

THE EMBALMERS AND FUNERAL DIRECTORS
BOARD
Of
NEWFOUNDLAND AND LABRADOR

ANNUAL ACTIVITY REPORT 2020

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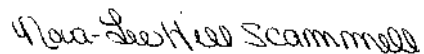
Chair's Message

As Chair of The Embalmers and Funeral Directors Board of Newfoundland and Labrador, I am pleased to submit this Annual Report for the activities of the Board for 2020. The Board is accountable for the preparation of this report and for the results reported.

The Embalmers and Funeral Directors Board's function is to license and permit embalmers and funeral directors in the province, and comprises seven members; four elected from within the industry and three appointed by government. Further, the Board is responsible for prescribing training and educational requirements for licensure, providing and holding examinations as well as the suspension or revocation of licenses.

With the proclamation of a new Act and regulations for embalmers and funeral directors on January 1, 2010, the Board has assumed responsibility as a self-regulating occupation.

Sincerely,

A handwritten signature in black ink that reads "Nova Lee Hill-Scammell". The signature is written in a cursive style with some loops and flourishes.

Nova Lee Hill-Scammell
Chair

Overview

The Board is established under Section 3 of the *Embalmers and Funeral Directors Act* with responsibility of establishing licensing requirements, reviewing applications for licenses, disciplinary action as well as the continuing education of licensees. The Board comprises seven persons (four elected and three appointees): two embalmers, two funeral home directors and three other persons who are not embalmers or funeral home directors. The Board is required to elect a Chairperson, Vice-Chairperson, and a Registrar from its members. Members are appointed to a three year term and are eligible for re-appointment, but cannot serve for a continuous period exceeding nine years.

The following people served on the Embalmers and Funeral Directors Board for 2020: Nova Lee Hill-Scammell-Chairperson, Connie White-Vice Chairperson, John Anderson Jr., Donald Green, Lydia Dutton, Terry Hutchings and Deputy Registrar-Pleman Menchenton and the position of Administrator/Registrar is held by Bert Twyne.

In the fiscal year of 2020, the Embalmers and Funeral Directors Board had revenues of \$71,140 and expenditures of \$64,545, as indicated in the unaudited financial statements, resulting in a surplus of \$6,594. Due to COVID-19 restrictions, expenses for travel have decreased dramatically as meetings and inspections have taken place virtually. Although in the future, we may continue to do some inspections virtually, it will be important to do many in-person, which will result in increased expenditures. The Board has chosen, however, not to raise fees for licencing for 2021.

Vision

Quality and ethical embalmer and funeral services offered to the citizens of Newfoundland and Labrador.

Lines of Business

The Embalmers and Funeral Directors Board has three lines of business, including establishing licencing requirements and reviewing applications and issuing licences to embalmers, funeral directors and funeral homes; establishing educational standards and overseeing the continuing education of licensees; and taking disciplinary action.

In 2020, the Embalmers and Funeral Directors Board licensed 117 directors/embalmers, 65 funeral directors and 87 funeral homes.

Highlights and Accomplishments

Due to COVID-19 restrictions, none of our members attended in-person conferences this year. However, the Funeral Services of Canada Conference was conducted virtually and was attended by our chairperson. The Administrator attended a virtual graduation for the Canadian School of Funeral Services.

Board elections went ahead in early 2020. We acknowledge Brent Abbott and Paul Hoskins for their service to the Board and welcome new members, Connie White and John Anderson Jr.

Activities

In the fiscal year 2020, the Board met virtually two times, focusing on policy, continuing education and improvements to the provincial exams, both practical and written. The Education Committee, Complaints/Disciplinary Committee, and the Governance Committee were all actively pursuing improvements again this year.

The position of Inspector continued to work very well. One hundred per cent of the funeral homes in the province have been inspected. The Board's mandate to the Inspector was to have all funeral homes in the province inspected in a two-year period. We were well ahead of that goal. Various deficiencies were identified, from health and safety issues to facility delinquencies. All have been resolved through co-operation of the industry members and the inspector. The inspector has also been beneficial to the Board in assisting with development of policies and suggestions for changes to the legislation.

The Board continues to be in discussion with government departments relative to legislation that will reflect the changing needs of our industry as we move forward. This is an important issue as the need for new legislation, including cremation legislation, has increased substantially over the last year.

The Board is responsible for establishing criteria for licenses; hearing complaints against members; disciplining, if deemed appropriate; and establishing criteria for the continuing education of licensees. In 2020, the Board received two complaints. One was resolved by the Registrar and one complaint that was ongoing last year was turned over to the Complaints Authorization Committee. The complaint was determined to not be worthy of sanction.

In 2020, the Board received three new applications for Funeral Directors Licences and two new applications for Embalmers Licences along with two new registrations for Apprenticeship. It licensed 117 directors/embalmers, 65 funeral directors and 87 funeral homes.

**EMBALMERS AND FUNERAL DIRECTORS BOARD OF
NEWFOUNDLAND AND LABRADOR**

Financial Statements

Year Ended December 31, 2020

**EMBALMERS AND FUNERAL DIRECTORS BOARD OF
NEWFOUNDLAND AND LABRADOR**

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Year Ended December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Members of Embalmers and Funeral Directors Board of Newfoundland and Labrador

Opinion

I have audited the financial statements of Embalmers and Funeral Directors Board of Newfoundland and Labrador (the organization), which comprise the statement of financial position as at December 31, 2020, and the statements of revenues and expenditures and 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 organization as at December 31, 2020, 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 organization 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 organization'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 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.

