

**THE COLLEGE OF DENTURISTS OF BRITISH COLUMBIA**  
**Financial Statements**  
**Year Ended March 31, 2020**

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## Independent Auditor's Report

To the Members of The College of Denturists of British Columbia

### Opinion

We have audited the financial statements of The College of Denturists of British Columbia (the Company), which comprise the statement of financial position as at March 31, 2020, and the statements of earnings, 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 our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2020, 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

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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Independent Auditor's Report to the Members of The College of Denturists of British Columbia  
(continued)

- 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 our 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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.

We 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 we identify during our audit.

Burnaby, British Columbia  
July 17, 2020

  
McDonald Rickett  
Chartered Professional Accountants

**THE COLLEGE OF DENTURISTS OF BRITISH COLUMBIA**  
**Statement of Financial Position**  
**March 31, 2020**

	2020	2019
<b>Assets</b>		
Current		
Cash	\$ 356,266	\$ 321,882
Accounts receivable	23,978	-
Interest receivable	12,265	5,461
Prepaid expenses	2,822	4,046
	<b>395,331</b>	<b>331,389</b>
Property and equipment (Note 2)	571	8,574
Long term Investments (Note 3)	492,709	484,744
	<b>\$ 888,611</b>	<b>\$ 824,707</b>
<b>Liabilities</b>		
Current		
Accounts payable	\$ 15,754	\$ 9,504
Goods and services tax payable	24,189	5,235
Deferred income	336,100	334,566
	<b>376,043</b>	<b>349,305</b>
Deferred rent	736	-
Regulation fee	146,274	146,775
	<b>523,053</b>	<b>496,080</b>
<b>Net Assets</b>		
Capital assets	571	8,575
Regulation	74,870	70,658
General	290,117	249,394
	<b>365,558</b>	<b>328,627</b>
	<b>\$ 888,611</b>	<b>\$ 824,707</b>

Approved by the directors

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

See notes to financial statements

**THE COLLEGE OF DENTURISTS OF BRITISH COLUMBIA**  
**Statement of Earnings**  
**Year Ended March 31, 2020**

	2020	2019
<b>Revenues</b>		
License and registration fees	\$ 363,988	\$ 305,101
Examination fees	38,780	25,950
Inquiry income	23,600	4,500
Interest	14,768	4,427
Other	4,450	4,125
	<b>445,586</b>	<b>344,103</b>
<b>Expenses</b>		
Amortization	245	2,426
Audit and legal	37,286	47,085
Board expenses	18,268	17,995
CAD contribution	1,848	-
Committee expenses	46,394	20,083
Communications	16,569	13,867
Examination costs	27,170	28,475
Office	15,418	12,651
Professional development	1,884	1,499
Rental	36,508	21,621
Salaries and wages	193,563	182,801
Telephone	1,703	2,947
Utilities	4,540	3,330
	<b>401,396</b>	<b>354,780</b>
Excess (deficiency) of revenues over expenses from operations	<b>44,190</b>	<b>(10,677)</b>
<b>Other expenses</b>		
Loss on disposal of property and equipment	<b>7,259</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>\$ 36,931</b>	<b>\$ (10,677)</b>

See notes to financial statements

**THE COLLEGE OF DENTURISTS OF BRITISH COLUMBIA**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2020**

	Capital Assets	Regulation	General	2020	2019
Net assets - beginning of year	\$ 8,575	\$ 70,658	\$ 249,394	\$ 328,627	\$ 339,304
Excess of revenues over expenses	-	4,212	32,719	36,931	(10,677)
<b>Sub-total</b>	<b>8,575</b>	<b>74,870</b>	<b>282,113</b>	<b>365,558</b>	<b>328,627</b>
Transfers:					
Amortization expense transferred from general to capital asset fund	(245)	-	245	-	-
Proceeds on disposal of capital assets to general fund	(500)	-	500	-	-
Loss on disposal of capital assets to general fund	(7,259)	-	7,259	-	-
<b>Sub-total</b>	<b>(8,004)</b>	<b>-</b>	<b>8,004</b>	<b>-</b>	<b>-</b>
<b>Net assets - end of year</b>	<b>\$ 571</b>	<b>\$ 74,870</b>	<b>\$ 290,117</b>	<b>\$ 365,558</b>	<b>\$ 328,627</b>

