

**FINANCIAL STATEMENTS**  
**For**  
**COLLEGE OF HOMEOPATHS OF ONTARIO**  
**For year ended**  
**MARCH 31, 2020**

**INDEPENDENT AUDITOR'S REPORT**

To the directors of

**COLLEGE OF HOMEOPATHS OF ONTARIO**

*Opinion*

We have audited the financial statements of College of Homeopaths of Ontario (the "College"), which comprise the statement of financial position as at March 31, 2020, and the statements of operations, changes in fund balances 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 March 31, 2020 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 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 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.

In preparing the financial statements, management is responsible for assessing the College's ability 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 College's financial reporting process.

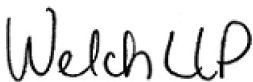
## *Auditors Responsibilities for the Audit of the Financial Statements*

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 College's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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.



Chartered Professional Accountants  
Licensed Public Accountants

Toronto, Ontario  
October 1, 2020.


COLLEGE OF HOMEOPATHS OF ONTARIO


STATEMENT OF FINANCIAL POSITION

MARCH 31, 2020

	<u>2020</u>	<u>2019</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 477,369	\$ 625,717
Prepaid expenses	<u>7,060</u>	<u>11,193</u>
	484,429	636,910
 <b>CAPITAL ASSETS</b> (note 3)	 <u>5,167</u>	 <u>1,692</u>
	<u>\$ 489,596</u>	<u>\$ 638,602</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 37,737	\$ 19,040
Government remittances payable	26,969	51,769
Deferred registration and application fees	<u>239,000</u>	<u>427,019</u>
	<u>303,706</u>	<u>497,828</u>
 <b>FUND BALANCES</b>		
Capital fund	5,167	1,692
General fund	170,723	129,082
Sexual abuse therapy fund - internally restricted (note 5)	<u>10,000</u>	<u>10,000</u>
	<u>185,890</u>	<u>140,774</u>
	<u>\$ 489,596</u>	<u>\$ 638,602</u>

Approved by the Board:

..........President

..........Vice-President

(See accompanying notes)

**COLLEGE OF HOMEOPATHS OF ONTARIO**

**STATEMENT OF OPERATIONS**

**YEAR ENDED MARCH 31, 2020**

	2020			2019
	Capital Fund	General Fund	Total	Total
<b>Revenue</b>				
Registration fees	\$ -	\$ 576,635	\$ 576,635	\$ 611,649
Registration application fees	-	7,969	7,969	8,392
Jurisprudence program fees	-	975	975	2,325
Interest and other income	-	14,893	14,893	13,254
	-	600,472	600,472	635,620
<b>Expenses</b>				
Salaries and benefits	-	431,364	431,364	419,024
Professional services	-	60,896	60,896	49,240
Office and general	-	43,012	43,012	40,630
Council and committees (note 6)	-	17,568	17,568	24,490
Amortization of capital assets	2,516	-	2,516	2,307
Communications and media	-	-	-	1,158
	2,516	552,840	555,356	536,849
<b>Excess of revenue over expenses (expenses over revenue)</b>	\$ (2,516)	\$ 47,632	\$ 45,116	\$ 98,771

(See accompanying notes)

**COLLEGE OF HOMEOPATHS OF ONTARIO**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
**YEAR ENDED MARCH 31, 2020**

	<u>Capital Fund</u>	<u>General Fund</u>	<u>Sexual abuse therapy fund - internally restricted</u>	<u>Total 2020</u>	<u>Total 2019</u>
Fund balances, beginning of year	\$ 1,692	\$ 129,082	\$ 10,000	\$ 140,774	\$ 42,003
Excess of revenue over expenses (expenses over revenue)	(2,516)	47,632	-	45,116	98,771
Capital asset purchase	<u>5,991</u>	<u>(5,991)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 5,167</u>	<u>\$ 170,723</u>	<u>\$ 10,000</u>	<u>\$ 185,890</u>	<u>\$ 140,774</u>

(See accompanying notes)

