



Financial Statements

Provincial Dental Board of Nova Scotia

December 31, 2011

Contents

	Page
Independent auditor's report	1
Statements of loss and changes in net assets	2
Balance sheet	3
Statement of cash flows	4
Notes to the financial statements	5-7
Schedule of specific expenses	8

Independent auditor's report

Grant Thornton LLP
Suite 1100
2000 Barrington Street
Halifax, NS
B3J 3K1
T (902) 421-1734
F (902) 420-1068
www.GrantThornton.ca

To the Members of the
Provincial Dental Board of Nova Scotia

We have audited the accompanying financial statements of Provincial Dental Board of Nova Scotia (the "Board"), which comprise the balance sheet as at December 31, 2011, and the statements of loss, changes in net assets and cash flows for the year then ended.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation and fair presentation of the financial statements 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 Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Halifax, Canada
June 1, 2012

Chartered accountants

Provincial Dental Board of Nova Scotia

Statements of loss and changes in net assets

Year ended December 31	2011	2010
Revenue		
License fees		
Dentists	\$ 219,265	\$ 296,890
Dental assistants	73,564	92,883
Corporation permit fees	59,100	19,098
Reinstatement fees	7,556	9,814
Realized gain on sale of investments	23,912	8,742
Unrealized (loss) gain on investments	(46,928)	63,045
Investment income	23,890	27,283
	<u>360,359</u>	<u>517,755</u>
Expenses		
Administration fees	9,104	8,606
Audit and accounting	32,044	20,982
Bank and credit card fees	5,735	5,523
Board members (page 8)	34,949	42,591
Complaints committee (page 8)	3,360	7,399
Continuing education committee - travel, meals and miscellaneous	489	910
Depreciation	5,582	6,282
Discipline committee (page 8)	1,254	2,225
Governance committee (page 8)	-	3,549
Equipment rental	559	586
Finance and audit committee travel	126	-
Grants	21,901	31,811
Human resource committee - travel, meals and miscellaneous	1,061	1,673
Insurance	15,954	16,549
Investment fees	13,618	11,862
Legal	23,485	13,390
Miscellaneous	2,484	3,710
Office	9,617	11,305
Office supplies and printing	6,747	8,921
Postage	4,161	6,655
Registrar (page 8)	126,136	138,440
Rent	50,813	41,172
Staff expenses	51,332	48,401
Telephone	4,404	3,397
	<u>424,915</u>	<u>435,939</u>
Net (loss) earnings before other item	<u>(64,556)</u>	81,816
Other item		
Payment to College of Dental Hygienists of Nova Scotia (note 1)	-	45,000
Net (loss) earnings	<u>\$ (64,556)</u>	<u>\$ 36,816</u>
Unrestricted net assets, beginning of year	\$ 801,749	\$ 764,933
Net (loss) earnings	<u>(64,556)</u>	<u>36,816</u>
Unrestricted net assets, end of year	<u>\$ 737,193</u>	<u>\$ 801,749</u>

See accompanying notes to the financial statements.

Provincial Dental Board of Nova Scotia

Balance sheet

December 31 2011 2010

Assets

Current

Cash and short term deposits	\$ 176,037	\$ 220,178
Receivables	14,101	17,405
Prepays	<u>11,805</u>	<u>11,425</u>
	201,943	249,008

Capital assets, net of \$58,577 (2010 - \$52,996)

accumulated depreciation	17,682	19,877
Long term investments, at market value	<u>784,843</u>	<u>855,298</u>
	\$ 1,004,468	\$ 1,124,183

Liabilities

Current

Payables and accruals	\$ 25,773	\$ 45,942
Deferred revenue		
Dentists	162,981	191,869
Dental assistants	20,621	29,573
Corporation permit fees	<u>57,900</u>	<u>55,050</u>
	267,275	322,434

Net assets

Unrestricted net assets	<u>737,193</u>	<u>801,749</u>
	\$ 1,004,468	\$ 1,124,183

On behalf of the Board

_____ Director _____ Director

See accompanying notes to the financial statements.

Provincial Dental Board of Nova Scotia

Statement of cash flows

Year ended December 31 2011 2010

(Decrease) in cash and cash equivalents

Operating		
Net (loss) earnings	\$ (64,556)	\$ 36,816
Realized gain on sale of investments	(23,912)	(8,742)
Unrealized loss (gain) on investments	46,928	(63,045)
Depreciation	<u>5,582</u>	<u>6,282</u>
	(35,958)	(28,689)
Change in non-cash operating working capital (note 5)	<u>(52,235)</u>	<u>(36,487)</u>
	(88,193)	(65,176)
Investing		
Purchase of investments	(434,008)	(431,892)
Proceeds on sale of investments	481,446	456,522
Purchases of capital assets	<u>(3,386)</u>	<u>(14,116)</u>
	44,052	10,514
Net decrease in cash and cash equivalents	(44,141)	(54,662)
Cash and cash equivalents		
Beginning of year	<u>220,178</u>	<u>274,840</u>
End of year	\$ <u>176,037</u>	\$ <u>220,178</u>

See accompanying notes to the financial statements.

