment	55,140	54,439
Internally restricted (Note 4)	281,801	181,801
Building fund (Note 5)	153,297	153,297
Unrestricted	216,676	222,231

	706,914	611,768
--	---------	---------

	\$ 1,869,173	\$ 1,749,127
--	--------------	--------------

Approved on behalf of the Board:


_____ Director


_____ Board Chair

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

For the year ended December 31	2018	2017
Revenue		
Registration, other fees and cost recovery	\$ 1,284,763	\$ 1,137,211
Interest income	19,384	9,066
	<u>1,304,147</u>	<u>1,146,277</u>
Expenses		
Accounting, audit & advisory	32,633	23,811
Amortization	21,336	24,199
Annual general meeting	5,512	2,719
Board expenses (Note 7)	72,253	76,600
Committee expenses (Note 7)	133,148	107,816
Legal costs	28,431	31,027
Occupancy charges	75,978	67,880
Office expenses:		
General expenses	77,210	71,933
Insurance and security	10,208	10,094
Information technology support	11,500	-
Marketing	1,164	3,200
Payment processing charges	54,245	33,883
Printing	3,802	2,627
Professional fees	11,760	5,057
Repairs and maintenance	1,070	1,083
Telephone and utilities	24,489	16,208
Website and Internet	3,184	4,407
Wages and benefits	641,078	550,948
	<u>1,209,001</u>	<u>1,033,492</u>
Excess of revenues over expenses	\$ 95,146	\$ 112,785

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 (Note 4)	Building Fund (Note 5)	Unrestricted	2018	2017
Balance, beginning of year	\$ 54,439	\$ 181,801	\$ 153,297	\$ 222,231	\$ 611,768	\$ 498,983
Excess of revenues over expenses	-	-	-	95,146	95,146	112,785
Amortization of property and equipment	(21,336)	-	-	21,336	-	-
Purchase of property and equipment	22,037	-	-	(22,037)	-	-
Interfund transfer	-	100,000	-	(100,000)	-	-
Balance, end of year	\$ 55,140	\$ 281,801	\$ 153,297	\$ 216,676	\$ 706,914	\$ 611,768

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

For the year ended December 31	2018	2017
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenses	\$ 95,146	\$ 112,785
Item not involving cash		
Amortization	<u>21,336</u>	<u>24,199</u>
	116,482	136,984
Changes in non-cash operating balances		
Deferred revenue	44,549	338,405
Prepaid expenses	14,012	(7,807)
Accounts payable and accrued liabilities	<u>(19,649)</u>	<u>9,605</u>
	<u>155,394</u>	<u>477,187</u>
Investing activity		
Acquisition of property and equipment	<u>(22,037)</u>	<u>(30,052)</u>
Increase in cash during the year	133,357	447,135
Cash, beginning of year	<u>1,657,103</u>	<u>1,209,968</u>
Cash, end of year	<u>\$ 1,790,460</u>	<u>\$ 1,657,103</u>

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

December 31, 2018

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)(L) 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

The College follows the deferral method of accounting for revenues. Dues are recorded as revenue in the year they relate to as payment of dues is required in advance to maintain registration. Interest income is recorded as it is earned.

(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 useful lives of property and equipment, 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, 2018

1. Summary of Significant Accounting Policies (Continued)

(f) Financial Instruments

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

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 excess of revenues over expenses 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

	2018		2017	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 41,547	\$ 22,354	\$ 19,193	\$ 18,348
Equipment, furniture, and fixtures	29,017	14,615	14,402	9,600
Website	111,944	95,306	16,638	21,584
Artwork	4,907	-	4,907	4,907
	\$ 187,415	\$ 132,275	\$ 55,140	\$ 54,439

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

December 31, 2018

4. Internally Restricted

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:

2019	\$	108,580
2020	\$	68,777
2021	\$	64,493
2022	\$	64,493
2023	\$	64,493
2024	\$	<u>62,500</u>
	\$	<u>433,336</u>

The College is responsible for paying its proportionate share of operating costs and property taxes attributed to the leased premises. The commitments after 2019 do not reflect such expenses.

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

December 31, 2018

7. Board and Committee Expenses

Board expenses are presented as follows:

	<u>2018</u>	<u>2017</u>
Honourarium	\$ 27,300	\$ 26,100
Meals and meetings	23,745	27,332
Professional fees	8,400	3,990
Travel	12,808	19,178
Total Board expenses	<u>\$ 72,253</u>	<u>\$ 76,600</u>

Committee expenses are presented as follows:

	<u>2018</u>	<u>2017</u>
Honourarium	\$ 67,050	\$ 54,104
Exam and inspectors	35,313	25,265
Meals and meetings	10,289	7,246
Office	1,328	671
Travel	19,168	20,530
Total Committee expenses	<u>\$ 133,148</u>	<u>\$ 107,816</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.