

THE NEWFOUNDLAND & LABRADOR CHIROPRACTIC BOARD

Financial Statements

Year Ended December 31, 2020

THE NEWFOUNDLAND & LABRADOR CHIROPRACTIC BOARD

Index to Financial Statements

Year Ended December 31, 2020

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenditures	4
Statement of Changes in Net Assets	5
Statement of Cash Flow	6
Notes to Financial Statements	7 - 8

Fred Earle

Chartered Professional Accountant

INDEPENDENT AUDITOR'S REPORT

To the Members of The Newfoundland & Labrador Chiropractic Board

Opinion

I have audited the financial statements of The Newfoundland & Labrador Chiropractic Board (the Organization), which comprise the statement of financial position as at December 31, 2020, and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2020, and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with those requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(continues)

Independent Auditor's Report to the Members of The Newfoundland & Labrador Chiropractic Board
(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 Organization's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Organization 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.

I 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 I identify during my audit.

St. John's, Newfoundland and Labrador
November 19, 2021



CHARTERED PROFESSIONAL ACCOUNTANT

THE NEWFOUNDLAND & LABRADOR CHIROPRACTIC BOARD

Statement of Financial Position

December 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 65,842	\$ 111,124
Term deposits	318,117	318,088
Accounts receivable	11,850	-
Interest receivable	4,765	190
Prepaid expenses	515	674
	<u>\$ 401,089</u>	<u>\$ 430,076</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 15,680	\$ 3,105
Due to NLCA	10,000	-
	<u>25,680</u>	<u>3,105</u>
NET ASSETS		
General fund	<u>375,409</u>	426,971
	<u>\$ 401,089</u>	<u>\$ 430,076</u>

ON BEHALF OF THE BOARD

_____ Director

_____ Director

THE NEWFOUNDLAND & LABRADOR CHIROPRACTIC BOARD

Statement of Revenues and Expenditures

Year Ended December 31, 2020

	2020	2019
REVENUES		
Membership fees	\$ 50,070	\$ 50,760
Interest income	4,633	826
Professional chiropractic corporation fees	3,750	3,750
Application fees	-	300
Registration fees	-	500
	<u>58,453</u>	<u>56,136</u>
EXPENSES		
Memorial Research Funding	50,000	-
NLCA - Registrar fee and office rent	30,000	30,000
Covid-19 supplies (transfer to NLCA)	15,000	-
Professional fees	8,843	3,220
Memberships	2,583	633
Insurance	1,395	1,090
Travel, conferences and meetings	1,284	15,839
Interest and bank charges	760	840
Office	150	129
Canadian Memorial Chiropractic College(CMCC)- Training	-	7,500
	<u>110,015</u>	<u>59,251</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (51,562)</u>	<u>\$ (3,115)</u>

THE NEWFOUNDLAND & LABRADOR CHIROPRACTIC BOARD

Statement of Changes in Net Assets

Year Ended December 31, 2020

	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ 426,971	\$ 430,086
Deficiency of revenues over expenses	<u>(51,562)</u>	<u>(3,115)</u>
NET ASSETS - END OF YEAR	<u>\$ 375,409</u>	<u>\$ 426,971</u>

THE NEWFOUNDLAND & LABRADOR CHIROPRACTIC BOARD

Statement of Cash Flow

Year Ended December 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (51,562)	\$ (3,115)
Changes in non-cash working capital:		
Accounts receivable	(11,850)	-
Interest receivable	(4,575)	2,787
Accounts payable	12,575	(2,952)
Prepaid expenses	159	(146)
	<u>(3,691)</u>	<u>(311)</u>
Cash flow used by operating activities	<u>(55,253)</u>	<u>(3,426)</u>
FINANCING ACTIVITY		
Advances from related parties	<u>10,000</u>	-
DECREASE IN CASH FLOW	(45,253)	(3,426)
Cash - beginning of year	<u>429,212</u>	<u>432,638</u>
CASH - END OF YEAR	\$ <u>383,959</u>	\$ <u>429,212</u>
CASH CONSISTS OF:		
Cash	\$ 65,842	\$ 111,124
Term deposits	<u>318,117</u>	<u>318,088</u>
	\$ <u>383,959</u>	\$ <u>429,212</u>

The notes are an integral part of these financial statements

THE NEWFOUNDLAND & LABRADOR CHIROPRACTIC BOARD

Notes to Financial Statements

Year Ended December 31, 2020

1. DESCRIPTION OF BUSINESS

The Newfoundland and Labrador Chiropractic Board (the "Board") was established as a corporation by the Chiropractors' Act which received Royal Assent on July 1, 1992. The board commenced operation on July 1, 1993.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant for the Board.

Cash and cash equivalents

Cash is defined as cash on hand, cash on deposit and short-term deposits with maturity dates of less than 90 days, net of cheques issued and outstanding at the reporting date.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Revenue recognition

Membership fee revenue is recorded using the accrual method of accounting. Fees are recorded as income in the year to which they apply.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organization requires management to make estimates and assumptions that affect the reported amount 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 period.

Contributed services

Volunteers contribute a significant number of hours each year to assist the organization in carrying out its governance and service delivery activities. The fair value of donated services cannot be reasonably determined and are therefore not reflected in these financial statements.

Income tax

The Board is a not-for-profit organization and is not subject to corporate income tax.

3. RELATED PARTY TRANSACTIONS

Revenue from membership fees includes \$5,760 (2019 - \$5,760) collected from members of the organization who also serve as members of the Board of Directors. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount established and agreed to by the related parties.

THE NEWFOUNDLAND & LABRADOR CHIROPRACTIC BOARD

Notes to Financial Statements

Year Ended December 31, 2020

4. COMMITMENTS

As at December 31, 2020, the Board had commitments of \$500 per month for rental of premises and \$2,000 per month for registrar services.

5. FINANCIAL INSTRUMENTS

The Board's main financial instrument risk exposure is detailed as follows.

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Board is exposed to credit risk from its members. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. Given the nature of the Board's activities, the Board does not have material exposure to credit risk.

Fair Value

The Board's carrying value of cash and cash equivalents, accounts receivable, and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

Liquidity Risk

The Board's liquidity risk represents the risk that the organization could encounter difficulty in meeting obligations associated with its financial liabilities. The Board is therefore exposed to liquidity risk with respect to its accounts payable and accrued liabilities. The Board manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient cash available to meet its obligations and liabilities.
