

**Provincial Dental Board of Nova Scotia**  
**Financial Statements**  
December 31, 2006

Grant Thornton 

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Grant Thornton LLP  
Chartered Accountants  
Management Consultants

## Auditors' Report

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

We have audited the balance sheet of the **Provincial Dental Board of Nova Scotia** as at December 31, 2006 and the statements of earnings, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. 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 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 Board as at December 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Grant Thornton LLP*

Halifax, Nova Scotia  
March 19, 2007

Grant Thornton LLP  
Chartered Accountants

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# Provincial Dental Board of Nova Scotia

## Statements of Earnings and Changes in Net Assets

Year Ended December 31	2006	2005
<b>Revenue</b>		
License fees		
Dentists	\$ 323,890	\$ 311,996
Dental Hygienists	90,282	85,207
Dental Assistants	90,736	85,518
Corporation permit fees	17,750	16,729
Reinstatement fees	5,681	4,358
Gain on sale of investments	73,840	24,822
Investment income	38,088	18,681
	<u>640,267</u>	<u>547,311</u>
<b>Expenses</b>		
Administration fees (Note 3)	8,005	6,717
Ad-hoc committee expenses	69	752
Audit and accounting	16,820	17,341
Bank charges	890	800
Board members (Page 7)	37,098	31,111
Complaints Committee expenses	7,859	5,538
Continuing Education Committee travel, meals and miscellaneous	843	219
Depreciation	14,110	1,244
Discipline Committee (Page 7)	-	3,728
Equipment rental (Note 3)	1,631	1,860
Grants	19,769	17,339
Insurance (Note 3)	17,713	22,662
Investment fees	18,526	12,455
Legal	30,494	38,405
Miscellaneous	228	243
Office (Note 3)	10,193	10,743
Office supplies and printing (Note 3)	12,541	9,273
Postage (Note 3)	9,364	5,057
Registrar (Page 7)	144,577	140,457
Rent (Note 3)	33,306	33,054
Staff expenses (Note 3)	49,417	47,386
Telephone	3,631	3,566
	<u>437,084</u>	<u>409,950</u>
Net earnings	\$ <u>203,183</u>	\$ <u>137,361</u>
<hr/>		
Unrestricted net assets, beginning of year	\$ 435,213	\$ 297,852
Net earnings	<u>203,183</u>	<u>137,361</u>
Unrestricted net assets, end of year	\$ <u>638,396</u>	\$ <u>435,213</u>

See accompanying notes to the financial statements.

# Provincial Dental Board of Nova Scotia

## Balance Sheet

December 31 2006 2005

### Assets

#### Current

Cash and short term deposits	\$ 519,967	\$ 427,683
Receivables	5,529	2,630
Prepays	<u>13,329</u>	<u>12,948</u>
	<b>538,825</b>	<b>443,261</b>

Office equipment and software, net of \$20,599

(2005 - \$6,489) accumulated depreciation 26,743 5,440

Long term investments, at cost (Note 4) 531,147 445,548

**\$ 1,096,715 \$ 894,249**

### Liabilities

#### Current

Payables and accruals (Note 3) \$ 47,402 \$ 55,978

#### Deferred revenue

Dentists 287,729 283,573

Dental Hygienists 78,960 75,664

Dental Assistants 29,022 28,519

Corporation permit fees 15,206 15,302

**458,319 459,036**

### Net Assets

Unrestricted net assets 638,396 435,213

**\$ 1,096,715 \$ 894,249**

On behalf of the Board

\_\_\_\_\_ Director \_\_\_\_\_ Director

See accompanying notes to the financial statements.

