

**COLLEGE OF CHIROPODISTS OF ONTARIO**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Council of the College of Chiropractors of Ontario

### **Opinion**

We have audited the financial statements of the College of Chiropractors of Ontario (the "College"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at December 31, 2022, 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.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the ability of the College to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the College.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the College.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## INDEPENDENT AUDITOR'S REPORT (continued)

### Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the College to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the College to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Toronto, Ontario  
May 12, 2023

Chartered Professional Accountants  
Licensed Public Accountants

# COLLEGE OF CHIROPODISTS OF ONTARIO

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

	2022	2021
<b>ASSETS</b>		
Current assets		
Cash ( <i>note 2</i> )	\$ 1,682,749	\$ 1,750,644
Accounts receivable ( <i>note 3</i> )	51,750	26,500
Prepaid expenses	26,661	28,385
	<b>1,761,160</b>	1,805,529
Accounts receivable - long term portion ( <i>note 3</i> )	45,000	6,000
Furniture and equipment ( <i>note 4</i> )	12,427	13,144
	<b>57,427</b>	19,144
	<b>1,818,587</b>	1,824,673
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued expenses ( <i>note 5</i> )	299,633	196,902
Deferred revenue	162,960	117,000
	<b>462,593</b>	313,902
<b>NET ASSETS</b>		
Abuse therapy fund	10,000	10,000
General reserve fund	300,000	120,000
Unrestricted balance	1,045,994	1,380,771
	<b>1,355,994</b>	1,510,771
	<b>\$ 1,818,587</b>	<b>\$ 1,824,673</b>

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Council:

\_\_\_\_\_, President                      \_\_\_\_\_, Member

# COLLEGE OF CHIROPODISTS OF ONTARIO

## STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2022

	2022		2021
	Actual	Budget	Actual
<b>Revenues</b>			
Annual general fees	\$ 1,427,300	\$ 1,434,600	\$ 1,305,350
Other fees - initial, application, examination and others	238,400	223,000	233,725
	<b>1,665,700</b>	<b>1,657,600</b>	1,539,075
<b>Other income</b>			
Interest	28,267	7,000	6,463
Miscellaneous	3,755	400	500
Expense recoveries (note 3)	176,000	150,000	202,050
	<b>1,873,722</b>	<b>1,815,000</b>	1,748,088
<b>Expenses</b>			
Accounting and audit	22,309	35,000	40,313
Bank and credit card charges	37,770	38,000	37,224
Council and committee expenses			
Per diem	111,441	104,200	97,036
Travel expenses	36,027	35,000	5,808
General and committee	26,903	27,000	30,895
Complaints investigation	38,835	38,000	55,259
Depreciation	3,117	8,600	8,538
Computer software and maintenance	19,160	8,000	6,906
General and office	27,781	49,775	30,763
Insurance	18,362	17,500	17,264
Legal	613,352	510,000	534,225
Photocopy and printing (recovery)	(11)	3,000	(675)
Postage and mailing	227	500	510
Rent	86,255	87,729	87,729
Salaries and benefits (note 7)	634,347	600,000	516,252
Settlement costs	130,000	-	-
Telephone	7,201	7,600	7,535
Web site	72,311	111,270	84,837
	<b>1,885,387</b>	<b>1,681,174</b>	1,560,419
Special one-time projects - Registration exam development	139,374	115,000	95,081
- Sedation and other consulting	3,738	18,730	9,005
Total expenses	<b>2,028,499</b>	<b>1,814,904</b>	1,664,505
Excess (deficiency) of revenues over expenses for the year	\$ (154,777)	\$ 96	\$ 83,583

The accompanying notes are an integral part of these financial statements.

# COLLEGE OF CHIROPODISTS OF ONTARIO

## STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2022

	Abuse Therapy Fund	General Reserve Fund	Unrestricted Net Assets	Total 2022
Balance - at beginning of year	\$ 10,000	\$ 120,000	\$ 1,380,771	\$ 1,510,771
Deficiency of revenues over expenses for the year	(3,738)	-	(151,039)	(154,777)
Inter-fund transfers				
Allocation to General Fund	3,738	180,000	(183,738)	-
Balance - at end of year	\$ 10,000	\$ 300,000	\$ 1,045,994	\$ 1,355,994

	Abuse Therapy Fund	General Reserve Fund	Unrestricted Net Assets	Total 2021
Balance - at beginning of year	\$ 10,000	\$ 120,000	\$ 1,297,188	\$ 1,427,188
Excess of revenues over expenses for the year	(275)	-	83,858	83,583
Allocation to Abuse Therapy Fund	275	-	(275)	-
Balance - at end of year	10,000	120,000	1,380,771	1,510,771

The accompanying notes are an integral part of these financial statements.

