

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

Financial Statements

Year Ended December 31, 2018

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

Index to Financial Statements

Year Ended December 31, 2018

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenditures and Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 8



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, 2018, 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, 2018, 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

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 the 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 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.

(continues)

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

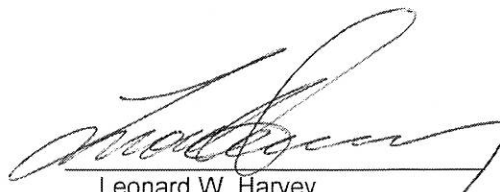
Auditor's Responsibilities for the Audit of the Financial Statements

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
July 3, 2019



Leonard W. Harvey
Chartered Professional Accountant

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

Statement of Financial Position

December 31, 2018

	2018	2017
ASSETS		
Current		
Cash and cash equivalents (Note 4)	\$ 343,179	\$ 339,355
Accounts receivable (Note 5)	36,240	42,396
Interest receivable	3,989	-
Prepaid expenses	1,348	1,348
	<u>\$ 384,856</u>	<u>\$ 383,099</u>
LIABILITIES AND MEMBERS' SURPLUS		
Current		
Accounts payable	\$ 9,041	\$ 10,718
Deferred income (Note 6)	62,715	61,550
	<u>71,756</u>	<u>72,268</u>
NET ASSETS		
Surplus	<u>313,100</u>	<u>310,831</u>
	<u>\$ 384,856</u>	<u>\$ 383,099</u>

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, 2018**

	2018	2017
Revenues		
Licensing revenue	\$ 60,700	\$ 52,110
Exam revenue	1,200	1,125
Seminar revenue	4,000	6,250
	65,900	59,485
Expenses		
Administrator fee	-	4,000
Bank charges	132	104
Board meetings	5,104	2,947
Conferences	8,717	822
Consulting fees	6,716	150
Honourariums	-	1,885
Inspections	1,820	-
Insurance	1,885	1,885
Office	5,923	5,499
Professional fees	4,532	31,033
Salaries and wages	28,598	13,426
Scholarship	250	250
Seminar expenses	3,086	2,691
Telephone	878	918
	67,641	65,610
Deficiency Of Revenues Over Expenses From Operations	(1,741)	(6,125)
Other income		
Interest income	4,010	1,218
Net excess (deficiency) of revenues over expenses	2,269	(4,907)
Net assets - beginning of year	310,831	315,738
Net assets - end of year	\$ 313,100	\$ 310,831

See notes to financial statements

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

Statement of Cash Flows

Year Ended December 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 2,269	\$ (4,907)
Changes in non-cash working capital:		
Accounts receivable	6,056	(15,596)
Interest receivable	(3,989)	-
Accounts payable	(1,677)	7,268
Deferred income	1,165	8,975
	1,555	647
INCREASE (DECREASE) IN CASH FLOW	3,824	(4,260)
Cash and cash equivalents - beginning of year	339,355	343,615
CASH AND CASH EQUIVALENTS - END OF YEAR (Note 4)	\$ 343,179	\$ 339,355

See notes to financial statements

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

Notes to Financial Statements

Year Ended December 31, 2018

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 of Canada.

2. BASIS OF PRESENTATION

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

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 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.

(continues)

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

Notes to Financial Statements

Year Ended December 31, 2018

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

	2018	2017
Bank of Nova Scotia	\$ 38,928	\$ 36,325
GIC Cash Account	104,251	303,030
GIC Investments	200,000	-
	\$ 343,179	\$ 339,355

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.

	2018	2017
Accounts receivable	\$ 36,340	\$ 42,396

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 in and are for the following year.

	2018	2017
Deferred Revenue	\$ 62,715	\$ 61,550

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

Notes to Financial Statements

Year Ended December 31, 2018

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, 2018.

(a) Credit risk

The organization is exposed to credit risk with respect to accounts receivable.

(b) Liquidity risk

The organization is exposed to this risk mainly in respect of its 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 its fixed-rate financial instruments, which consist solely of term deposits. Fixed-rate instruments subject the organization to a risk of changes in fair value.

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