

COLLEGE OF DENTURISTS OF BRITISH COLUMBIA

FINANCIAL STATEMENTS

MARCH 31, 2004

AUDITORS' REPORT

To the Registrants of
College of Denturists of British Columbia

We have audited the balance sheets of the College of Denturists of British Columbia as at March 31, 2004 and 2003 and the statements of operations and changes in fund balances for the years then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2004 and 2003 and the results of its operations and changes in fund balances for the years then ended in accordance with Canadian generally accepted accounting principles.

Davidson & Company

Vancouver, Canada

Chartered Accountants

April 15, 2004

A Member of SC INTERNATIONAL

COLLEGE OF DENTURISTS OF BRITISH COLUMBIA
BALANCE SHEETS
AS AT MARCH 31

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| | 2004 | | | 2003 | |
|---|--------------|--------------|---------------------------|------------|------------|
| | General Fund | Capital Fund | Discipline Surcharge Fund | Total | Total |
| ASSETS | | | | | |
| Current | | | | | |
| Cash | \$ 66,177 | \$ - | \$ 11,487 | \$ 77,664 | \$ 64,091 |
| Term deposits | 113,497 | - | 128,273 | 241,770 | 231,262 |
| Interest receivable | 2,644 | - | 4,410 | 7,054 | 4,450 |
| Other receivables | - | - | 699 | 699 | 900 |
| Prepaid expenses | 7,871 | - | - | 7,871 | 6,231 |
| | 190,189 | - | 144,869 | 335,058 | 306,934 |
| Equipment (Note 3) | - | 17,057 | - | 17,057 | 20,784 |
| | \$ 190,189 | \$ 17,057 | \$ 144,869 | \$ 352,115 | \$ 327,718 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Current | | | | | |
| Accounts payable | \$ 10,299 | \$ - | \$ 502 | \$ 10,801 | \$ 13,651 |
| Deferred revenue (Note 4) | 49,879 | - | - | 49,879 | 55,400 |
| | 60,178 | - | 502 | 60,680 | 69,051 |
| Discipline fund surcharge (Note 5) | - | - | 112,829 | 112,829 | 109,057 |
| Fund Balances | | | | | |
| Invested in capital assets | - | 17,057 | - | 17,057 | 20,784 |
| Internally restricted | - | - | 31,538 | 31,538 | 23,860 |
| Unrestricted | 130,011 | - | - | 130,011 | 104,966 |
| | 130,011 | 17,057 | 31,538 | 178,606 | 149,610 |
| | \$ 190,189 | \$ 17,057 | \$ 144,869 | \$ 352,115 | \$ 327,718 |

Nature of operations (Note 1)

Commitment (Note 9)

On behalf of the Board:

"Doug Hengel" Director "Andrea Jones" Director

The accompanying notes are an integral part of these financial statements.

COLLEGE OF DENTURISTS OF BRITISH COLUMBIA
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCES
YEAR ENDED MARCH 31

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| | 2004 | | | 2003 | |
|---|----------------|--------------|---------------------------|----------------|----------------|
| | General Fund | Capital Fund | Discipline Surcharge Fund | Total | Total |
| REVENUE | | | | | |
| License and registration fees | \$ 163,883 | \$ - | \$ - | \$ 163,883 | \$ 161,492 |
| Examination fees | 19,702 | - | - | 19,702 | 13,875 |
| Fines and discipline assessments | - | - | 1,699 | 1,699 | 11,350 |
| Interest income | 4,313 | - | 6,181 | 10,494 | 9,903 |
| Other income | 617 | - | - | 617 | 101 |
| | <u>188,515</u> | <u>-</u> | <u>7,880</u> | <u>196,395</u> | <u>196,721</u> |
| EXPENSES | | | | | |
| Amortization | - | 6,407 | - | 6,407 | 8,589 |
| Audit and legal | 4,176 | - | 129 | 4,305 | 27,570 |
| Board expenses | 12,161 | - | - | 12,161 | 12,678 |
| Committee expenses | 3,206 | - | - | 3,206 | 1,739 |
| Communications | 1,831 | - | - | 1,831 | 3,064 |
| Discipline investigation costs | - | - | 73 | 73 | 621 |
| Examination costs | 16,676 | - | - | 16,676 | 11,742 |
| Office and miscellaneous | 10,699 | - | - | 10,699 | 12,612 |
| Professional development | 1,545 | - | - | 1,545 | 1,819 |
| Rent | 12,780 | - | - | 12,780 | 12,780 |
| Salaries and benefits | 93,425 | - | - | 93,425 | 92,904 |
| Telephone | 3,636 | - | - | 3,636 | 3,612 |
| Utilities | 655 | - | - | 655 | 1,346 |
| | <u>160,790</u> | <u>6,407</u> | <u>202</u> | <u>167,399</u> | <u>191,076</u> |
| Excess (deficiency) of revenue over expenses | 27,725 | (6,407) | 7,678 | 28,996 | 5,645 |
| Fund balances, beginning of year | 104,966 | 20,784 | 23,860 | 149,610 | 143,965 |
| Interfund transfers (Note 6) | <u>(2,680)</u> | <u>2,680</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances, end of year | \$ 130,011 | \$ 17,057 | \$ 31,538 | \$ 178,606 | \$ 149,610 |