See notes to financial statements

**THE COLLEGE OF DENTURISTS OF BRITISH COLUMBIA**  
**Statement of Cash Flows**  
**Year Ended March 31, 2020**

	2020	2019
Cash flows from operating activities		
Excess (deficiency) of revenues over expenses	\$ 36,931	\$ (10,677)
Items not affecting cash:		
Amortization of property and equipment	245	2,426
Loss on disposal of property and equipment	7,259	-
	<b>44,435</b>	<b>(8,251)</b>
Changes in non-cash working capital:		
Accounts receivable	(23,978)	-
Interest receivable	(6,804)	737
Prepaid expenses	1,224	(145)
Accounts payable	6,249	179
Government remittances payable	18,954	2,193
Deferred income	1,534	61,274
Deferred rent	736	-
Regulation fee	(501)	(498)
	<b>(2,586)</b>	<b>63,740</b>
Cash flows from operating activities	<b>41,849</b>	<b>55,489</b>
Cash flows from investing activities		
Proceeds on disposal of property and equipment	500	-
Long term Investments	(7,965)	(5,163)
Cash flows from investing activities	<b>(7,465)</b>	<b>(5,163)</b>
Net change in cash and cash equivalents during the year	<b>34,384</b>	<b>50,326</b>
Cash and cash equivalents - beginning of year	<b>321,882</b>	<b>271,556</b>
Cash and cash equivalents - end of year	<b>\$ 356,266</b>	<b>\$ 321,882</b>

See notes to financial statements

**THE COLLEGE OF DENTURISTS OF BRITISH COLUMBIA**  
**Notes to Financial Statements**  
**Year Ended March 31, 2020**

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1. Summary of significant accounting policies

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 administering 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.

Basis of presentation

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

Fund accounting

The College of Denturists of British Columbia follows the deferral method of accounting for contributions.

The General Fund accounts for the net assets of the College. Revenues and expenses related to program delivery and administrative activities are reported in the General Fund.

The Capital Asset Fund accounts for computers and their related components. This fund changes annually as a consequence of capital asset additions, disposals and annual amortization.

The internally restricted Regulation Fee Fund accounts for the special assessments levied against all registrants. The College internally restricts the use of these funds to specific circumstances, including paying the costs of disciplinary hearings or reviews conducted by the Health Professions Review Board. Income earned by the investments in this fund are retained within the fund. The financing of this fund balance is provided by net assets and regulation fees.

Revenue recognition

The licensing and annual registration fees are recognized as revenue for the year in which the fees are applied. Fees received in advance are recorded as deferred revenues. Examination and application fees are recognized as revenue when received. Discipline fines, inquiry 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.

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**THE COLLEGE OF DENTURISTS OF BRITISH COLUMBIA**  
**Notes to Financial Statements**  
**Year Ended March 31, 2020**

1. Summary of significant accounting policies (*continued*)

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.

Cash equivalents

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

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Property and equipment

Property and equipment are stated at cost or deemed cost less accumulated amortization. Property and equipment are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Computer equipment 30%

2. Property and equipment

	2020		2019	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Computer equipment	\$ 3,212	\$ 2,641	\$ 40,380	\$ 38,799
Computer software	-	-	23,698	23,698
Furniture and fixtures	-	-	37,620	30,627
	<b>\$ 3,212</b>	<b>\$ 2,641</b>	<b>\$ 101,698</b>	<b>\$ 93,124</b>
Net book value	<b>\$ 571</b>		<b>\$ 8,574</b>	

**THE COLLEGE OF DENTURISTS OF BRITISH COLUMBIA**  
**Notes to Financial Statements**  
**Year Ended March 31, 2020**

3. Investments	2020	2019
Unrestricted general fund: long-term GIC's	\$ 271,565	\$ 267,311
Internally restricted regulation fee fund: long-term GIC's	221,143	217,433
	<b>\$ 492,708</b>	<b>\$ 484,744</b>

4. Deferred revenue

Deferred revenues comprise license and registration fees received in advance for the 2021 fiscal year.

5. Regulation fee

The regulation fee represents a liability to all registrants for the amounts they have paid to maintain an internally restricted Regulation Fee fund balance of not less than \$100,000. The regulation fee is used for the costs incurred by the College in connection with specific circumstances, including a disciplinary hearing or a review conducted by the Health Professions Review Board. The regulation fee amounts are repayable, without interest, to registrants in good standing, when they withdraw from the College.

6. Financial instruments

The College 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 College's risk exposure and concentration as of March 31, 2020.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The College has a significant number of members which minimizes the concentration of credit risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the College manages exposure through its normal operating and financing activities. The College is exposed to interest rate risk primarily through its investments.

**THE COLLEGE OF DENTURISTS OF BRITISH COLUMBIA**  
**Notes to Financial Statements**  
**Year Ended March 31, 2020**

7. Lease commitments

The College entered into a new operating lease agreement at their new location in Vancouver, B.C. The new lease commenced October 1, 2019 and runs until September 30, 2024 with escalating annual payments. The lease provides for the proportionate share of utilities, property taxes, maintenance costs, design, construction and/or installation of the facilities and equipment, and all common services provided. Future minimum lease payments as at March 31, 2020, are as follows:

	Capital	Operating	Common services	Total
2021	\$ 15,520	\$ 12,350	\$ 19,641	\$ 47,511
2022	15,892	12,350	19,641	47,883
2023	16,265	12,350	19,641	48,256
2024	16,637	12,350	19,641	48,628
	\$ 64,314	\$ 49,400	\$ 78,564	\$ 192,278