

**COLLEGE OF DENTURISTS OF BRITISH COLUMBIA**

**FINANCIAL STATEMENTS**

**MARCH 31, 2007**

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## 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, 2007 and 2006 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, 2007 and 2006 and the results of its operations and changes in fund balances for the years then ended in accordance with Canadian generally accepted accounting principles.

Burnaby, Canada

Chartered Accountants

May 15, 2007

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

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	2007			2006	
	General Fund	Capital Fund	Discipline Surcharge Fund	Total	Total
<b>ASSETS</b>					
<b>Current</b>					
Cash and equivalents	\$ 224,779	\$ -	\$ 3,511	\$ 228,290	\$ 135,025
Interest receivable	3,554	-	3808	7,362	5,142
Other receivables	210	-	-	210	-
Prepaid expenses	<u>5045</u>	<u>-</u>	<u>-</u>	<u>5,045</u>	<u>5,933</u>
	233,588	-	7,319	240,907	146,100
<b>Investments</b>	125,445	-	157,508	282,953	270,177
<b>Equipment</b> (Note 3)	<u>-</u>	<u>13,662</u>	<u>-</u>	<u>13,662</u>	<u>15,057</u>
	\$ 359,033	\$ 13,662	\$ 164,827	\$ 537,522	\$ 431,334
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Current</b>					
Accounts payable	\$ 22,150	\$ -	\$ -	\$ 22,150	\$ 12,433
Deferred revenue (Note 4)	<u>132,069</u>	<u>-</u>	<u>-</u>	<u>132,069</u>	<u>85,364</u>
	<u>154,219</u>	<u>-</u>	<u>-</u>	<u>154,219</u>	<u>97,797</u>
<b>Discipline fund surcharge</b> (Note 5)	<u>-</u>	<u>-</u>	<u>124,401</u>	<u>124,401</u>	<u>121,130</u>
<b>Fund Balances</b>					
Invested in capital assets	-	13,662	-	13,662	15,057
Internally restricted	-	-	40,426	40,426	33,782
Unrestricted	<u>204,814</u>	<u>-</u>	<u>-</u>	<u>204,814</u>	<u>163,568</u>
	<u>204,814</u>	<u>13,662</u>	<u>40,426</u>	<u>258,902</u>	<u>212,407</u>
	\$ 359,033	\$ 13,662	\$ 164,827	\$ 537,522	\$ 431,334

Nature of operations (Note 1)

Commitment (Note 9)

On behalf of the Board:

Original Signed \_\_\_\_\_ Director Original signed \_\_\_\_\_ 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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	2007			2006	
	General Fund	Capital Fund	Discipline Surcharge Fund	Total	Total
<b>REVENUES</b>					
License and registration fees	\$ 213,066	\$ -	\$ -	\$ 213,066	\$ 213,359
Examination fees	22,000	-	-	22,000	13,550
Fines and discipline assessments	-	-	2,000	2,000	1,391
Interest income	4,510	-	5,491	10,001	8,191
Other income	425	-	-	425	700
	<u>240,001</u>	<u>-</u>	<u>7,491</u>	<u>247,492</u>	<u>237,191</u>
<b>EXPENSES</b>					
Amortization	-	5,856	-	5,856	7,029
Audit and legal	5,924	-	662	6,586	29,370
Board expenses	14,707	-	-	14,707	16,335
Committee expenses	11,652	-	-	11,652	4,336
Communications	3,368	-	-	3,368	2,163
Discipline investigation costs	-	-	185	185	655
Examination costs	16,506	-	-	16,506	14,590
Office and miscellaneous	10,778	-	-	10,778	13,504
Professional development	699	-	-	699	882
Rent	13,996	-	-	13,996	13,996
Salaries and benefits	110,712	-	-	110,712	107,664
Telephone	4,737	-	-	4,737	4,862
Utilities	1,215	-	-	1,215	1,895
	<u>194,294</u>	<u>5,856</u>	<u>847</u>	<u>200,997</u>	<u>217,281</u>
<b>Excess (deficiency) of revenues over expenses</b>	45,707	(5,856)	6,644	46,495	19,910
<b>Fund balances, beginning of year</b>	163,568	15,057	33,782	212,407	192,497
<b>Interfund transfers (Note 6)</b>	<u>(4,461)</u>	<u>4,461</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 204,814</u>	<u>\$ 13,662</u>	<u>\$ 40,426</u>	<u>\$ 258,902</u>	<u>\$ 212,407</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.

**3. EQUIPMENT**

	2007			2006		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 28,313	\$ 19,269	\$ 9,044	\$ 24,387	\$ 16,234	\$ 8,153
Computer software	13,851	13,583	268	13,316	11,850	1,466
Office furniture and equipment	<u>19,499</u>	<u>15,149</u>	<u>4,350</u>	<u>19,499</u>	<u>16,061</u>	<u>3,438</u>
	\$ 61,663	\$ 48,001	\$ 13,662	\$ 57,202	\$ 44,145	\$ 13,057

**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 \$4,461 (2006 - \$26,888) represent \$4,461 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:

2008	13,996
2009	13,996
2010	<u>6,998</u>
	<u>\$ 34,990</u>