

**COLLEGE OF MASSAGE THERAPISTS OF NEWFOUNDLAND & LABRADOR INC.**

**Financial Statements**

**Year Ended March 31, 2024**

**COLLEGE OF MASSAGE THERAPISTS OF NEWFOUNDLAND & LABRADOR INC.**

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**Year Ended March 31, 2024**

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# Fred Earle & Associates

Chartered Professional Accountants

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of College of Massage Therapists of Newfoundland & Labrador Inc.

### *Opinion*

I have audited the financial statements of College of Massage Therapists of Newfoundland & Labrador Inc. (the College), which comprise the statement of financial position as at March 31, 2024, and the statements of revenues and expenditures, 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 my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *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 College in accordance with 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 these 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 ASNPO, 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.

### *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:

*(continues)*

Independent Auditor's Report to the Members of College of Massage Therapists of Newfoundland & Labrador Inc. (*continued*)

- 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 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 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 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.

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  
June 27, 2024



CHARTERED PROFESSIONAL ACCOUNTANT

**COLLEGE OF MASSAGE THERAPISTS OF NEWFOUNDLAND & LABRADOR INC.**

**Statement of Financial Position**

**March 31, 2024**

|  | 2024                     | 2023              |
|--|--------------------------|-------------------|
| <b>ASSETS</b>  |                          |                   |
| <b>CURRENT</b>                                       |                          |                   |
| Cash   | \$ 379,543               | \$ 329,646        |
| Guaranteed investment certificates                   | 37,173                   | 36,580            |
| Accounts receivable - New Brunswick College (Note 3) | 11,440                   | 1,729             |
| Interest receivable                                  | 418                      | 193               |
| Prepaid expenses                                     | 19,620                   | 2,354             |
|  | <u>448,194</u>           | 370,502           |
| <b>CAPITAL ASSETS (Note 4)</b>                       | <u>5,025</u>             | 3,270             |
|  | <u><b>\$ 453,219</b></u> | <u>\$ 373,772</u> |
| <b>LIABILITIES AND NET ASSETS</b>                    |                          |                   |
| <b>CURRENT</b>                                       |                          |                   |
| Accounts payable and accrued liabilities             | \$ 2,709                 | \$ 7,550          |
| Deferred income (Note 5)                             | 309,450                  | 245,950           |
|  | <u>312,159</u>           | 253,500           |
| <b>NET ASSETS</b>                                    |                          |                   |
| General fund   | 136,035                  | 117,002           |
| Invested in capital assets                           | 5,025                    | 3,270             |
|  | <u>141,060</u>           | 120,272           |
|  | <u><b>\$ 453,219</b></u> | <u>\$ 373,772</u> |

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**COLLEGE OF MASSAGE THERAPISTS OF NEWFOUNDLAND & LABRADOR INC.****Statement of Revenues and Expenditures****Year Ended March 31, 2024**

|   | <b>2024</b>      | <b>2023</b>     |
|---|------------------|-----------------|
| <b>REVENUES</b>                           |                  |                 |
| Membership fees                           | \$ 234,685       | \$ 218,880      |
| Examination fees                          | 174,890          | 113,007         |
| Interest income                           | 818              | 316             |
|   | <u>410,393</u>   | <u>332,203</u>  |
| <b>EXPENSES</b>                           |                  |                 |
| Examinations                              | 164,086          | 127,724         |
| Registrar remuneration                    | 69,913           | 63,802          |
| Quality Assurance Officer remuneration    | 58,686           | 58,686          |
| Business taxes, licenses, and memberships | 18,340           | 13,527          |
| Office supplies                           | 16,450           | 9,111           |
| Rent                                      | 13,224           | 17,401          |
| Meetings, conferences, and travel         | 12,002           | 4,526           |
| Board training and development            | 10,282           | 7,147           |
| Interest and bank charges                 | 7,988            | 5,490           |
| Exam development                          | 5,644            | 2,619           |
| Professional fees                         | 3,680            | 3,680           |
| Telephone                                 | 3,648            | 2,999           |
| Insurance                                 | 1,923            | 1,727           |
| Amortization                              | 1,464            | 1,401           |
| Printing and photocopy                    | 1,285            | 826             |
| Postage and delivery                      | 990              | 841             |
| Advertising                               | -                | 887             |
|   | <u>389,605</u>   | <u>322,394</u>  |
| <b>EXCESS OF REVENUES OVER EXPENSES</b>   | <b>\$ 20,788</b> | <b>\$ 9,809</b> |

The notes are an integral part of these financial statements

**COLLEGE OF MASSAGE THERAPISTS OF NEWFOUNDLAND & LABRADOR INC.**

**Statement of Changes in Net Assets**

**Year Ended March 31, 2024**

|                                       | General<br>Fund   | Invested in<br>Capital Assets | <b>2024</b>       | 2023       |
|---------------------------------------|-------------------|-------------------------------|-------------------|------------|
| <b>NET ASSETS - BEGINNING OF YEAR</b> | \$ 117,002        | \$ 3,270                      | <b>\$ 120,272</b> | \$ 110,463 |
| EXCESS OF REVENUES OVER<br>EXPENSES   | 20,788            | -                             | <b>20,788</b>     | 9,809      |
| PURCHASE OF CAPITAL ASSETS            | (3,219)           | 3,219                         | -                 | -          |
| AMORTIZATION OF CAPITAL ASSETS        | 1,464             | (1,464)                       | -                 | -          |
| <b>NET ASSETS - END OF YEAR</b>       | <b>\$ 136,035</b> | <b>\$ 5,025</b>               | <b>\$ 141,060</b> | \$ 120,272 |

