

COLLEGE OF DENTURISTS OF BRITISH COLUMBIA

FINANCIAL STATEMENTS

MARCH 31, 2006

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MCDONALD RICKETT

CHARTERED ACCOUNTANTS

A PARTNERSHIP OF INCORPORATED PROFESSIONALS

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FAX: (604) 439-1264**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, 2006 and 2005 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, 2006 and 2005 and the results of its operations and changes in fund balances for the years then ended in accordance with Canadian generally accepted accounting principles.

The comparative figures have been audited by another chartered accounting firm.



Burnaby, Canada

Chartered Accountants

April 18, 2006

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

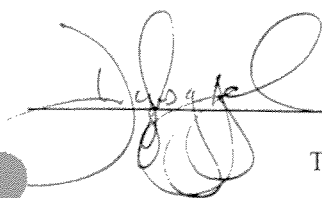
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	2006			2005	
	General Fund	Capital Fund	Discipline Surcharge Fund	Total	Total
ASSETS					
Current					
Cash and equivalents	\$ 130,024	\$ -	\$ 5,001	\$ 135,025	\$ 110,030
Interest receivable	1,957	-	3,185	5,142	3,465
Other receivables	-	-	-	-	-
Prepaid expenses	5,933	-	-	5,933	6,752
	137,914	-	8,186	146,100	120,247
Investments	122,532	-	147,645	270,177	264,339
Equipment (Note 3)	-	15,057	-	15,057	17,804
	\$ 260,446	\$ 15,057	\$ 155,831	\$ 431,334	\$ 402,390
LIABILITIES AND FUND BALANCES					
Current					
Accounts payable	\$ 11,514	\$ -	\$ 919	\$ 12,433	\$ 10,030
Deferred revenue (Note 4)	85,364	-	-	85,364	84,769
	96,878	-	919	97,797	94,799
Discipline fund surcharge (Note 5)	-	-	121,130	121,130	115,094
Fund Balances					
Invested in capital assets	-	15,057	-	15,057	17,804
Internally restricted	-	-	33,782	33,782	31,410
Unrestricted	163,568	-	-	163,568	143,283
	163,568	15,057	33,782	212,407	192,497
	\$ 260,446	\$ 15,057	\$ 155,831	\$ 431,334	\$ 402,390

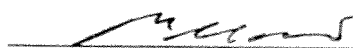
Nature of operations (Note 1)

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

	2006			2005	
	General Fund	Capital Fund	Discipline Surcharge Fund	Total	Total
REVENUES					
License and registration fees	\$ 213,359	\$ -	\$ -	\$ 213,359	\$ 168,321
Examination fees	13,550	-	-	13,550	15,575
Fines and discipline assessments	-	-	1,391	1,391	1,343
Interest income	3,897	-	4,294	8,191	10,574
Other income	700	-	-	700	225
	<u>231,506</u>	<u>-</u>	<u>5,685</u>	<u>237,191</u>	<u>196,038</u>
EXPENSES					
Amortization	-	7,029	-	7,029	6,160
Audit and legal	4,500	-	24,870	29,370	12,432
Board expenses	16,335	-	-	16,335	12,210
Committee expenses	3,942	-	394	4,336	6,736
Communications	2,163	-	-	2,163	3,854
Discipline investigation costs	-	-	655	655	160
Examination costs	14,590	-	-	14,590	10,901
Office and miscellaneous	13,504	-	-	13,504	13,787
Professional development	882	-	-	882	1,034
Rent	13,996	-	-	13,996	13,388
Salaries and benefits	107,664	-	-	107,664	95,868
Telephone	4,862	-	-	4,862	4,073
Utilities	1,895	-	-	1,895	1,544
	<u>184,333</u>	<u>7,029</u>	<u>25,919</u>	<u>217,281</u>	<u>182,147</u>
Excess (deficiency) of revenues over expenses	47,173	(7,029)	(20,234)	19,910	13,891
Fund balances, beginning of year	143,283	17,804	31,410	192,497	178,606
Interfund transfers (Note 6)	<u>(26,888)</u>	<u>4,282</u>	<u>22,606</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 163,568</u>	<u>\$ 15,057</u>	<u>\$ 33,782</u>	<u>\$ 212,407</u>	<u>\$ 192,497</u>

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

	2006			2005		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 24,387	\$ 16,234	\$ 8,153	\$ 23,037	\$ 13,030	\$ 10,007
Computer software	13,316	11,850	1,466	10,384	9,385	999
Office furniture and equipment	19,499	16,061	3,438	19,499	12,701	6,798
	\$ 57,202	\$ 44,145	\$ 13,057	\$ 52,920	\$ 35,116	\$ 17,804

4. DEFERRED REVENUE

Deferred revenue consists of license and registration fees received in advance for the 2007 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 \$26,888 (2005 - \$6,907) represent \$4,282 transferred from the General Fund to the Capital fund to finance equipment acquisitions and \$22,606 from the General Fund to the Discipline Surcharge Account to pay for expenditures.

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:

2007	\$ 13,996
2008	13,996
2009	13,996
2010	<u>6,998</u>
	<u>\$ 48,986</u>