

COLLEGE OF CHIROPODISTS OF ONTARIO

FINANCIAL STATEMENTS

December 31, 2023

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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, 2023, 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, 2023, 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 31, 2024

Chartered Professional Accountants
Licensed Public Accountants

COLLEGE OF CHIROPODISTS OF ONTARIO

Statement of Financial Position

December 31, 2023

	2023	2022
ASSETS		
Current assets		
Cash (<i>note 2</i>)	\$ 1,644,137	\$ 1,682,749
Accounts receivable (<i>note 3</i>)	91,000	51,750
Prepaid expenses	31,399	26,661
	1,766,536	1,761,160
Accounts receivable - long-term portion (<i>note 3</i>)	43,750	45,000
Furniture and equipment (<i>note 4</i>)	3,066	12,427
	46,816	57,427
	1,813,352	1,818,587
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses (<i>note 5</i>)	237,884	299,633
Deferred revenue	176,300	162,960
	414,184	462,593
NET ASSETS		
Abuse therapy fund	10,000	10,000
General reserve fund	500,000	300,000
Unrestricted balance	889,168	1,045,994
	1,399,168	1,355,994
	\$ 1,813,352	\$ 1,818,587

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, 2023

	2023		2022
	Actual	Budget	Actual
Revenues			
Annual general fees	\$ 1,581,000	\$ 1,602,440	\$ 1,427,300
Other fees - initial, application, examination and others	279,155	252,100	238,400
	1,860,155	1,854,540	1,665,700
Other income			
Interest	67,583	26,500	28,267
Miscellaneous	26,350	1,600	3,755
Expense recoveries (note 3)	182,299	150,000	176,000
	2,136,387	2,032,640	1,873,722
Expenses			
Accounting and audit	28,117	27,000	22,309
Bad debt (note 3)	77,299	-	-
Bank and credit card charges	27,684	4,500	37,770
Council and committee expenses			
Per diem	77,467	250,000	111,441
Travel expenses	19,297	-	36,027
General and committee	26,843	-	26,903
Complaints investigation	62,175	-	38,835
Depreciation	10,887	7,000	3,117
Computer software and maintenance	22,713	8,000	19,160
General and office	44,806	67,075	27,781
Insurance	19,359	17,500	18,362
Legal	620,665	575,000	613,352
Photocopy and printing (recovery)	886	100	(11)
Postage and mailing	375	300	227
Rent	93,795	92,275	86,255
Salaries and benefits (note 7)	737,390	650,000	634,347
Settlement costs	-	-	130,000
Telephone	5,535	6,500	7,201
Web site	64,963	100,000	72,311
	1,940,256	1,805,250	1,885,387
Special one-time projects - Registration exam development	152,957	135,000	139,374
- Sedation and other consulting	-	15,000	3,738
Total expenses	2,093,213	1,955,250	2,028,499
Excess (deficiency) of revenues over expenses for the year	\$ 43,174	\$ 77,390	\$ (154,777)

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, 2023

	Abuse Therapy Fund	General Reserve Fund	Unrestricted Net Assets	Total 2023
Balance - at beginning of year	\$ 10,000	\$ 300,000	\$ 1,045,994	\$ 1,355,994
Deficiency of revenues over expenses for the year	-	-	43,174	43,174
Inter-fund transfers				
Allocation to General Fund	-	200,000	(200,000)	-
Balance - at end of year	\$ 10,000	\$ 500,000	\$ 889,168	\$ 1,399,168

	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
Excess of revenues over expenses for the year	(3,738)	-	(151,039)	(154,777)
Allocation to Abuse Therapy Fund	3,738	180,000	(183,738)	-
Balance - at end of year	10,000	300,000	1,045,994	1,355,994

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

COLLEGE OF CHIROPODISTS OF ONTARIO

Statement of Cash Flows

Year ended December 31, 2023

	2023	2022
Cash flows from operating activities		
Annual general and other fees received	\$ 1,873,495	\$ 1,715,415
Interest received	67,583	28,267
Expense recovery and miscellaneous income received	93,350	111,750
Cash paid to employees and suppliers	(2,071,514)	(1,920,927)
	(37,086)	(65,495)
Cash flows from investing activity		
Purchase of furniture and equipment	(1,526)	(2,400)
Change in cash during the year	(38,612)	(67,895)
Cash - at beginning of year	1,682,749	1,750,644
Cash - at end of year	\$ 1,644,137	\$ 1,682,749

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

COLLEGE OF CHIROPODISTS OF ONTARIO

Notes to Financial Statements

Year ended December 31, 2023

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 Chiropractic 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 Chiropractic 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, \$200,000 (\$180,000 - 2022) 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, 2023

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 2023.

COLLEGE OF CHIROPODISTS OF ONTARIO

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED December 31, 2023

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 and allowance for doubtful accounts. 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, \$77,299 (\$NIL - 2022) has been provided for doubtful accounts.

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, 2023

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 \$1,525,695 (\$1,613,291 - 2022), 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 \$182,299 (\$176,000 - 2022) from members and accounts receivable includes \$212,049 (\$96,750 - 2022) from members for such orders. An allowance of \$77,299 has been set up for amounts recoverable in relation to the current year expense recoveries.

4. PROPERTY AND EQUIPMENT

2023	Cost	Accumulated Depreciation	Net Book Value
Computer equipment	\$ 20,177	\$ 17,851	\$ 2,326
Office furniture	23,340	22,600	740
	\$ 43,517	\$ 40,451	\$ 3,066

2022	Cost	Accumulated Depreciation	Net Book Value
Computer equipment	\$ 18,651	\$ 16,210	\$ 2,441
Office furniture	\$ 23,340	\$ 13,354	\$ 9,986
	\$ 41,991	\$ 29,564	\$ 12,427

Total depreciation of \$10,887 (\$3,117 - 2022) has been included in the Statement of Operations.

5. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses include government remittances totalling \$2,465 (\$4,988 - 2022).

COLLEGE OF CHIROPODISTS OF ONTARIO

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED December 31, 2023

6. COMMITMENTS

Leases

The College is committed to annual minimum rental payments under operating leases for premises expiring in March 2024, renewable with an extension of 5 years starting from April 1, 2024 and another extension of 5 years starting from April 1, 2029 and for equipment expiring November 2024. Management is in the process of completing the premise renewal process. The anticipated minimum payments for the next five years are as follows:

	<i>Premises</i>	<i>Equipment</i>	<i>Total</i>
2024	\$ 46,232	\$ 5,668	\$ 51,900
2025	47,397	-	47,397
2026	48,563	-	48,563
2027	48,951	-	48,951
2028	50,116	-	50,116
Thereafter	12,626	-	12,626
	<u>\$ 253,885</u>	<u>\$ 5,668</u>	<u>\$ 246,927</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 (\$39,000 - 2022).

Consulting

During the year, the College has signed a consulting contract in connection with the 2023-24 examination processes in the amount of \$65,250 plus applicable taxes covering a period of 12 months starting from April 1, 2023.

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 made contributions of \$97,963 (\$19,216 - 2022), which are included in salaries and benefits in the statement of operations.

8. CONTINGENCIES

From time to time, in connection with the College's operations, the College receives complaints from its clients or employees or is party to legal and regulatory proceedings. A provision is recorded when a loss is likely and the amount is determinable. There is no provision for 2023.

HILBORN

LISTENERS. THINKERS. DOERS.