

COLLEGE OF CHIROPODISTS OF ONTARIO
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

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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, 2019, 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, 2019, 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
June 26, 2020

Chartered Professional Accountants
Licensed Public Accountants

COLLEGE OF CHIROPODISTS OF ONTARIO

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

	2019	2018
ASSETS		
Current assets		
Cash (<i>note 2</i>)	\$ 1,668,572	\$ 1,378,661
Accounts receivable (<i>note 3</i>)	6,059	11,550
Prepaid expenses	9,903	8,794
	1,684,534	1,399,005
Accounts receivable - long term portion (<i>note 3</i>)	17,100	17,100
Furniture and equipment (<i>note 4</i>)	26,704	-
	43,804	17,100
	1,728,338	1,416,105
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses (<i>note 5</i>)	208,501	86,469
Deferred revenue	3,400	-
	211,901	86,469
NET ASSETS		
Abuse therapy fund	10,000	10,000
General reserve fund	120,000	120,000
Unrestricted balance	1,386,437	1,199,636
	1,516,437	1,329,636
	\$ 1,728,338	\$ 1,416,105

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, 2019

	2019		2018
	Actual	Budget	Actual
Revenues			
Annual general fees	\$ 1,232,500	\$ 1,241,000	\$ 1,198,500
Other fees - initial, application, examination and others	164,207	198,550	178,298
	1,396,707	1,439,550	1,376,798
Other income			
Interest	27,479	18,000	17,724
Miscellaneous	8,450	8,600	8,700
Expense recoveries (note 3)	6,059	66,500	60,000
	1,438,695	1,532,650	1,463,222
Expenses			
Accounting and audit	17,097	10,450	16,950
Bank and credit card charges	33,292	30,500	30,143
Council and committee expenses			
Per diem	30,680	47,300	41,494
Travel expenses	13,344	23,700	18,262
General and committee	22,995	44,450	24,401
Complaints investigation	59,608	53,000	48,579
Depreciation	9,054	-	-
Repairs and maintenance	6,111	44,300	2,259
General and office	32,107	40,500	40,286
Insurance	14,089	13,700	13,343
Legal	275,790	330,000	195,101
Photocopy and printing	2,980	6,000	5,975
Postage and mailing	4,315	9,500	9,608
Rent	65,175	64,652	50,374
Salaries and benefits	387,290	427,901	348,600
Telephone	9,828	12,595	11,634
Web site	107,280	107,400	38,115
	1,091,035	1,265,948	895,124
Special one-time projects - Podiatry model	73,875	48,792	45,902
- Registration exam development	86,984	95,000	80,274
- Inhalation course	-	-	8,793
	1,251,894	1,409,740	1,030,093
Excess of revenues over expenses for the year	\$ 186,801	\$ 122,910	\$ 433,129

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, 2019

	Abuse Therapy Fund	General Reserve Fund	Unrestricted Net Assets	Total 2019
Balance - at beginning of year	\$ 10,000	\$ 120,000	\$ 1,199,636	\$ 1,329,636
Excess of revenues over expenses for the year	-	-	186,801	186,801
Balance - at end of year	\$ 10,000	\$ 120,000	\$ 1,386,437	\$ 1,516,437

	Abuse Therapy Fund	General Reserve Fund	Unrestricted Net Assets	Total 2018
Balance - at beginning of year	\$ 10,000	\$ 120,000	\$ 766,507	\$ 896,507
Excess of revenues over expenses for the year	-	-	433,129	433,129
Balance - at end of year	10,000	120,000	1,199,636	1,329,636

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

COLLEGE OF CHIROPODISTS OF ONTARIO

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2019

	2019	2018
Cash flows from operating activities		
Annual general and other fees received	1,400,106	1,376,798
Interest received	27,479	17,724
Miscellaneous income received	18,450	67,750
Cash paid to employees and suppliers	(1,120,367)	(1,041,484)
	325,668	420,788
Cash flows from investing activity		
Purchase of furniture and equipment	(35,757)	-
	(35,757)	-
Change in cash during the year	289,911	420,788
Cash - at beginning of year	1,378,661	957,873
Cash - at end of year	\$ 1,668,572	\$ 1,378,661

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, 2019

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 Chiropractors 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 Chiropractors 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.

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, 2019

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 2019.

COLLEGE OF CHIROPODISTS OF ONTARIO

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 - 2018).

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.

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 \$1,657,747 (\$1,369,120 - 2018), 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.

COLLEGE OF CHIROPODISTS OF ONTARIO

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

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 \$6,059 (\$60,000 - 2018) from members and accounts receivable includes \$23,159 (\$27,100 - 2018) from members for such orders.

4. PROPERTY AND EQUIPMENT

2019	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>Net Book Value</i>
Computer equipment	\$ 14,268	\$ 4,756	\$ 9,512
Office furniture	21,490	4,298	17,192
	\$ 35,758	\$ 9,054	\$ 26,704

2018	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>Net Book Value</i>
Computer equipment	\$ 6,756	\$ 6,756	\$ -

Total depreciation of \$9,054 (\$NIL - 2018) has been included in the Statement of Operations.

5. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses include government remittances totalling \$23,060 (\$21,131 - 2018).

COLLEGE OF CHIROPODISTS OF ONTARIO

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

6. COMMITMENTS

Leases

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

	<i>Premises</i>	<i>Equipment</i>	<i>Total</i>
2020	\$ 43,924	\$ 7,558	\$ 51,482
2021	44,043	7,558	51,601
2022	45,447	7,558	53,005
2023	45,915	7,558	53,473
2024	11,479	5,668	17,147
	<u>\$ 190,808</u>	<u>\$ 35,900</u>	<u>\$ 226,708</u>

In addition, the College is also committed to pay its proportionate share of taxes, utilities and operating costs of the premises, which for the 2019 year were \$25,000 (\$21,000 - 2018).

Consulting

The College has signed a consulting contract for the development of examinations and related services in the amount of \$58,000 plus out of pocket expenses and applicable taxes covering the fiscal years of 2019 and 2020.

7. SUBSEQUENT EVENTS

Subsequent to the year end, the global pandemic of the virus known as COVID-19 led the Canadian Federal government, as well as provincial and local governments, to impose measures, such as restricting foreign travel, mandating self-isolations and physical distancing and closing non-essential businesses. Because of the high level of uncertainty related to the outcome of this pandemic, it is difficult to estimate the financial effect on the College.

The College has maintained the investments in interest bearing cash accounts only, and does not invest in equity securities or holds any financial instruments denominated in foreign currencies. The fluctuations in the financial markets since the outbreak of COVID-19 have no direct impact on the financial performance of the College.

HILBORN

LISTENERS. THINKERS. DOERS.