



Financial Statements

Provincial Dental Board of Nova Scotia

December 31, 2013

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Independent auditor's report

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To the Members of the **Provincial Dental Board of Nova Scotia**

We have audited the accompanying financial statements of the Provincial Dental Board of Nova Scotia, which comprise the balance sheet as at December 31, 2013 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 entity'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 entity'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 in our audit 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 Provincial Dental Board of Nova Scotia as at December 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Halifax, Canada
May 30, 2014

Chartered Accountants

Provincial Dental Board of Nova Scotia

Statement of operations and changes in net assets

Years ended December 31

2013

2012

Revenue		
License fees		
Dentists	\$ 251,259	\$ 194,401
Dental assistants	64,299	59,213
Corporation permit fees	62,850	63,150
Reinstatement fees	6,883	1,172
Realized (loss) gain on sale of investments	(17,632)	13,798
Unrealized gain (loss) on investments	13,721	(4,018)
Investment income	8,835	13,942
	<u>390,215</u>	<u>341,658</u>
Expenses		
Administration fees	8,050	8,050
Audit and accounting	36,019	32,913
Bank and credit card fees	10,317	6,068
Bad debt expense	-	2,963
Consulting fees	253	24,257
Depreciation	5,280	4,680
Deputy registrar (Page 10)	20,309	13,660
Dues and subscriptions	937	4,081
Equipment usage	374	420
Functional committees (Pages 9-10)	19,101	16,256
Grants	32,057	20,751
Insurance	16,236	15,500
Investment fees	7,535	9,634
Legal	57,467	29,277
Miscellaneous	2,444	4,390
Office and administration	10,138	11,231
Office supplies and printing	8,795	11,223
Postage	6,811	6,474
Registrar (Page 10)	176,467	130,656
Repairs and maintenance	358	103
Rent	58,113	56,477
Staff expenses	54,911	51,603
Standing committees and Board of Directors (Page 9)	90,211	60,876
Telephone and internet	4,797	4,385
	<u>626,980</u>	<u>525,928</u>
Net loss	\$ <u>(236,765)</u>	\$ <u>(184,270)</u>
Unrestricted net assets, beginning of year		
	\$ 552,923	\$ 737,193
Net loss		
	<u>(236,765)</u>	<u>(184,270)</u>
Unrestricted net assets, end of year		
	\$ <u>316,158</u>	\$ <u>552,923</u>

Provincial Dental Board of Nova Scotia

Balance sheet

December 31

2013

2012

Assets

Current

Cash and cash equivalents	\$ 607,793	\$ 185,396
Receivables	14,562	14,482
Prepays	<u>11,805</u>	<u>11,805</u>
	634,160	211,683

Capital assets (Note 4)

13,059

Long term investments, at market value (Note 5)

282,412 645,532

\$ 929,631 **\$ 870,504**

Liabilities

Current

Payables and accruals (Note 6)	\$ 40,838	\$ 44,263
Deferred revenue		
Dentists	491,055	195,937
Dental assistants	21,280	17,681
Corporation permit fees	<u>60,300</u>	<u>59,700</u>
	613,473	<u>317,581</u>

Net assets

Unrestricted net assets

316,158 552,923

\$ 929,631 **\$ 870,504**

On behalf of the Board

_____ Director

_____ Director

Provincial Dental Board of Nova Scotia

Statement of cash flows

Years ended December 31

2013

2012

Increase (decrease) in cash and cash equivalents

Operating

Net loss	\$ (236,765)	\$ (184,270)
Realized loss (gain) on sale of investments	17,632	(13,798)
Unrealized (gain) loss on investments	(13,721)	4,018
Depreciation	<u>5,280</u>	<u>4,680</u>
	(227,574)	(189,370)
Change in non-cash operating working capital (Note 7)	<u>295,812</u>	<u>49,925</u>

68,238 (139,445)

Investing

Purchase of investments	(414,413)	(893,983)
Proceeds on sale of investments	773,622	1,043,073
Purchase of capital assets	<u>(5,050)</u>	<u>(286)</u>
	<u>354,159</u>	<u>148,804</u>

Net increase in cash and cash equivalents 422,397 9,359

Cash and cash equivalents

Beginning of year 185,396 176,037

End of year \$ 607,793 \$ 185,396

Provincial Dental Board of Nova Scotia

Notes to the financial statements

December 31, 2013

1. Nature of operations

The Provincial Dental Board of Nova Scotia (the "Board") licenses and regulates all dentists and dental assistants in the Province of Nova Scotia.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The significant accounting policies are detailed as follows:

Revenue

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

Deferred revenue

All fees collected or receivable as at year end, which relate to periods after year end, 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
Website	5 year	straight line

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

Use of estimates

The preparation of the financial statements in conformity with ASNPO 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 year. Actual results could differ from those reported.

Provincial Dental Board of Nova Scotia

Notes to the financial statements

December 31, 2013

2. Summary of significant accounting policies (continued)

Financial instruments

The Board considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Board accounts for the following as financial instruments:

- Cash and cash equivalents
- receivables
- long term investments
- payables and accruals

A financial asset or liability is recognized when the Board becomes party to contractual provisions of the instrument.

Measurement

The Board initially measures its financial assets and financial liabilities at fair value.

Financial assets and financial liabilities are subsequently measured at amortized cost, except for long term investments, which are measured at fair value.

