

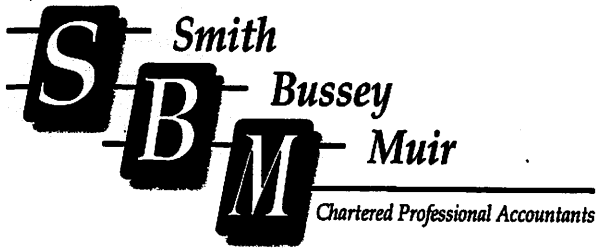
NEWFOUNDLAND & LABRADOR PSYCHOLOGY BOARD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

NEWFOUNDLAND & LABRADOR PSYCHOLOGY BOARD
INDEX TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Revenues and Expenditures	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 9



R. Bruce Smith, FCPA, FCGA
Douglas G. Bussey, B.A., B.Comm, CPA, CGA
Deborah A. Muir, CPA, CGA
Steve Smith, Practice Manager

INDEPENDENT AUDITOR'S REPORT

To the Members of Newfoundland & Labrador Psychology Board

Opinion

We have audited the financial statements of Newfoundland & Labrador Psychology Board (the Organization), which comprise the statement of financial position as at March 31, 2020, and the statements of changes in net assets, revenues and expenditures 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 Organization as at March 31, 2020, and its results of 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 Organization 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 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

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:

(continues)

Independent Auditor's Report to the Members of Newfoundland & Labrador Psychology Board *(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 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 Organization'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 Organization'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 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.

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.

Mount Pearl, Newfoundland and Labrador
June 19, 2020

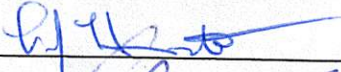

Smith, Bussey, Muir

CHARTERED PROFESSIONAL ACCOUNTANTS

NEWFOUNDLAND & LABRADOR PSYCHOLOGY BOARD
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash (Note 3)	\$ 57,289	\$ 84,084
Accounts receivable	4,859	4,194
Prepaid expenses	2,559	2,574
	64,707	90,852
LONG TERM INVESTMENTS (Note 4)	242,547	260,242
	\$ 307,254	\$ 351,094
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 5)	\$ 12,812	\$ 8,985
Deferred income (Note 6)	417	-
TOTAL LIABILITIES	13,229	8,985
NET ASSETS	294,025	342,109
	\$ 307,254	\$ 351,094

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

NEWFOUNDLAND & LABRADOR PSYCHOLOGY BOARD
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ 342,109	\$ 387,438
DEFICIENCY OF REVENUES OVER EXPENSES	(48,084)	(45,329)
NET ASSETS - END OF YEAR	\$ 294,025	\$ 342,109

NEWFOUNDLAND & LABRADOR PSYCHOLOGY BOARD
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
REVENUES	\$ 217,669	\$ 188,464
EXPENSES		
Advertising and promotion	680	261
Board and professional meetings	38,977	31,963
Disciplinary and regulatory	28,892	44,817
Insurance	3,142	3,165
Interest and bank charges (Note 7)	5,383	4,340
Professional development	59,945	13,240
Professional fees	8,524	9,965
Registrarial duties	88,808	92,090
Rental (Note 8)	22,588	18,398
Security	1,113	1,242
Supplies	4,321	5,358
Technology services	11,231	7,322
Utilities	4,576	5,138
	278,180	237,299
DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS	(60,511)	(48,835)
OTHER INCOME		
Interest from other sources	7,419	1,302
Rental income	5,008	2,204
	12,427	3,506
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (48,084)	\$ (45,329)

NEWFOUNDLAND & LABRADOR PSYCHOLOGY BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
OPERATING ACTIVITIES		
deficiency of revenues over expenses	\$ (48,084)	\$ (45,329)
Changes in non-cash working capital:		
Accounts receivable	(665)	-
Prepaid expenses	15	(5)
Accounts payable and accrued liabilities	3,827	(2,089)
Deferred income	417	(551)
	<u>3,594</u>	<u>(2,645)</u>
Cash flow used by operating activities	<u>(44,490)</u>	<u>(47,974)</u>
INVESTING ACTIVITY		
Long term Investments	17,695	(1,152)
DECREASE IN CASH FLOW	(26,795)	(49,126)
Cash - beginning of year	84,084	133,210
CASH - END OF YEAR (Note 3)	\$ 57,289	\$ 84,084
CASH CONSISTS OF:		
Cash	\$ 57,289	\$ 84,084

NEWFOUNDLAND & LABRADOR PSYCHOLOGY BOARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

1. PURPOSE OF THE ORGANIZATION

Newfoundland & Labrador Psychology Board (the "organization") is a not-for-profit organization incorporated provincially under the Societies Act of Province.

The Newfoundland and Labrador Psychology Board is mandated by Provincial legislation to enforce the Psychologist Act and maintain the Register of Psychologists in the Province of Newfoundland and Labrador.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

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 are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Cash and cash equivalents

Cash includes cash and cash equivalents, and consist of undeposited cash on hand, cash in bank, short term investments which are readily convertible to cash, bank overdraft and operating demand loans.

Property, plant and equipment

The Board follows the policy of expensing capital assets in the year of acquisition.

Revenue recognition

Newfoundland & Labrador Psychology Board follows the deferral method of accounting for contributions.

Registration fees are billed on a calendar year basis. Fees are recognized when registration takes effect. Related fees and other levies are recognized when received.

3. CASH

	2020		2019
Bank - Current	\$ 30,563	\$	58,186
Bank - Savings	26,726		25,898
	\$ 57,289	\$	84,084

NEWFOUNDLAND & LABRADOR PSYCHOLOGY BOARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

4. LONG TERM INVESTMENTS

	2020	2019
CIBC guaranteed investment certificates with varying interest rates and maturity dates	\$ 242,547	\$ 260,242

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2020	2019
Trade payables	\$ 7,802	\$ 5,075
Employee deductions payable	1,010	-
Accrued liabilities	4,000	3,910
	\$ 12,812	\$ 8,985

6. DEFERRED INCOME

	2020	2019
Rental sublet	\$ 417	\$ -

7. INTEREST AND BANK CHARGES

	2020	2019
Bank service charges	\$ 635	\$ 359
Credit card charges	4,748	3,981
	\$ 5,383	\$ 4,340

8. RENTAL

The Board operates from leased premises, renewed annually, with a currently required monthly payment of \$1,533 plus common area charges.

9. FINANCIAL INSTRUMENTS

The Board's financial instruments, consisting of cash, accounts receivable, long term investments and accounts payable and accruals, are valued at amortized costs where applicable. The following analysis provides information about the company's risk exposure and concentration as of March 31, 2020.

(continues)

NEWFOUNDLAND & LABRADOR PSYCHOLOGY BOARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

9. **FINANCIAL INSTRUMENTS** *(continued)*

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers. In order to reduce its credit risk, the organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of customers which minimizes concentration of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long-term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

(c) 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 rate risk, interest rate risk and other price risk.

(d) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

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

10. **COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

11. **OTHER MATTER**

The World Health Organization declared a health emergency on January 30, 2020 and a global pandemic on March 11, 2020 due to the outbreak of the COVID-19 virus. The Government of Newfoundland and Labrador declared a public health emergency under the Public Health Protection and Promotion Act. This act impacted businesses as all non-essential services are either shut down or operating in a limited capacity, which has a major impact on the economical landscape of Newfoundland and Labrador. This will, or may have, an impact on the future operations of the entity and an estimate of the financial impact at this time cannot be measured.