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## Provincial Dental Board of Nova Scotia

### Statement of Cash Flows

Year Ended December 31

2006

2005

Increase in cash and cash equivalents

<b>Operating</b>		
Net earnings	\$ 203,183	\$ 137,361
Gain on sale of investments	(73,840)	(24,822)
Depreciation	<u>14,110</u>	<u>1,244</u>
	<b>143,453</b>	<b>113,783</b>
Change in non-cash operating working capital (Note 5)	<u>(3,997)</u>	<u>(3,507)</u>
	<b>139,456</b>	<b>110,276</b>
<b>Investing</b>		
Net purchase of investments	(11,759)	(8,756)
Purchase of office equipment, software and website development	<u>(35,413)</u>	<u>(927)</u>
	<b>(47,172)</b>	<b>(9,683)</b>
Net increase in cash and cash equivalents	<b>92,284</b>	<b>100,593</b>
Cash and cash equivalents		
Beginning of year	<u>427,683</u>	<u>327,090</u>
End of year	<b>\$ 519,967</b>	<b>\$ 427,683</b>

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See accompanying notes to the financial statements.

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# Provincial Dental Board of Nova Scotia

## Notes to the Financial Statements

December 31, 2006

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### 1. Nature of operations

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

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### 2. Summary of significant accounting policies

#### Revenue

Revenue is recorded in the period to which it relates.

#### Deferred revenue

All fees collected or receivable as at December 31, 2006 that relate to periods after December 31, 2006 are recorded as deferred revenue.

#### Cash and cash equivalents

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

#### Investments

Investments are recorded at cost. When there has been a loss in value that is considered to be other than a temporary decline, the investment would be written down to recognize the loss.

Investment income is recognized as it is earned. The capital gains and losses are recorded in the year realized.

#### Depreciation

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

Computer software	100%	declining balance
Office equipment	20%	declining balance
Website	5 year	straight line

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

#### Foreign currency transactions

Investment transactions denominated in foreign currencies are translated at the rate prevailing at the time of the transaction.

#### 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.

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# Provincial Dental Board of Nova Scotia

## Notes to the Financial Statements

December 31, 2006

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### 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.

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### 3. Services provided by the Nova Scotia Dental Association

In 2006 the Board was charged \$71,819 (2005 - \$64,856) 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.

Included in payables is \$4,720 owed to the NSDA relating to services provided in 2006 (2005 - \$9,932).

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### 4. Long term investments

In prior years, the long term investments held by the Board had been invested primarily in listed equity investments and Government of Canada bonds. During the year, the entire portfolio was sold or redeemed, with the proceeds used to then purchase a portfolio of fixed income and equity mutual funds. The market value as at December 31, 2006 was \$542,023 (2005 - \$484,348).

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### 5. Supplemental cash flow information

	<u>2006</u>	<u>2005</u>
Change in non-cash operating working capital		
Receivables	\$ (2,899)	\$ (1,548)
Prepays	(381)	6,163
Payables and accruals	(8,576)	(29,785)
Deferred revenue	<u>7,859</u>	<u>21,663</u>
	<u>\$ (3,997)</u>	<u>\$ (3,507)</u>
Cash and cash equivalents consist of:		
Cash on hand and balances with bank	<u>\$ 519,967</u>	<u>\$ 427,683</u>

## Provincial Dental Board of Nova Scotia Schedule of Specific Expenses

Year Ended December 31

	2006	2005
<b>Board Members</b>		
Accommodations	\$ 2,127	\$ 1,631
Meals	978	865
Meetings	26	224
Per diems and honorariums	20,632	15,263
Chair's honorarium	7,500	7,500
Travel	<u>5,835</u>	<u>5,628</u>
	<u>\$ 37,098</u>	<u>\$ 31,111</u>
<b>Discipline Committee</b>		
Meals	\$ -	\$ -
Accommodations	-	-
Meetings	-	665
Miscellaneous	-	63
Per diems and honorariums	-	2,621
Travel	<u>-</u>	<u>379</u>
	<u>\$ -</u>	<u>\$ 3,728</u>
<b>Registrar</b>		
Salary and benefits	\$ 133,427	\$ 121,394
Accommodations	3,504	3,957
Annual dues	2,110	2,050
Meals	687	724
Miscellaneous	613	613
Retirement banquet	-	4,658
Travel	<u>4,236</u>	<u>7,061</u>
	<u>\$ 144,577</u>	<u>\$ 140,457</u>