The notes are an integral part of these financial statements

**COLLEGE OF MASSAGE THERAPISTS OF NEWFOUNDLAND & LABRADOR INC.****Statement of Cash Flows  
Year Ended March 31, 2024**

|  | 2024                     | 2023                     |
|--|--------------------------|--------------------------|
| <b>OPERATING ACTIVITIES</b>                    |                          |                          |
| Excess of revenues over expenses               | \$ 20,788                | \$ 9,809                 |
| Item not affecting cash:                       |                          |                          |
| Amortization                                   | <u>1,464</u>             | 1,401                    |
|  | <u>22,252</u>            | 11,210                   |
| Changes in non-cash working capital:           |                          |                          |
| Interest receivable                            | (225)                    | (80)                     |
| Accounts payable and accrued liabilities       | (4,841)                  | (4,115)                  |
| Deferred income                                | 63,500                   | 85,800                   |
| Prepaid expenses                               | (17,266)                 | (1,136)                  |
| Accounts receivable - New Brunswick College    | <u>(9,711)</u>           | 10,923                   |
|  | <u>31,457</u>            | 91,392                   |
| Cash flow from operating activities            | <u>53,709</u>            | 102,602                  |
| <b>INVESTING ACTIVITIES</b>                    |                          |                          |
| Purchase of capital assets                     | (3,219)                  | -                        |
| Increase to guaranteed investment certificates | <u>(593)</u>             | (236)                    |
| Cash flow used by investing activities         | <u>(3,812)</u>           | (236)                    |
| <b>INCREASE IN CASH FLOW</b>                   | <b>49,897</b>            | 102,366                  |
| Cash - beginning of year                       | <u>329,646</u>           | 227,280                  |
| <b>CASH - END OF YEAR</b>                      | <b><u>\$ 379,543</u></b> | <b><u>\$ 329,646</u></b> |

**COLLEGE OF MASSAGE THERAPISTS OF NEWFOUNDLAND & LABRADOR INC.**

**Notes to Financial Statements**

**Year Ended March 31, 2024**

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1. DESCRIPTION OF BUSINESS

College of Massage Therapists of Newfoundland & Labrador Inc. (the College) was incorporated provincially under the Corporations Act of Newfoundland and Labrador as a corporation without share capital on July 27, 2006. The College's principal function is to regulate the massage therapy profession and to maintain the registration of massage therapists.

As a not-for-profit organization the College is not subject to corporate income tax.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Cash and short term investments

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

Revenue from membership and examination fees are recognized as revenue in the period to which the fees relate.

Contributed services

College of Massage Therapists of Newfoundland and Labrador Inc. and its members benefit from contributed services in the form of volunteer time for various committees. Contributed services are not recognized in these financial statements.

Measurement uncertainty

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 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. Such estimates include providing for amortization of capital assets. Actual results could differ from these estimates.

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

|                    |     |                          |
|--------------------|-----|--------------------------|
| Computer equipment | 30% | declining balance method |
|--------------------|-----|--------------------------|

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**COLLEGE OF MASSAGE THERAPISTS OF NEWFOUNDLAND & LABRADOR INC.**

**Notes to Financial Statements**

**Year Ended March 31, 2024**

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Income tax

College of Massage Therapists of Newfoundland and Labrador Inc. is a not-for-profit organization and is not subject to corporate income tax.

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3. ACCOUNTS RECEIVABLE - NEW BRUNSWICK COLLEGE

During the year, the College incurred costs related to training and examination of New Brunswick massage therapists. These costs will be reimbursed from College of Massage Therapists of New Brunswick prior to March 2025.

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4. CAPITAL ASSETS

|                    | Cost      | Accumulated<br>amortization | 2024<br>Net book<br>value | 2023<br>Net book<br>value |
|--------------------|-----------|-----------------------------|---------------------------|---------------------------|
| Computer equipment | \$ 19,646 | \$ 14,621                   | \$ 5,025                  | \$ 3,270                  |

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5. DEFERRED INCOME

|                  | 2024              | 2023              |
|------------------|-------------------|-------------------|
| Examination fees | \$ 92,700         | \$ 66,000         |
| Membership fees  | 216,750           | 179,950           |
|                  | <b>\$ 309,450</b> | <b>\$ 245,950</b> |

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6. FINANCIAL INSTRUMENTS

The College is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the College's risk exposure and concentration as of March 31, 2024.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The College is exposed to credit risk from membership fee income. Given the nature of the College's activities, including the requirement of its members to be licensed, the College does not have material exposure to credit risk.

Liquidity risk

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

Unless otherwise noted, it is management's opinion that the College is not exposed to significant other price risks arising from these financial instruments.