# COLLEGE OF CHIROPODISTS OF ONTARIO

## STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2022

	2022	2021
Cash flows from operating activities		
Annual general and other fees received	1,715,415	1,648,675
Interest received	28,267	6,463
Expense recovery and miscellaneous income received	111,750	174,842
Cash paid to employees and suppliers	(1,920,927)	(1,624,023)
	(65,495)	205,957
Cash flows from investing activity		
Purchase of furniture and equipment	(2,400)	(1,850)
Change in cash during the year	(67,895)	204,107
Cash - at beginning of year	1,750,644	1,546,537
Cash - at end of year	\$ 1,682,749	\$ 1,750,644

The accompanying notes are an integral part of these financial statements.

# COLLEGE OF CHIROPODISTS OF ONTARIO

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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The College of Chiropractors of Ontario (the "College") has a duty to serve and protect the public interest. The College ensures that the public receives competent care from chiropractors and podiatrists by:

- Regulating the practice of the profession and governing the members in accordance with the Chiropractor Act, 1991, the Regulated Health Professions Act, and the regulations and by-laws.
- Establishing standards of practice.
- Establishing educational requirements for entry to practice and continuing competence.
- Addressing any concerns from the public.
- Educating and providing information to the public about chiropractic and podiatry.

The College is the governing body established by the provincial government to regulate the practice of chiropractic and podiatry in Ontario under the Regulated Health Professions Act and was enacted by statute under the Chiropractor Act (1991). The College is a not-for-profit corporate body without share capital and, as such, is generally exempt from income taxes.

### *1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles. These financial statements have been prepared within the framework of the significant accounting policies summarized below:

#### *Basis of Presentation*

##### *Operations*

The statement of operations reflects the day-to-day activities of the College financed by annual general fees as well as other fees.

##### *Abuse Therapy Fund*

In accordance with The Regulated Health Professions Act, the College has set up the Abuse Therapy Fund to provide therapy and counselling for persons who, while patients, were sexually abused by a member(s). This fund will be expended on persons who satisfy the College's eligibility criteria.

##### *General Reserve Fund*

The College has set up the general reserve fund for the specific purpose of covering operating expenses in the event of unanticipated financial expenditures or occurrences.

In fiscal 2021, the Council approved a motion to increase the general reserve fund over the next three years with the target amount of \$300,000 by the end of 2022, \$500,000 by the end of 2023 and \$700,000 by the end of 2024. During the year, \$180,000 was transferred from the unrestricted balance to the general reserve fund.

#### *Revenue Recognition*

Annual general fees are recognized as revenue in the year to which fees relate. Fees received in advance are deferred and recognized in the related period.

All other fees and income are recognized as revenue when the services are provided or as earned.



# COLLEGE OF CHIROPODISTS OF ONTARIO

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *Financial Assets and Liabilities*

The College initially measures its financial assets and liabilities at fair value. The College subsequently measures all of its financial assets and financial liabilities at amortized cost.

Financial assets and liabilities measured at amortized cost include cash, accounts receivable and accounts payable and accrued expenses.

Amortized cost is the amount at which a financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

At the end of each year, the College assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that comes to the attention of the College, including but not limited to the following events: significant financial difficulty of the issuer; a breach of contract, such as a default or delinquency in interest or principal payments; and bankruptcy or other financial reorganization proceedings.

When there is an indication of impairment, the College determines whether a significant adverse change has occurred during the year in the expected timing or amount of future cash flows from the financial asset.

When the College identifies a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it reduces the carrying amount of the financial asset to the greater of the following:

- the present value of the cash flows expected to be generated by holding the financial asset discounted using a current market rate of interest appropriate to the financial asset; and
- the amount that could be realized by selling the financial asset at the statement of financial position date.

Any impairment of the financial asset is recognized in income in the year in which the impairment occurs.

When the extent of impairment of a previously written-down financial asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent of the improvement, but not in excess of the impairment loss. The amount of the reversal is recognized in income in the year the reversal occurs.

#### *Furniture and Equipment*

Furniture and equipment is recorded at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets at the following annual rates:

Computer	- 33 1/3%
Furniture and equipment	- 20 %

The above rates are reviewed annually for ongoing appropriateness. Any changes to these estimates are adjusted on a prospective basis. If there is an indication that the property and equipment assets may be impaired, an impairment test is performed that compares carrying amount to net recoverable amount. There were no impairment indicators in 2021.

