

**College of Naturopathic Physicians of
British Columbia**
Financial Statements
For the year ended December 31, 2014
(Unaudited)

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(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, 2014 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 Accountants

Vancouver, British Columbia
May 12, 2015

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

December 31 2014 2013

Assets

Current

Cash (Note 2)	\$ 1,033,262	\$ 437,312
Prepaid expenses	8,798	8,798

	1,042,060	446,110
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Property and equipment (Note 3)

	54,505	14,095
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	\$ 1,096,565	\$ 460,205
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Liabilities and Net Assets

Liabilities

Current

Accounts payable and accrued liabilities	\$ 38,601	\$ 25,765
Deferred revenue	660,471	-

	699,072	25,765
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Net assets

Invested in property and equipment	54,505	14,095
Internally restricted funds (Note 4)	138,801	138,801
Building fund (Note 5)	153,297	153,297
Unrestricted	50,890	128,247

	397,493	434,440
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	\$ 1,096,565	\$ 460,205
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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	2014	2013
Revenue		
Registrants' dues, registration and license fees	\$ 752,948	\$ 719,705
Interest income	4,251	6,411
	<u>757,199</u>	<u>726,116</u>
Expenses		
Accounting	17,536	12,155
Amortization	15,675	2,640
Annual general meeting	3,683	1,463
Board expenses (Note 7)	54,927	64,311
Committee expenses (Note 7)	122,183	91,416
Legal costs	127,102	373,535
Occupancy charges	59,954	60,134
Office expenses:		
Credit card charges	1,665	1,700
General expenses	54,212	48,411
Insurance and security	2,771	2,424
Marketing	-	10,874
Printing	6,999	6,996
Professional fees	9,006	24,299
Repairs and maintenance	969	790
Telephone and utilities	14,044	7,352
Website and Internet	6,257	5,594
Wages and benefits	<u>297,163</u>	<u>274,751</u>
	<u>794,146</u>	<u>988,845</u>
Deficiency of revenues over expenses for the year	\$ (36,947)	\$ (262,729)

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	2014	2013
Balance, beginning of year	\$ 14,095	\$ 138,801	\$ 153,297	\$ 128,247	\$ 434,440	\$ 697,169
Excess (deficiency) of revenues over expenses	-	-	-	(36,947)	(36,947)	(262,729)
Amortization of property and equipment	(15,675)	-	-	15,675	-	-
Purchase of property and equipment	56,085	-	-	(56,085)	-	-
Balance, end of year	\$ 54,505	\$ 138,801	\$ 153,297	\$ 50,890	\$ 397,493	\$ 434,440

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

For the year ended December 31	2014	2013
Cash provided by (used in)		
Operating activities		
Deficiency of revenues over expenses for the year	\$ (36,947)	\$ (262,729)
Item not involving cash		
Amortization	15,675	2,640
	(21,272)	(260,089)
Changes in non-cash operating balances		
Accounts receivable	-	910
Deferred revenue	660,471	-
Accounts payable and accrued liabilities	12,836	(26,818)
	652,035	(285,997)
Investing activities		
Acquisition of property and equipment	(56,085)	(7,942)
Increase (decrease) in cash during the year	595,950	(293,939)
Cash, beginning of year	437,312	731,251
Cash, end of year	\$ 1,033,262	\$ 437,312

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

December 31, 2014

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.

(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, 2014

1. Summary of Significant Accounting Policies (Continued)

(f) Financial Instruments

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

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 and accrued liabilities 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.

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

December 31, 2014

3. Property and Equipment

	2014		2013	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 20,891	\$ 8,876	\$ 12,015	\$ 4,222
Equipment, furniture, and fixtures	11,807	7,461	4,346	5,433
Website	47,209	13,505	33,704	-
Artwork	4,440	-	4,440	4,440
	\$ 84,347	\$ 29,842	\$ 54,505	\$ 14,095

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 objects of the College. In 2013, the Board has approved to allocate \$100,000 from the Contingency Reserve Account to operations due to unusual expenses consistent with the objects of the College. The Board has not allocated further funds in 2014.

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:

2015	\$	32,250
2016		31,780
2017		31,065
2018		32,700
2019		32,700
		128,245
	\$	128,245

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

December 31, 2014

7. Board and Committee Expenses

Board expenses are presented as follows:

	<u>2014</u>		<u>2013</u>
Honourarium	\$ 24,034	\$	24,300
Meals and meetings	21,894		27,701
Miscellaneous	-		3,614
Travel	<u>8,999</u>		<u>8,696</u>
Total board expenses	<u>\$ 54,927</u>	<u>\$</u>	<u>64,311</u>

Committee expenses are presented as follows:

	<u>2014</u>		<u>2013</u>
Honourarium	\$ 38,950	\$	38,511
Exam and inspectors	59,079		26,666
Meals and meetings	4,152		5,348
Miscellaneous	-		3,795
Travel	<u>20,002</u>		<u>17,096</u>
Total committee expenses	<u>\$ 122,183</u>	<u>\$</u>	<u>91,416</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. Liquidity risk arises from accounts payable and accrued liabilities.