The Board removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

3. Services provided by the Nova Scotia Dental Association

The Board is charged for shared expenses by the Nova Scotia Dental Association ("NSDA") for certain rent, staff expenses, office expenses, equipment rental, insurance, dues and administration fees. These transactions have been recorded at the exchange amount, which is the amount agreed to by the parties. Included in payables at December 31, 2013 is \$18,432 owed to the NSDA relating to services provided in 2013 (2012 - \$17,195).

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. The Board has committed to paying \$7,000 per year plus HST as an administration fee for business support activities and other charges based on estimated and actual usage as invoiced monthly.

Provincial Dental Board of Nova Scotia

Notes to the financial statements

December 31, 2013

3. Services provided by the Nova Scotia Dental Association (continued)

The business support activities paid and expensed in the related categories in the statement of operations are as follows:

	<u>2013</u>	<u>2012</u>
Expenses		
Administration fees	\$ 8,050	\$ 8,050
Accounting	20,925	20,289
Dues and subscriptions	782	719
Equipment usage	374	420
Insurance	736	-
Miscellaneous	118	94
Office supplies and printing	2,437	3,673
Office and administration	9,186	9,336
Parking	656	-
Rent	58,113	56,477
Registrar expenses	2,922	-
Telephone and internet	1,234	1,059
	<u>\$ 105,533</u>	<u>\$ 100,117</u>

4. Capital assets

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>2013 Net book value</u>	<u>2012 Net book value</u>
Office equipment	\$ 29,646	\$ 21,020	\$ 8,626	\$ 10,782
Leasehold improvements	5,482	3,518	1,964	2,455
Computer hardware and software	33,119	30,650	2,469	52
Website	13,349	13,349	-	-
	<u>\$ 81,596</u>	<u>\$ 68,537</u>	<u>\$ 13,059</u>	<u>\$ 13,289</u>

5. Long term investments

The long term investments held by the Board are comprised primarily of fixed income and equity mutual funds at the following amounts:

	<u>Fixed income</u>	<u>Other mutual funds</u>	<u>2013 Total</u>	<u>2012 Total</u>
December 31, 2013				
Market value	\$ 127,480	\$ 154,932	\$ 282,412	\$ 645,532
Book value	\$ 114,982	\$ 162,002	<u>276,984</u>	<u>653,825</u>
Mark to market gain (loss)			<u>\$ 5,428</u>	<u>\$ (8,293)</u>

The unrealized gain (loss) of \$13,721 (2012 - \$(4,018)) is the difference between the current and prior year mark to market adjustments.

Provincial Dental Board of Nova Scotia

Notes to the financial statements

December 31, 2013

6. Payables and accruals

	<u>2013</u>	<u>2012</u>
Trade	\$ 34,214	\$ 38,594
Government remittances	<u>6,624</u>	<u>5,669</u>
	<u>\$ 40,838</u>	<u>\$ 44,263</u>

8. Supplemental cash flow information

	<u>2013</u>	<u>2012</u>
Change in non-cash operating working capital		
Receivables	\$ (80)	\$ (381)
Payables and accruals	(3,425)	18,490
Deferred revenue	<u>299,317</u>	<u>31,816</u>
	<u>\$ 295,812</u>	<u>\$ 49,925</u>

9. Comparative figures

Certain comparative figures have been adjusted from those previously presented to confirm to the presentation of the 2013 non-consolidated financial statements.

Provincial Dental Board of Nova Scotia

Schedule of specific expenses

Years ended December 31

2013

2012

Standing committees and Board of Directors

Board expenses

Accommodations	\$ 8,375	\$ 5,508
Chair's honorarium	10,000	10,000
Meals	1,900	1,186
Meetings	1,047	1,220
Miscellaneous	1,680	1,546
Per diems and honorariums	35,220	26,209
Travel	17,941	10,419
	<u>76,163</u>	<u>56,088</u>

Human resource committee

Accommodations	1,121	317
Meals	539	268
Meetings	6,685	142
Per diems and honorariums	3,898	2,959
Travel	1,805	1,102
	<u>14,048</u>	<u>4,788</u>

Total standing committees and Board of Directors \$ 90,211 \$ 60,876

Functional committees

Complaints committee

Meetings	\$ 912	\$ 494
Per diems and honorariums	12,286	8,576
Travel	797	1,014
	<u>13,995</u>	<u>10,084</u>

Continuing education committee

Accommodations	142	165
Meetings	60	57
Per diems and honorariums	582	388
Travel	206	134
	<u>990</u>	<u>744</u>

Dental Practice review committee

Accommodations	217	310
Meals	324	273
Miscellaneous	-	80
Travel	1,219	1,713
	<u>1,760</u>	<u>2,376</u>

Provincial Dental Board of Nova Scotia

Schedule of specific expenses

Years ended December 31

2013

2012

Functional committees (continued)

Discipline committee		
Accommodations	\$ -	\$ -
Meetings	335	4
Miscellaneous	-	52
Per diems and honorariums	<u>2,021</u>	<u>2,996</u>
	<u>2,356</u>	<u>3,052</u>
Total functional committees	\$ <u>19,101</u>	\$ <u>16,256</u>

Registrar and Deputy Registrar

Registrar		
Accommodations	\$ 3,182	\$ 2,546
Annual dues	3,634	-
Meals	832	138
Salary and benefits	165,136	122,988
Travel	<u>3,683</u>	<u>3,984</u>
	<u>\$ 176,467</u>	<u>\$ 130,656</u>
Deputy Registrar		
Accommodations	\$ 403	\$ 653
Meals	455	167
Miscellaneous	-	5
Per diems and honorariums	13,008	9,586
Travel	<u>6,443</u>	<u>3,249</u>
	<u>\$ 20,309</u>	<u>\$ 13,660</u>