The accompanying notes are an integral part of these financial statements.

1. NATURE OF OPERATIONS

The College of Denturists of British Columbia was established on December 8, 1995 under the provisions of the Health Professions Act. The College is responsible for licensing and regulating denturists and the practice of denturism within British Columbia. The College is responsible for preparing and mounting the examinations required by all registrants, and for investigating and responding to complaints by members or by the public.

The College is a not-for-profit organization and is not subject to income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

Restricted fund method

The general fund accounts for general operations.

The unamortized cost of equipment is reported in the capital fund.

The discipline surcharge fund reports the special assessments levied against all registrants. The College restricts the use of these funds to paying the costs of disciplinary hearings. Income earned by the investments in this fund are retained within the fund.

Revenue recognition

The annual license and registration fees are recognized as revenue for the year in which the fees are levied. Fees received in advance are recorded as deferred revenue, with the exception of examination and application fees which are recognized as revenue when received.

Contributed services

Volunteers contribute to the activities of the College. As a result of the difficulty in determining the fair value of contributed services, they are not recognized in the financial statements.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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 amount of revenues and expenses during the year. Actual results could differ from these estimates.

Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is provided for annually using the declining balance method as follows:

| | |
|--------------------------------|------|
| Computer equipment | 30% |
| Computer software | 100% |
| Office furniture and equipment | 20% |

The College amortizes at one half the annual rate in the year of acquisition.

3. EQUIPMENT

| | 2004 | | | 2003 | | |
|--------------------------------|---------------|--------------------------|----------------|---------------|--------------------------|----------------|
| | Cost | Accumulated Amortization | Net Book Value | Cost | Accumulated Amortization | Net Book Value |
| Computer equipment | \$ 18,854 | \$ 9,638 | \$ 9,216 | \$ 16,492 | \$ 6,194 | \$ 10,298 |
| Computer software | 8,385 | 8,226 | 159 | 8,066 | 7,183 | 883 |
| Office furniture and equipment | <u>18,774</u> | <u>11,092</u> | <u>7,682</u> | <u>18,774</u> | <u>9,171</u> | <u>9,603</u> |
| | \$ 46,013 | \$ 28,956 | \$ 17,057 | \$ 43,332 | \$ 22,548 | \$ 20,784 |

4. DEFERRED REVENUE

Deferred revenue consists of license and registration fees received in advance for the 2005 fiscal year.

5. DISCIPLINE FUND SURCHARGE

The discipline fund surcharge represents amounts assessed against registrants to maintain a balance of available funds of not less than \$100,000. The fund is used exclusively for the costs related to disciplinary hearings. The surcharge amounts are unsecured and are repayable, without interest, to registrants when they withdraw from the College.

6. INTERFUND TRANSFERS AND INTERNALLY RESTRICTED NET ASSETS

Interfund transfers of \$2,680 (2003 - \$4,407) represent amounts transferred from the General Fund to the Capital fund to finance equipment acquisitions.

Investment income earned on the discipline fund surcharge assessments is internally restricted, and may only be used to cover the costs of disciplinary hearings.

7. STATEMENT OF CASH FLOWS

A statement of cash flows has not been prepared, as in the opinion of management this information is provided within the financial statements.

8. FINANCIAL INSTRUMENTS

The College's financial instruments consist of cash, term deposits, interest receivable, other receivables and accounts payable. Unless otherwise noted, it is management's opinion that the College is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

9. COMMITMENT

The College leases its office premises under an operating lease and is committed to future minimum annual lease payments as follows:

| | |
|------|------------------|
| 2005 | \$ 12,780 |
| 2006 | 12,780 |
| 2007 | <u>11,715</u> |
| | <u>\$ 37,275</u> |