

2021 FINANCIAL STATEMENTS



COLLEGE OF
NATUROPATHIC
PHYSICIANS
OF BRITISH COLUMBIA

College of Naturopathic Physicians of
British Columbia
Financial Statements
For the year ended December 31, 2021
(Unaudited)

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	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



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Independent Practitioner's Review Engagement Report

To the Board of Directors of the
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, 2021, 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, 2021, 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 6, 2022

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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

December 31	2021	2020
Assets		
Current		
Cash (Note 2)	\$ 2,314,280	\$ 2,134,662
Prepaid expenses	9,589	13,227
	2,323,869	2,147,889
Property and equipment (Note 3)	20,905	78,638
	\$ 2,344,774	\$ 2,226,527
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 48,925	\$ 52,260
Registrations paid in advance	1,557,068	1,372,249
	1,605,993	1,424,509
Net assets		
Invested in property and equipment	20,905	78,638
Internally restricted (Note 4)	435,098	435,098
Unrestricted	282,778	288,282
	738,781	802,018
	\$ 2,344,774	\$ 2,226,527

Approved on behalf of the Board:

"Signed" Dianne Robertson, Director

"Signed" Kelly Fujibyashi, Board Chair

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

For the year ended December 31 2021 2020

	2021	2020
Revenue		
Registration, other fees and cost recoveries	\$ 1,573,834	\$ 1,498,423
Interest income	8,350	14,694
	1,582,184	1,513,117
Expenses		
Accounting & advisory	25,046	24,163
Amortization	61,411	39,828
Annual general meeting	14,510	9,244
Board expenses (Note 6)	38,879	96,227
Committee expenses (Note 6)	191,709	181,640
Legal costs	35,716	61,488
Occupancy charges	111,389	114,844
Office expenses:		
Consulting fees	17,417	102,726
General expenses	50,740	53,198
Insurance and security	12,456	11,410
Information technology support	32,772	27,746
Payment processing charges	43,004	42,329
Printing	5,132	6,538
Professional fees	13,497	1,181
Telephone and utilities	9,545	14,434
Website and Internet	45,115	14,870
Wages and benefits	937,083	708,271
	1,645,421	1,510,137
Excess (deficiency) of revenues over expenses	\$ (63,237)	\$ 2,980

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	Unrestricted	2021	2020
		(Note 4)			
Balance, beginning of year	\$ 78,638	\$ 435,098	\$ 288,282	\$ 802,018	\$ 799,038
Excess (deficiency) of revenues over expenses	-	-	(63,237)	(63,237)	2,980
Amortization of property and equipment	(61,411)	-	61,411	-	-
Purchase of property and equipment	3,678	-	(3,678)	-	-
Balance, end of year	\$ 20,905	\$ 435,098	\$ 282,778	\$ 738,781	\$ 802,018

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

For the year ended December 31	2021	2020
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenues over expenses	\$ (63,237)	\$ 2,980
Item not involving cash		
Amortization	61,411	39,828
	(1,826)	42,808
Changes in non-cash operating balances		
Accounts receivable	-	7,755
Deferred revenue	184,819	63,589
Prepaid expenses	3,638	12,725
Accounts payable and accrued liabilities	(3,335)	36,758
	183,296	163,635
Investing activity		
Acquisition of property and equipment	(3,678)	(42,507)
Increase in cash	179,618	121,128
Cash, beginning of year	2,134,662	2,013,534
Cash, end of year	\$ 2,314,280	\$ 2,134,662

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

December 31, 2021

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. Registration fees are recorded as revenue in the year they relate to as payment of registration fees 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 for property and equipment is provided on a straight-line basis over the estimated useful lives as follows:

Computer equipment	- 3 years
Equipment, furniture and fixtures	- 3 years
Website	- 2 years
Artwork	- indefinite life

During the year, the College determined that the use of straight line method was more appropriate than the declining balance method. This change in policy has been applied prospectively as the amount of change is not material, which has resulted in an increase in amortization in the current year of approximately \$30,229.

(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, 2021

1. Summary of Significant Accounting Policies (Continued)

(f) Financial Instruments

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

These financial assets and liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Financial assets and 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. Given the short-term nature of these amounts 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

			2021		2020	
	Cost	Accumulated Amortization	Net Book Value		Net Book Value	
Computer equipment	\$ 51,767	\$ 40,469	\$ 11,298	\$	\$ 20,170	
Equipment, furniture and fixtures	30,393	25,693	4,700		9,217	
Website	196,587	196,587	-		44,344	
Artwork	4,907	-	4,907		4,907	
	<u>\$ 283,654</u>	<u>\$ 262,749</u>	<u>\$ 20,905</u>	<u>\$</u>	<u>\$ 78,638</u>	

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

December 31, 2021

4. Internally Restricted Fund

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

5. 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:

2022	\$	68,478
2023		65,489
2024		<u>62,500</u>
	\$	<u>196,467</u>

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

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

December 31, 2021

6. Board and Committee Expenses

Board expenses are presented as follows:

	2021	2020
Honourarium	\$ 36,500	\$ 41,625
Meals and meetings	6	1,901
Miscellaneous	374	3,343
Professional development	-	429
Professional fees	1,999	45,135
Travel	-	3,794
Total Board expenses	<u>\$ 38,879</u>	<u>\$ 96,227</u>

Committee expenses are presented as follows:

	2021	2020
Honourarium	\$ 67,903	\$ 70,580
Exam and inspectors	41,552	86,489
Meals and meetings	2,152	2,658
Office	565	433
Professional development	-	500
Professional fees	77,060	15,509
Travel	2,477	5,471
Total Committee expenses	<u>\$ 191,709</u>	<u>\$ 181,640</u>

7. 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. All registration fees are collected in advance, which allows the College to pay annual operating expenses throughout the year.

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

December 31, 2021

8. Subsequent Events

The global pandemic COVID-19 has disrupted economic activities. Given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time. The College's ability to continue to deliver regulatory services and meet obligations as they come due is dependent on the continued ability to collect registrations and manage cash flows. Due to receiving the majority of revenues in advance, the College's ability to deliver services and meet obligations is fairly secure.

The College expects the pandemic to have limited financial impact upon operations, as Naturopathic doctors have been declared essential services during the COVID-19 pandemic. The College has a telemedicine policy and registrants who continue their practice via telemedicine during the pandemic must maintain their full registration. There are provisions for potential refunds for registrants who chose to be non-practicing for a portion of the year, but thus far it has not had a significant impact.

9. Potential Amalgamation

In 2019 the British Columbia Minister of Health proposed changes to the Health Professions Act which would merge a number of colleges together to streamline the activities.

As of the date of the financial statements, there have been no changes to the current Health Professions Act. There are no legal obligations or financial impacts at this time.