

FINANCIAL STATEMENTS
For
COLLEGE OF HOMEOPATHS OF ONTARIO
For year ended
MARCH 31, 2022

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, 2022, 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, 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 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.

Welch LLP

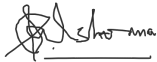
Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
October 6, 2022.

COLLEGE OF HOMEOPATHS OF ONTARIO
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2022

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 497,024	\$ 587,142
Prepaid expenses	<u>15,757</u>	<u>14,684</u>
	512,781	601,826
 TANGIBLE CAPITAL ASSETS (note 3)	 <u>1,589</u>	 <u>2,485</u>
	<u>\$ 514,370</u>	<u>\$ 604,311</u>
<u>LIABILITIES AND FUND BALANCES</u>		
CURRENT LIABILITIES		
Bank indebtedness (note 4)	\$ 5,000	\$ -
Accounts payable and accrued liabilities	133,444	39,525
Government remittances payable	30,959	42,576
Deferred registration and application fees	<u>295,640</u>	<u>342,409</u>
	<u>465,043</u>	<u>424,510</u>
 FUND BALANCES		
Capital fund - internally restricted	1,589	2,485
General fund - unrestricted	37,738	167,316
Sexual abuse therapy fund - internally restricted (note 5)	<u>10,000</u>	<u>10,000</u>
	<u>49,327</u>	<u>179,801</u>
	<u>\$ 514,370</u>	<u>\$ 604,311</u>

Approved by the Board:



.....President



.....Vice-President

(See accompanying notes)

COLLEGE OF HOMEOPATHS OF ONTARIO

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2022

	2022			2021
	Capital Fund	General Fund	Total	Total
Revenue				
Registration fees	\$ -	\$ 559,587	\$ 559,587	\$ 553,897
Registration application fees	-	5,418	5,418	7,007
Interest and other income	-	11,303	11,303	5,860
	-	576,308	576,308	566,764
Expenses				
Salaries and benefits (note 6)	-	439,690	439,690	425,119
Professional services	-	162,687	162,687	59,974
Office and general	-	44,981	44,981	50,776
Investigations	-	41,640	41,640	24,389
Council and committees (note 7)	-	16,888	16,888	9,913
Amortization of tangible capital assets	896	-	896	2,682
	896	705,886	706,782	572,853
Excess of expenses over revenue	\$ (896)	\$ (129,578)	\$ (130,474)	\$ (6,089)

(See accompanying notes)

COLLEGE OF HOMEOPATHS OF ONTARIO
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED MARCH 31, 2022

	Capital fund - internally <u>restricted</u>	General fund - <u>unrestricted</u>	Sexual abuse therapy fund - internally <u>restricted</u>	<u>Total 2022</u>	<u>Total 2021</u>
Fund balances, beginning of year	\$ 2,485	\$ 167,316	\$ 10,000	\$ 179,801	\$ 185,890
Excess of expenses over revenue	<u>(896)</u>	<u>(129,578)</u>	<u>-</u>	<u>(130,474)</u>	<u>(6,089)</u>
Fund balances, end of year	<u>\$ 1,589</u>	<u>\$ 37,738</u>	<u>\$ 10,000</u>	<u>\$ 49,327</u>	<u>\$ 179,801</u>

(See accompanying notes)

COLLEGE OF HOMEOPATHS OF ONTARIO

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2022

	<u>2022</u>	<u>2021</u>
CASH FLOWS PROVIDED BY (USED IN)		
Operating activities		
Excess of expenses over revenue	\$ (130,474)	\$ (6,089)
Adjustments for:		
Amortization of tangible capital assets	<u>896</u>	<u>2,682</u>
	(129,578)	(3,407)
Changes in non-cash working capital components:		
Prepaid expenses	(1,073)	(7,624)
Accounts payable and accrued liabilities	93,919	1,788
Government remittances payable	(11,617)	15,607
Deferred registration and application fees	<u>(46,769)</u>	<u>103,409</u>
	<u>(95,118)</u>	<u>109,773</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in bank indebtedness	<u>5,000</u>	<u>-</u>
INCREASE (DECREASE) IN CASH	(90,118)	109,773
CASH, BEGINNING OF YEAR	<u>587,142</u>	<u>477,369</u>
CASH, END OF YEAR	<u>\$ 497,024</u>	<u>\$ 587,142</u>

(See accompanying notes)

COLLEGE OF HOMEOPATHS OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022

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)(I) 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 uses fund accounting to report the activities of the following three funds.

1. General Fund - Unrestricted: Reports the revenue and expenses related to the core activities.
2. Capital Fund - Internally Restricted: Reports the revenue and expenses related to tangible capital assets.
3. 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, 2022

2. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.

Tangible capital assets and amortization

Tangible 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 8).

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 tangible capital assets and accrued liabilities. Actual results could differ from the estimates.

3. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	<u>2022</u>		<u>2021</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Cost</u>	<u>Accumulated amortization</u>
Computer equipment	\$ 23,432	\$ 22,554	\$ 23,432	\$ 21,835
Computer software	-	-	11,836	11,836
Office equipment	<u>1,502</u>	<u>791</u>	<u>1,502</u>	<u>614</u>
	24,934	<u>\$ 23,345</u>	36,770	<u>\$ 34,285</u>
Less: accumulated amortization	<u>(23,345)</u>		<u>(34,285)</u>	
	<u>\$ 1,589</u>		<u>\$ 2,485</u>	

4. CREDIT FACILITIES

The College has an operating line of credit with an authorized limit of \$50,000 (2021 - \$50,000) that bears interest at the prime rate plus 3.5%. As at March 31, 2022, \$5,000 was drawn on the operating line of credit (2021 - \$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, 2022

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.

6. GOVERNMENT OF CANADA

During the year, the College received \$nil (2021 - \$5,500) of subsidies from the Government of Canada as part of the Temporary Wage Subsidy for Employers ("TWS") program which has been applied as a credit against salaries and benefits expenses on the statement of operations.

7. 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>2022</u>	<u>2021</u>
Honorarium	\$ 13,250	\$ 18,800
Reimbursement of expenses	<u>-</u>	<u>573</u>
	<u>\$ 13,250</u>	<u>\$ 19,373</u>

Council and committee expenses, other than the payment of honorariums and reimbursement of expenses, paid directly by the College for the year were \$16,888 (2021 - \$9,913). Other than the payments of honorariums and reimbursement of expenses, no further amounts were paid to council members in the year (2021 - \$nil).

8. 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.

9. UNCERTAINTY DUE TO THE ECONOMIC CONSEQUENCES OF 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 COVID-19, the College closed its office and has since 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 disease makes it difficult to determine the length of time that the College's operations may be impacted.

COLLEGE OF HOMEOPATHS OF ONTARIO
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2022

10. 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.