**COLLEGE OF HOMEOPATHS OF ONTARIO**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED MARCH 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS PROVIDED BY (USED IN)</b>		
<b>Operating activities</b>		
Excess of revenue over expenses (expenses over revenue)	\$ 45,116	\$ 98,771
Adjustments for:		
Amortization of capital assets	<u>2,516</u>	<u>2,307</u>
	47,632	101,078
Changes in non-cash working capital components:		
Prepaid expenses	4,133	1,372
Accounts payable and accrued liabilities	18,697	(8,395)
Government remittances payable	(24,800)	(10,163)
Deferred registration and application fees	<u>(188,019)</u>	<u>(82,073)</u>
	<u>(142,357)</u>	<u>1,819</u>
<b>Investing activities</b>		
Purchase of capital assets	<u>(5,991)</u>	<u>-</u>
<b>INCREASE (DECREASE) IN CASH</b>	(148,348)	1,819
<b>CASH, BEGINNING OF YEAR</b>	<u>625,717</u>	<u>623,898</u>
<b>CASH, END OF YEAR</b>	\$ <u>477,369</u>	\$ <u>625,717</u>

(See accompanying notes)

**COLLEGE OF HOMEOPATHS OF ONTARIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2020**

**1. NATURE OF OPERATIONS**

The College of Homeopaths of Ontario (the "College") was established to allow self regulation of the homeopathy profession under the Regulated Health Professions Act, 1991 and Homeopathy Act, 2007. As the regulator and governing body of the homeopathy profession in Ontario, the College's major function is to administer the Homeopathy Act, 2007 in the public interest.

Effective April 1, 2015, the Homeopathy Act 2007 was proclaimed and the Transitional Council became an established health regulatory College.

The College is a not-for-profit organization, as described in Section 149(1)(l) of the Income Tax Act, and therefore is not subject to income taxes.

**2. SIGNIFICANT ACCOUNTING POLICIES**

*Basis of accounting*

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

*Fund accounting*

The College follows the restricted fund method of accounting for contributions. For financial reporting purposes, the College uses three funds as follows. General Fund: Reports the revenue and expenses related to the core activities. Capital Fund: Reports the revenue and expenses related to capital assets. Sexual Abuse Therapy Fund - Internally Restricted: Reports the revenue and expenses related to the sexual abuse program.

*Revenue recognition*

The College follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable and the amount to be received can be reasonably estimated and collections are reasonably assured.

Revenue from jurisprudence program fees, registration application fees and academic program review fees are recognized upon enrolment, application processing or program review, respectively.

Registration application fees are recognized as revenue notably over the membership year. Registration and application fees received in advance of the registration year to which they relate are recorded as deferred registration fees.

*Financial instruments*

The College's cash is initially recognized and subsequently measured at fair value at the financial statement date. All other financial instruments are subsequently at amortized cost.



**COLLEGE OF HOMEOPATHS OF ONTARIO**  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED MARCH 31, 2020**

2. **SIGNIFICANT ACCOUNTING POLICIES - Cont'd.**

*Capital assets and amortization*

Capital assets are recorded at cost and amortized using the declining balance method over their estimated useful life at the following rates:

Computer equipment	45%
Computer software	100%
Office equipment	20%

*Contributions in kind*

Contributors provide a significant amount of time and absorb costs related to certain activities of the College. Because of the difficulty in determining their fair value and completeness, contributions in kind are not recorded in the financial statements. This includes the use of the College's office premises on a rent free basis from Health Force Ontario (note 7).

*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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management makes accounting estimates when determining the useful life of its capital assets and accrued liabilities. Actual results could differ from the estimates.

3. **CAPITAL ASSETS**

Capital assets consist of the following:

	2020		2019	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Computer equipment	\$ 23,432	\$ 20,529	\$ 20,507	\$ 19,351
Computer software	11,836	10,682	9,527	9,527
Office equipment	1,502	392	745	209
	36,770	\$ 31,603	30,779	\$ 29,087
Less: accumulated amortization	(31,603)		(29,087)	
	\$ 5,167		\$ 1,692	

4. **CREDIT FACILITIES**

The College has an operating line of credit with an authorized limit of \$50,000 (2019 - \$50,000) that bears interest at the prime rate plus 3.5%. As at March 31, 2020, no amount was drawn on the operating line of credit (2019 - \$nil). The credit facility is secured by a general security agreement providing a first priority interest over all assets of the College.