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Independent Auditor's Report to the Members of Embalmers and Funeral Directors Board of
Newfoundland and Labrador *(continued)*

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:

- 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 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 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 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.

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.

Springdale, Newfoundland and Labrador
June 16, 2021


Leonard W. Harvey
Chartered Professional Accountant

**EMBALMERS AND FUNERAL DIRECTORS BOARD OF
NEWFOUNDLAND AND LABRADOR**


Statement of Financial Position

December 31, 2020

	2020	2019
ASSETS		
Current		
Cash and cash equivalents (Note 4)	\$ 360,045	\$ 333,771
Accounts receivable (Note 5)	31,957	45,050
Interest receivable	2,388	3,216
Prepaid expenses	1,343	1,344
	\$ 395,733	\$ 383,381
LIABILITIES AND NET ASSETS		
Current		
Accounts payable	\$ 5,753	\$ 5,725
Deferred income (Note 6)	68,135	69,485
	73,888	75,210
NET ASSETS	321,845	308,171
	\$ 395,733	\$ 383,381

ON BEHALF OF THE BOARD


Board Member


Board Member

See notes to financial statements

**EMBALMERS AND FUNERAL DIRECTORS BOARD OF
NEWFOUNDLAND AND LABRADOR**

Statement of Revenues and Expenditures and Changes in Net Assets

Year Ended December 31, 2020

	2020	2019
Revenues		
Licencing revenue	\$ 69,290	\$ 65,935
Seminar revenue	-	125
Exam revenue	2,200	1,210
Other revenue	1,000	-
	72,490	67,270
Expenses		
Bank charges	135	132
Board meetings	-	2,392
Conferences	-	6,894
Consulting fees	2,498	1,478
Honourariums	-	800
Inspections	1,455	5,924
Insurance	1,886	1,889
Office	6,591	4,513
Professional fees	4,025	4,025
Salaries and wages	46,487	46,983
Scholarship	-	400
Telephone	293	1,024
	63,370	76,454
Excess (deficiency) Of Revenues Over Expenses from operations	9,120	(9,184)
Other income		
Wage subsidy	1,067	-
Interest income	3,487	4,254
	4,554	4,254
Net excess (deficiency) of revenues over expenses	13,674	(4,930)
Net assets - beginning of year	308,171	313,101
Net assets - end of year	\$ 321,845	\$ 308,171

See notes to financial statements

**EMBALMERS AND FUNERAL DIRECTORS BOARD OF
NEWFOUNDLAND AND LABRADOR**

Statement of Cash Flows

Year Ended December 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 13,674	\$ (4,930)
Changes in non-cash working capital:		
Accounts receivable	13,093	(8,710)
Interest receivable	828	773
Accounts payable	28	(3,315)
Deferred income	(1,350)	6,770
Prepaid expenses	1	4
	12,600	(4,478)
INCREASE (DECREASE) IN CASH FLOW	26,274	(9,408)
Cash - beginning of year	333,771	343,179
CASH - END OF YEAR	\$ 360,045	\$ 333,771
Cash consists of:		
Cash and cash equivalents	\$ 360,045	\$ 333,771

See notes to financial statements

**EMBALMERS AND FUNERAL DIRECTORS BOARD OF
NEWFOUNDLAND AND LABRADOR**

Notes to Financial Statements

Year Ended December 31, 2020

1. PURPOSE OF THE ORGANIZATION

The Embalmers and Funeral Directors Board of Newfoundland and Labrador is a body of professional embalmers and funeral directors along with government appointed members governed by the Embalmers and Funeral Directors Act, 2008, Chapter E-7.1

The board is exempt from income tax under Section 149(1) of the Income Tax Act.

2. BASIS OF PRESENTATION

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

Some users may require further information as these statements have not been prepared for general purposes.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Embalmers and Funeral Directors Board of Newfoundland and Labrador follows the deferral method of accounting for contributions.

Licensing revenues are recognized as revenue in the year to which they relate.

Investment income is recognized as revenue when earned.

Seminar fees are recognized as revenue when the seminars are held.

Cash and cash equivalents

Cash and cash equivalents include balance with bank and investments with maturity of one year or less.

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.

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**EMBALMERS AND FUNERAL DIRECTORS BOARD OF
NEWFOUNDLAND AND LABRADOR**

Notes to Financial Statements

Year Ended December 31, 2020

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

Financial instruments

The organization initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash, short term investments and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and deferred revenue.

4. CASH AND CASH EQUIVALENTS

	2020		2019
Bank of Nova Scotia	\$ 44,051	\$	23,294
GIC Cash Account	106,691		105,471
GIC investments	209,302		205,006
	\$ 360,044	\$	333,771

5. ACCOUNTS RECEIVABLE

Accounts receivable consists of membership fees and licenses for the subsequent year that were invoiced from September to December of the current year.

	2020		2019
Accounts receivable	\$ 31,957	\$	45,050

6. DEFERRED REVENUE

Deferred revenue is calculated as the revenue recorded in September-December of the current year which relates to fees that are collected and are for the following year.

	2020		2019
Deferred Revenue	\$ 68,135	\$	69,485

**EMBALMERS AND FUNERAL DIRECTORS BOARD OF
NEWFOUNDLAND AND LABRADOR**

Notes to Financial Statements

Year Ended December 31, 2020

7. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2020.

(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 with respect to accounts receivable.

(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 accounts payable. This risk is reduced because of considerable sums invested in term deposits.

(c) Interest rate risk

The organization is exposed to interest rate risk on fixed-rate financial instruments, which consist of short-term investments. Fixed-rate instruments subject the organization to a risk of changes in fair value risk, since fair value fluctuates inversely to changes in market interest rates.