

**COLLEGE OF DENTURISTS OF BRITISH COLUMBIA**

**FINANCIAL STATEMENTS**

**MARCH 31, 2005**

## **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, 2005 and 2004 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, 2005 and 2004 and the results of its operations and changes in fund balances for the years then ended in accordance with Canadian generally accepted accounting principles.

Vancouver, Canada

Chartered Accountants

May 11, 2005

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

3

	2005			2004	
	General Fund	Capital Fund	Discipline Surcharge Fund	Total	Total
<b>ASSETS</b>					
<b>Current</b>					
Cash and equivalents	\$ 110,030	\$ -	\$ -	\$ 110,030	\$ 77,664
Interest receivable	1,334	-	2,131	3,465	7,054
Other receivables	-	-	-	-	699
Prepaid expenses	<u>6,752</u>	<u>-</u>	<u>-</u>	<u>6,752</u>	<u>7,871</u>
	118,116	-	2,131	120,247	93,288
<b>Investments</b>	119,258	-	145,081	264,339	241,770
<b>Equipment</b> (Note 3)	<u>-</u>	<u>17,804</u>	<u>-</u>	<u>17,804</u>	<u>17,057</u>
	\$ 237,374	\$ 17,804	\$ 147,212	\$ 402,390	\$ 352,115
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Current</b>					
Accounts payable	\$ 9,322	\$ -	\$ 708	\$ 10,030	\$ 10,801
Deferred revenue (Note 4)	<u>84,769</u>	<u>-</u>	<u>-</u>	<u>84,769</u>	<u>49,879</u>
	<u>94,091</u>	<u>-</u>	<u>708</u>	<u>94,799</u>	<u>60,680</u>
<b>Discipline fund surcharge</b> (Note 5)	<u>-</u>	<u>-</u>	<u>115,094</u>	<u>115,094</u>	<u>112,829</u>
<b>Fund Balances</b>					
Invested in capital assets	-	17,804	-	17,804	17,057
Internally restricted	-	-	31,410	31,410	31,538
Unrestricted	<u>143,283</u>	<u>-</u>	<u>-</u>	<u>143,283</u>	<u>130,011</u>
	<u>143,283</u>	<u>17,804</u>	<u>31,410</u>	<u>192,497</u>	<u>178,606</u>
	\$ 237,374	\$ 17,804	\$ 147,212	\$ 402,390	\$ 352,115

Nature of operations (Note 1)

Commitment (Note 9)

On behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
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**

4

	2005			2004	
	General Fund	Capital Fund	Discipline Surcharge Fund	Total	Total
<b>REVENUE</b>					
License and registration fees	\$ 168,321	\$ -	\$ -	\$ 168,321	\$ 163,883
Examination fees	15,575	-	-	15,575	19,702
Fines and discipline assessments	-	-	1,343	1,343	1,699
Interest income	4,450	-	6,124	10,574	10,494
Other income	225	-	-	225	617
	<u>188,571</u>	<u>-</u>	<u>7,467</u>	<u>196,038</u>	<u>196,395</u>
<b>EXPENSES</b>					
Amortization	-	6,160	-	6,160	6,407
Audit and legal	4,997	-	7,435	12,432	4,305
Board expenses	12,210	-	-	12,210	12,161
Committee expenses	6,736	-	-	6,736	3,206
Communications	3,854	-	-	3,854	1,831
Discipline investigation costs	-	-	160	160	73
Examination costs	10,901	-	-	10,901	16,676
Office and miscellaneous	13,787	-	-	13,787	10,699
Professional development	1,034	-	-	1,034	1,545
Rent	13,388	-	-	13,388	12,780
Salaries and benefits	95,868	-	-	95,868	93,425
Telephone	4,073	-	-	4,073	3,636
Utilities	1,544	-	-	1,544	655
	<u>168,392</u>	<u>6,160</u>	<u>7,595</u>	<u>182,147</u>	<u>167,399</u>
<b>Excess (deficiency) of revenue over expenses</b>	20,179	(6,160)	(128)	13,891	28,996
<b>Fund balances, beginning of year</b>	130,011	17,057	31,538	178,606	149,610
<b>Interfund transfers (Note 6)</b>	<u>(6,907)</u>	<u>6,907</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	\$ 143,283	\$ 17,804	\$ 31,410	\$ 192,497	\$ 178,606

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. Non-refundable examination and application fees are recognized as revenue when received. Discipline fines and cost recoveries are recognized when the College's internal hearing process is complete and their collection is assured.

### 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.

### Cash and cash equivalents

Cash and cash equivalents include investments having a maturity date of three months or less from the date of purchase.

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Investments**

Investments are recorded at cost in the appropriate fund. The College has adopted a conservative investment policy. The objectives of capital preservation and liquidity take precedence over financial returns.

**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.

**Comparative figures**

The comparative figures have been reclassified, where necessary to conform to the current year's financial statement presentation.

**3. EQUIPMENT**

	2005			2004		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 23,037	\$ 13,030	\$ 10,007	\$ 18,854	\$ 9,638	\$ 9,216
Computer software	10,384	9,385	999	8,385	8,226	159
Office furniture and equipment	<u>19,499</u>	<u>12,701</u>	<u>6,798</u>	<u>18,774</u>	<u>11,092</u>	<u>7,682</u>
	<u>\$ 52,920</u>	<u>\$ 35,116</u>	<u>\$ 17,804</u>	<u>\$ 46,013</u>	<u>\$ 28,956</u>	<u>\$ 17,057</u>

**4. DEFERRED REVENUE**

Deferred revenue consists of license and registration fees received in advance for the 2006 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 \$6,907 (2004 - \$2,680) 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, interest receivable, other receivables, investments 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 has entered into an operating lease agreement for its office premises. The annual lease commitment under the term of the agreement is as follows:

2006	\$ 13,996
2007	13,996
2008	13,996
2009	13,996
2010	<u>6,998</u>
	<u>\$ 62,982</u>