

THE EMBALMERS AND FUNERAL DIRECTORS  
BOARD  
Of  
NEWFOUNDLAND AND LABRADOR

ANNUAL ACTIVITY REPORT 2022

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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 2022. 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,



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 2022: Nova Lee Hill-Scammell-Chairperson, Connie White-Vice Chairperson, John Anderson Jr., Donald Green, Lydia Dutton, Terry Hutchings and the position of Administrator/Registrar is held by Bert Twyne. There was one vacancy on the Board, left by Pleman Menchenton, pending a Government appointment.

In the fiscal year of 2022, the Embalmers and Funeral Directors Board had revenues of \$75,919 and expenditures of \$68,167, as indicated in the unaudited financial statements, resulting in a surplus of \$7,752. Inspections have continued according to schedule, with a mixture of in-person and virtual visits. The lowering of travel expenses are reflected in the surplus. The Board has also chosen not to raise fees for licencing for 2023.

## **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 2022, the Embalmers and Funeral Directors Board licensed 124 directors/embalmers, 62 funeral directors and 87 funeral homes.

## **Highlights and Accomplishments**

In November, our Chairperson and Vice-Chairperson attended the Funeral Service Association of Canada Convention in Toronto, ON.

The Board was represented at Graduation Ceremonies for the College of Funeral Services that were held in St. John's, NL in June.

According to the Act and Regulations, elections to the Board must take place every three years, so this will happen in early 2023. Our Chairperson, Nova Lee Hill, will not be eligible for re-election in the coming year, as she has served the maximum of three consecutive terms (9-consecutive years). John Anderson has also expressed that he will not be seeking re-election this time. The Government Appointee vacancy should also be filled in 2023.

## **Activities**

In the fiscal year 2022, the Board met once for the Annual General Meeting, 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 2022, the Board received three complaints. Two were resolved by the Registrar and one complaint was resolved by the Complaints Authorization Committee.

In 2022, the Board received nine new applications for Funeral Directors Licences and four new applications for Embalmers Licences along with seven new

registrations for Apprenticeship. It licensed 124 directors/embalmers, 62 funeral directors and 87 funeral homes.

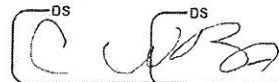
## **Financial Statements**

Audited Statements attached

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

**Financial Statements**

**Year Ended December 31, 2022**

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EMBALMERS AND FUNERAL DIRECTORS BOARD OF  
NEWFOUNDLAND AND LABRADOR

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Year Ended December 31, 2022

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## HARVEY'S ACCOUNTING SERVICES

Leonard W Harvey, CPA, CGA • Chartered Professional Accountant

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### INDEPENDENT AUDITOR'S REPORT

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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, 2022, 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, 2022, 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.

A signature of Leonard W Harvey, CPA, CGA, enclosed in a rectangular box with a DocuSign logo in the top right corner.

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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*

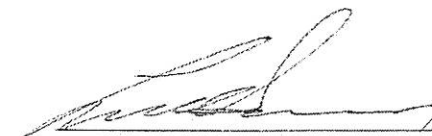
My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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

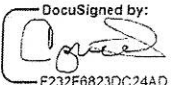
Springdale, Newfoundland and Labrador  
June 21, 2023


  
Leonard W. Harvey  
Chartered Professional Accountant

EMBALMERS AND FUNERAL DIRECTORS BOARD OF  
 NEWFOUNDLAND AND LABRADOR  
 Statement of Financial Position  
 December 31, 2022

	2022	2021
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents (Notes 3, 4)	\$ 371,006	\$ 340,966
Accounts receivable (Note 5)	38,690	58,847
Interest receivable	1,090	798
Prepaid expenses	1,859	1,469
	<b>\$ 412,645</b>	<b>\$ 402,080</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current</b>		
Accounts payable	\$ 6,745	\$ 6,482
Deferred income (Note 6)	70,175	67,625
	76,920	74,107
<b>NET ASSETS</b>	<b>335,725</b>	<b>327,973</b>
	<b>\$ 412,645</b>	<b>\$ 402,080</b>

ON BEHALF OF THE BOARD

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 Board Member

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 Board Member

**EMBALMERS AND FUNERAL DIRECTORS BOARD OF  
NEWFOUNDLAND AND LABRADOR**  
Statement of Revenues and Expenditures and Changes in Net Assets  
Year Ended December 31, 2022

	2022	2021
<b>Revenues</b>		
Licencing revenue	\$ 71,325	\$ 70,025
Exam revenue	3,400	1,200
	<u>74,725</u>	<u>71,225</u>
<b>Expenditures</b>		
Bank charges	98	283
Conferences	6,631	-
Consulting fees	1,442	1,648
Inspections	-	1,450
Insurance	1,942	1,936
Office	4,603	5,265
Professional fees	4,944	6,248
Salaries and wages	47,810	47,629
Scholarship	250	500
Seminar expenses	-	1,350
Telephone	447	389
	<u>68,167</u>	<u>66,698</u>
<b>Excess Of Revenues Over Expenditures from operations</b>	<b>6,558</b>	<b>4,527</b>
<b>Other income</b>		
Interest income	1,194	1,601
<b>Net excess of revenues over expenditures</b>	<b>7,752</b>	<b>6,128</b>
<b>Net assets - beginning of year</b>	<b>327,973</b>	<b>321,845</b>
<b>Net assets - end of year</b>	<b>\$ 335,725</b>	<b>\$ 327,973</b>

See notes to financial statements

EMBALMERS AND FUNERAL DIRECTORS BOARD OF  
NEWFOUNDLAND AND LABRADOR

Statement of Cash Flows

Year Ended December 31, 2022

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures	\$ 7,752	\$ 6,128
Changes in non-cash working capital:		
Accounts receivable	20,157	(26,890)
Interest receivable	(292)	1,590
Accounts payable	263	729
Deferred income	2,550	(510)
Prepaid expenses	(390)	(126)
	<u>22,288</u>	<u>(25,207)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>30,040</b>	<b>(19,079)</b>
Cash - beginning of year	340,966	360,045
<b>CASH - END OF YEAR (Note 4)</b>	<b>\$ 371,006</b>	<b>\$ 340,966</b>

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

**Notes to Financial Statements**

**Year Ended December 31, 2022**

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**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 (ASNFPPO).

**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.

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.

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

**Notes to Financial Statements**

**Year Ended December 31, 2022**

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**4. CASH AND CASH EQUIVALENTS**

	2022		2021
Bank of Nova Scotia	\$ 48,519	\$	20,580
GIC Cash Account	109,112		107,902
GIC investments	213,374		212,484
	<b>\$ 371,005</b>	<b>\$</b>	<b>340,966</b>

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**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.

	2022		2021
Accounts receivable	\$ 38,690	\$	58,847


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**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.

	2022		2021
Deferred Revenue	\$ 70,175	\$	67,625

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

**Notes to Financial Statements**

**Year Ended December 31, 2022**

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**7. FINANCIAL INSTRUMENTS**

The organization 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 organization's risk exposure and concentration as of December 31, 2022.

**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.

**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.

**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.

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

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