# COLLEGE OF CHIROPODISTS OF ONTARIO

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *Employee future benefits*

The College contributes to the Healthcare of Ontario Pension Plan (the "Plan" or "HOOPP") which is a multi-employer defined benefit pension plan. A majority of the employees of the College are members of HOOPP.

In accordance with CPA Handbook section 3642, the multi-employer defined benefit plan is accounted using defined contribution plan accounting due to sufficient information not available to use defined benefit plan accounting.

The College's policy is to expense the contributions in the year in which the contributions are made to the Plan.

#### *Use of Estimates*

The preparation of financial statements in conformity 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year.

Key areas where management has made difficult, complex or subjective judgment, include provisions for legal claims. Actual results could differ from these and other estimates, the impact of which would be recorded in future affected periods.

### 2. FINANCIAL INSTRUMENTS AND RISK EXPOSURE

The College is exposed to various risks through its financial instruments. The following analysis provides a measure of the College's risk exposure and concentrations.

#### *Credit Risk*

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The College's main credit risks relate to cash and accounts receivable. The College maintains most of its cash at a federally regulated schedule I bank. The College mitigates credit risk by monitoring the accounts on a regular basis and provides provisions whenever collection is in doubt. As at the end of the year, there is no allowance for doubtful accounts (\$NIL - 2021).

#### *Liquidity Risk*

Liquidity risk is the risk that the College will not be able to meet its financial obligations when they become due to its creditors. The College is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, and lease commitments. The College expects to meet these obligations as they come due by generating sufficient cash flow from operations.

#### *Market Risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The College is not exposed to currency or other price risks. The College is exposed to interest rate risk.

# COLLEGE OF CHIROPODISTS OF ONTARIO

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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### 2. FINANCIAL INSTRUMENTS AND RISK EXPOSURE (continued)

#### Market Risk (continued)

Interest rate risk is the risk that changes in market interest rates will cause fluctuations to the fair values and cash flows of the College's investments in interest bearing financial instruments. As at the end of the year, the College held an interest bearing bank account in a total of \$1,613,291 (\$1,655,204 - 2021), which is included in Cash.

#### Changes in Risk

There have been no significant changes in the risk profile of the financial instruments of the College from that of the prior year.

### 3. EXPENSE RECOVERIES

The Discipline Committee of the College orders members to pay the College towards its costs and expenses for investigating and hearing complaints/matters against the members. The expense recoveries include \$176,000 (\$202,050 - 2021) from members and accounts receivable includes \$96,750 (\$32,500 - 2021) from members for such orders.

### 4. PROPERTY AND EQUIPMENT

2021	Cost	Accumulated Depreciation	Net Book Value
Computer equipment	\$ 18,651	\$ 16,210	\$ 2,441
Office furniture	23,340	13,354	9,986
	<b>\$ 41,991</b>	<b>\$ 29,564</b>	<b>\$ 12,427</b>

  

2020	Cost	Accumulated Depreciation	Net Book Value
Computer equipment	\$ 16,251	\$ 15,590	\$ 661
Office furniture	23,340	10,857	12,483
	<b>\$ 39,591</b>	<b>\$ 26,447</b>	<b>\$ 13,144</b>

Total depreciation of \$3,117 (\$8,538 - 2021) has been included in the Statement of Operations.

### 5. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses include government remittances totalling \$4,988 (\$9,431 - 2021).

# COLLEGE OF CHIROPODISTS OF ONTARIO

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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### 6. COMMITMENTS

#### *Leases*

The College is committed to annual minimum rental payments under operating leases for premises expiring in March 2024 and for equipment expiring November 2024. Minimum payments for the remaining terms are as follows:

	<i>Premises</i>	<i>Equipment</i>	<i>Total</i>
2023	\$ 45,915	\$ 7,558	\$ 53,473
2024	11,479	5,668	17,147
	<u>\$ 57,394</u>	<u>\$ 13,226</u>	<u>\$ 70,620</u>

In addition, the College is also committed to pay its proportionate share of taxes, utilities and operating costs of the premises, which is \$39,000 (\$38,000 - 2021).

### 7. PENSION PLAN

The College is a participating employer of the Healthcare of Ontario Pension Plan ("HOOPP"), which is a multi-employer, defined benefit pension plan. During the year, the College enrolled in HOOP and made contributions of \$19,216, which are included in salaries and benefits in the statement of operations.

**HILBORN**

LISTENERS. THINKERS. DOERS.