**COLLEGE OF HOMEOPATHS OF ONTARIO**  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED MARCH 31, 2020**

**5. SEXUAL ABUSE THERAPY FUND - INTERNALLY RESTRICTED**

The College has internally restricted net assets in accordance with Ontario Regulation 59/94 Funding for Therapy or Counselling for Patients Sexually Abused by Members, under the Regulated Health Professions Act, 1991. The fund is set up for the purposes of a program established under section 85.7 - Funding Provide by College - of the Health Professions Procedural Code. These funds cannot be used for other purposes without the approval of the Council.

During the year, the Council approved the transfer of \$nil (2019 - \$10,000) from the General fund to the Sexual abuse therapy fund - internally restricted.

**6. COUNCIL AND COMMITTEE EXPENSES**

Certain council and committee expenses are paid directly by the Health Board Secretariat. The expenses of public appointees to the Council, made by the Lieutenant Governor in Council, will continue to be paid by the Health Board Secretariat. Total expenses paid by the Health Board Secretariat in connection with public members for the year as follows:

	<u>2020</u>	<u>2019</u>
Honorarium	\$ 8,162	\$ 7,975
Reimbursement of expenses	<u>92</u>	<u>50</u>
	<u>\$ 8,254</u>	<u>\$ 8,025</u>

Council and committee expenses, other than the payment of honorariums and reimbursement of expenses, paid directly by the College for the year were \$17,568 (2019 - \$24,490). Other than the payments of honorariums and reimbursement of expenses, no further amounts were paid to council members in the year (2019 - \$nil).

**7. OFFICE PREMISES**

The College receives the use of their office premises on a rent free basis from Health Force Ontario. This arrangement will continue on an informal month-to-month basis until such time as Health Force Ontario requires the College of Homeopaths of Ontario to vacate the premises. The fair value of the current premises is not determinable.

**8. COVID-19**

In mid-March 2020, the Province of Ontario declared a state of emergency in response to the public health concerns originating from the spread of COVID-19.

On March 15, 2020, in response to the quarantine measures implemented by the provincial government to stop the spread of the virus, the College closed its office and continued operations remotely.

A high degree of uncertainty persists surrounding the full economic impact of the situation. The unpredictable nature of the spread of the virus makes it difficult to determine the length of time that the College's operations may be impacted. Consequently, at the time of issuance of these financial statements, the effect that the abrupt decline in economic activity may have on the College's operations, assets, liabilities, revenue and expenses is not yet known.

**COLLEGE OF HOMEOPATHS OF ONTARIO**  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED MARCH 31, 2020**

**9. FINANCIAL INSTRUMENTS**

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 at its fiscal year-end date.

*Credit risk*

The College is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The College's maximum exposure to credit risk represents the sum of the carrying value of its cash. The College's cash is deposited with a Canadian chartered bank and as a result, management believes the risk of loss is remote.

*Liquidity risk*

Liquidity risk is the risk that the College cannot meet a demand for cash or fund its obligations as they become due. The College has managed liquidity risk in the past by significantly reducing its core costs and increasing its membership base. The College's long-term viability depends on its ability to continue to manage its core costs in relation to the revenue from its members.

*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 is comprised of currency risk, interest risk and other price risk.

i) *Currency risk*

Currency risk is the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. The College's financial instruments are denominated in Canadian dollars and it transacts primarily in Canadian dollars. As a result, management does not believe it is exposed to significant currency risk.

ii) *Interest rate risk*

Interest rate risk is the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The College is not exposed to interest rate risk as the College does not currently have any interest bearing debt.

iii) *Other price risk*

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market prices (other than those arising from currency risk or interest rate risk), whether these changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. The College is not exposed to other significant price risks.

*Changes in risk*

There have been no significant changes in the College's risk exposure from the prior year.