

**College of Naturopathic Physicians of
British Columbia**
Financial Statements
For the year ended December 31, 2017
(Unaudited)



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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, 2017, 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, 2017, 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.

BDO Canada LLP

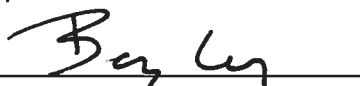
Chartered Professional Accountants

Vancouver, British Columbia
April 11, 2018

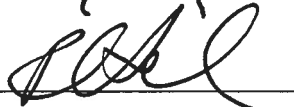
College of Naturopathic Physicians of British Columbia
Statement of Financial Position
(Unaudited)

December 31	2017	2016
Assets		
Current		
Cash (Note 2)	\$ 1,657,103	\$ 1,209,968
Prepaid expenses	37,585	29,778
	1,694,688	1,239,746
Property and equipment (Note 3)	54,439	48,586
	\$ 1,749,127	\$ 1,288,332
Liabilities and Net Assets		
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 48,212	\$ 38,607
Deferred revenue	1,089,147	750,742
	1,137,359	789,349
Net assets		
Invested in property and equipment	54,439	48,586
Internally restricted funds (Note 4)	181,801	138,801
Building fund (Note 5)	153,297	153,297
Unrestricted	222,231	158,299
	611,768	498,983
	\$ 1,749,127	\$ 1,288,332

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	2017	2016
Revenue		
Registration, other fees and cost recovery	\$ 1,137,211	\$ 1,022,881
Interest income	9,066	6,989
	1,146,277	1,029,870
Expenses		
Accounting	23,811	26,034
Amortization	24,199	27,212
Annual general meeting	2,719	3,609
Board expenses (Note 7)	76,600	87,077
Committee expenses (Note 7)	107,816	122,066
Legal costs	31,027	31,504
Occupancy charges	67,880	60,280
Office expenses:		
General expenses	71,933	74,051
Insurance and security	10,094	9,764
Marketing	3,200	2,320
Payment processing charges	33,883	24,614
Printing	2,627	1,373
Professional fees	5,057	4,075
Repairs and maintenance	1,083	1,192
Telephone and utilities	16,208	17,023
Website and Internet	4,407	6,935
Wages and benefits	550,948	487,662
	1,033,492	986,791
Excess of revenues over expenses for the year	\$ 112,785	\$ 43,079

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	2017	2016
Balance, beginning of year	\$ 48,586	\$ 138,801	\$ 153,297	\$ 158,299	\$ 498,983	\$ 455,904
Excess of revenues over expenses	-	-	-	112,785	112,785	43,079
Amortization of property and equipment	(24,199)	-	-	24,199	-	-
Purchase of property and equipment	30,052	-	-	(30,052)	-	-
Interfund transfer	-	43,000	-	(43,000)	-	-
Balance, end of year	\$ 54,439	\$ 181,801	\$ 153,297	\$ 222,231	\$ 611,768	\$ 498,983

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

For the year ended December 31	2017	2016
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenses	\$ 112,785	\$ 43,079
Item not involving cash		
Amortization	<u>24,199</u>	<u>27,212</u>
	136,984	70,291
Changes in non-cash operating balances		
Accounts receivable	-	3,794
Deferred revenue	338,405	81,315
Prepaid expenses	(7,807)	(20,980)
Accounts payable and accrued liabilities	<u>9,605</u>	<u>10,751</u>
	<u>477,187</u>	<u>145,171</u>
Investing activity		
Acquisition of property and equipment	<u>(30,052)</u>	<u>(19,387)</u>
Increase in cash during the year	447,135	125,784
Cash, beginning of year	<u>1,209,968</u>	<u>1,084,184</u>
Cash, end of year	<u>\$ 1,657,103</u>	<u>\$ 1,209,968</u>

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

December 31, 2017

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

The College follows the deferral method of accounting for revenues. 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, 2017

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

	2017		2016	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 36,531	\$ 18,183	\$ 18,348	\$ 13,177
Equipment, furniture, and fixtures	21,548	11,948	9,600	4,319
Website	102,392	80,808	21,584	26,650
Artwork	4,907	-	4,907	4,440
	\$ 165,378	\$ 110,939	\$ 54,439	\$ 48,586

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

December 31, 2017

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:

2018	\$	38,413
2019		38,413
2020		<u>4,285</u>
	\$	<u>81,111</u>

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

December 31, 2017

7. Board and Committee Expenses

Board expenses are presented as follows:

	<u>2017</u>	<u>2016</u>
Honourarium	\$ 26,100	\$ 25,300
Meals and meetings	27,332	34,946
Professional fees	3,990	1,680
Travel	19,178	25,151
Total board expenses	<u>\$ 76,600</u>	<u>\$ 87,077</u>

Committee expenses are presented as follows:

	<u>2017</u>	<u>2016</u>
Honourarium	\$ 54,104	\$ 44,340
Exam and inspectors	25,265	49,351
Meals and meetings	7,246	6,319
Office	671	-
Travel	20,530	22,056
Total committee expenses	<u>\$ 107,816</u>	<u>\$ 122,066</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.