Provincial Dental Board of Nova Scotia

Notes to the financial statements

December 31, 2011

1. Nature of operations

The Board licenses and regulates all dentists and dental assistants in the Province of Nova Scotia.

As of May 15, 2009, the dental hygienists joined their own licensing and regulatory board, ceasing to be a part of the Provincial Dental Board of Nova Scotia. A one-time payment of \$45,000 was paid out to their new licensing and regulatory board, the College of Dental Hygienists of Nova Scotia, during fiscal 2010.

2. Summary of significant accounting policies

Basis of accounting

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Revenue

Revenue is recognized on an accrual basis as the related services are provided.

Deferred revenue

All fees collected or receivable as at December 31, 2011, which relate to periods after December 31, 2011, are recorded as deferred revenue.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits.

Long term investments

Investments are carried at quoted market value with changes in market value recognized as unrealized gains or losses in the period in which they arise. Realized gains or losses on sales of investments are recognized in the year of disposal.

Depreciation

The cost of capital assets is being depreciated using the methods and rates as follows:

Computer software and hardware	100%	declining balance
Office equipment	20%	declining balance
Leasehold improvements	5 year	straight-line

One half year of depreciation is recorded in the year of acquisition.

Use of estimates

The presentation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reported period. Actual results could differ from those reported.

Provincial Dental Board of Nova Scotia

Notes to the financial statements

December 31, 2011

2. Summary of significant accounting policies (continued)

Financial instruments

The Board's financial instruments consist of cash and short term deposits, receivables, long term investments, and payables and accruals. Unless otherwise noted, it is management's opinion that the Board is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying value, unless otherwise noted.

In accordance with Section 3855, the Board has classified all financial assets and liabilities as held for trading, receivables or liabilities. Financial assets classified as held for trading are measured at fair value with changes in fair value recognized in net income in the period in which they arise.

Future accounting standard changes

For fiscal years beginning on or after January 1, 2012, the Canadian Accounting Standards Board has issued Part III: Accounting Standards for Not-For-Profit Organizations (ASNPO) which are applicable for all Not-For-Profit Organizations. Not-For-Profit Organizations maintain the option to adopt ASNPO or International Financial Reporting Standards (IFRS). The Board is currently assessing the impact of the new standards on its financial statements.

3. Services provided by the Nova Scotia Dental Association

In 2011, the Board was charged \$109,311 (2010 - \$70,020) by the Nova Scotia Dental Association (NSDA) for certain rent, staff expenses, office expenses, equipment rental, insurance and administration fees. These transactions have been recorded at the exchange amount, which is the amount agreed to by the parties. A premises contract has been developed between the Board and NSDA outlining all rental agreements and expenses to be paid. The suites that the NSDA leases, which the Board occupies, will expire June 30, 2017

Included in payables is \$8,357 owed to the NSDA relating to services provided in 2011 (2010 - \$26,048).

4. Long term investments

The long term investments held by the Board are comprised primarily of fixed income and equity mutual funds.

Provincial Dental Board of Nova Scotia

Notes to the financial statements

December 31, 2011

5. Supplemental cash flow information	<u>2011</u>	<u>2010</u>
Change in non-cash operating working capital		
Receivables	\$ 3,304	\$ 18,076
Prepays	(380)	-
Payables and accruals	(20,169)	(14,321)
Deferred revenue	<u>(34,990)</u>	<u>(40,242)</u>
	\$ <u>(52,235)</u>	\$ <u>(36,487)</u>
Cash and cash equivalents consist of:		
Cash on hand, balances with banks and short term deposits	\$ <u>176,037</u>	\$ <u>220,178</u>

6. Capital management

The Board's objectives when managing capital are to safeguard the Board's ability to continue as a going concern and effectively manage and monitor cash flow to ensure timely payment of its obligations.

Provincial Dental Board of Nova Scotia

Schedule of specific expenses

Year ended December 31	2011	2010
Board members		
Accommodations	\$ 3,595	\$ 2,841
Chair's honorarium	7,500	7,500
Meals	895	1,482
Meetings	462	83
Miscellaneous	2,593	45
Per diems and honorariums	13,861	23,066
Travel	6,043	7,574
	<u>\$ 34,949</u>	<u>\$ 42,591</u>
Discipline committee		
Accommodations	\$ 1,249	-
Meals	-	\$ 59
Meetings	5	276
Per diems and honorariums	-	1,873
Travel	-	17
	<u>\$ 1,254</u>	<u>\$ 2,225</u>
Governance committee		
Meetings	\$ -	\$ 40
Policies and procedures	-	3,509
	<u>\$ -</u>	<u>\$ 3,549</u>
Registrar		
Accommodations	\$ 570	\$ 2,878
Meals	394	420
Salary and benefits	122,323	130,969
Travel	2,849	4,173
	<u>\$ 126,136</u>	<u>\$ 138,440</u>
Complaints committee		
Meals	\$ -	\$ 288
Meetings	60	-
Miscellaneous	-	388
Per diems and honorariums	2,998	6,244
Travel	302	479
	<u>\$ 3,360</u>	<u>\$ 7,399</u>