



Financial Statements

Provincial Dental Board of Nova Scotia

December 31, 2007

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Auditors' report

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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, 2007 and the statements of earnings, changes in net assets and cash flows for the year then ended. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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 Organization as at December 31, 2007 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
April 13, 2008

Chartered Accountants

Provincial Dental Board of Nova Scotia

Statements of earnings and changes in net assets

Year ended December 31	2007	2006
Revenue		
License fees		
Dentists	\$ 321,186	\$ 323,890
Dental Hygienists	92,337	90,282
Dental Assistants	93,307	90,736
Corporation permit fees	22,446	17,750
Reinstatement fees	5,561	5,681
Realized gain on sale of investments	2,238	73,840
Unrealized loss on investments	(56,804)	-
Investment income	<u>57,053</u>	<u>38,088</u>
	<u>537,324</u>	<u>640,267</u>
Expenses		
Administration fees (note 3)	7,042	8,005
Ad-hoc committee expenses	-	69
Audit and accounting	19,368	16,820
Bank and credit card fees	5,427	890
Board members (page 8)	43,502	37,098
Complaints Committee expenses	7,244	7,859
Continuing Education Committee travel, meals and miscellaneous	1,718	843
Depreciation	14,348	14,110
Discipline Committee (page 8)	19,856	-
Equipment rental (note 3)	1,631	1,631
Grants	14,577	19,769
Insurance (note 3)	17,859	17,713
Investment fees	13,571	18,526
Legal	82,296	30,494
Miscellaneous	2,849	228
Office (note 3)	7,925	10,193
Office supplies and printing (note 3)	8,607	12,541
Postage (note 3)	6,348	9,364
Registrar (page 8)	134,086	144,577
Rent (note 3)	32,909	33,306
Staff expenses (note 3)	43,663	49,417
Telephone	<u>4,691</u>	<u>3,631</u>
	<u>489,517</u>	<u>437,084</u>
Net earnings	<u>\$ 47,807</u>	<u>\$ 203,183</u>
Unrestricted net assets, beginning of year	\$ 638,396	\$ 435,213
Opening fair market value adjustment due to adoption of financial instruments (note 2)	10,876	-
Net earnings	<u>47,807</u>	<u>203,183</u>
Unrestricted net assets, end of year	<u>\$ 697,079</u>	<u>\$ 638,396</u>

See accompanying notes to the financial statements.

Provincial Dental Board of Nova Scotia

Balance sheet

December 31 2007 2006

Assets

Current

Cash and short term deposits	\$ 298,695	\$ 519,967
Receivables	3,884	5,529
Prepays	<u>13,329</u>	<u>13,329</u>
	315,908	538,825

Office equipment and software, net of \$34,946 (2006 - \$20,599) accumulated depreciation	15,591	26,743
Long term investments, at market value (2006 at book value)	<u>821,310</u>	<u>531,147</u>
	\$ 1,152,809	\$ 1,096,715

Liabilities

Current

Payables and accruals (note 3)	\$ 86,992	\$ 47,402
Deferred revenue		
Dentists	256,988	287,729
Dental Hygienists	71,331	78,960
Dental Assistants	30,077	29,022
Corporation permit fees	<u>10,342</u>	<u>15,206</u>
	455,730	458,319

Net assets

Unrestricted net assets	<u>697,079</u>	<u>638,396</u>
	\$ 1,152,809	\$ 1,096,715

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	2007	2006
Increase in cash and cash equivalents		
Operating		
Net earnings	\$ 47,807	\$ 203,183
Realized gain on sale of investments	(2,238)	(73,840)
Unrealized loss on investments	56,804	-
Depreciation	<u>14,348</u>	<u>14,110</u>
	116,721	143,453
Change in non-cash operating working capital (note 5)	<u>(944)</u>	<u>(3,997)</u>
	115,777	139,456
Investing		
Net purchase of investments	(333,855)	(11,759)
Purchase of office equipment, software and website development	<u>(3,194)</u>	<u>(35,413)</u>
	(337,049)	(47,172)
Net (decrease) increase in cash and cash equivalents	(221,272)	92,284
Cash and cash equivalents		
Beginning of year	<u>519,967</u>	<u>427,683</u>
End of year	\$ <u>298,695</u>	\$ <u>519,967</u>

See accompanying notes to the financial statements.

Provincial Dental Board of Nova Scotia

Notes to the financial statements

December 31, 2007

1. Nature of operations

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

2. Summary of significant accounting policies

Adoption of financial instruments

Effective January 1, 2007, the Organization prospectively adopted the guidance presented in Section 3855 – Financial Instruments – Recognition and Measurement.

In accordance with Section 3855, the Organization has classified all financial assets and liabilities as held for trading. 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.

On January 1, the Organization recorded a transitional adjustment to the financial statements as a result of the adoption of the new standards which resulted in net increases in the carrying value of investments of \$10,876. This increase represents the difference between book value and fair value on January 1, 2007.

Current year impact on investment income

During the 2007 fiscal year, the Organization has recorded income from investments totalling \$2,487. In accordance with Section 3855, it is necessary for the Organization to disclose the amount of realized and unrealized income from investments. Realized income is income earned from interest or dividends that has been collected or accrued in the current fiscal period along with gains or losses from the disposal of investments. Unrealized income is income that is recorded to reflect the increase or decrease in market value over book value of the investments currently being held by the Organization at year end. Investment income for the period January 1, 2007 to December 31, 2007 includes \$59,291 of realized income and \$56,804 of unrealized loss on investments.

Revenue

Revenue is recorded in the period to which it relates.

Deferred revenue

All fees collected or receivable as at December 31, 2007 which relate to periods after December 31, 2007 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. Realized gains or losses on sales of investments are recognized as investment income in the year of disposal. Investment income includes unrealized gains and losses, reflecting the current year change from using book value for valuing investments to market value.

Provincial Dental Board of Nova Scotia

Notes to the financial statements

December 31, 2007

2. Summary of significant accounting policies continued

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.

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.

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.

3. Services provided by the Nova Scotia Dental Association

In 2007 the Board was charged \$56,678 (2006 - \$71,819) 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 \$4,833 owed to the NSDA relating to services provided in 2007 (2006 - \$4,720).

4. Long term investments

The long term investments held by the Board are comprised primarily of fixed income and equity mutual funds. The market value as at December 31, 2007 was \$821,310 (2006 - \$542,023).

Provincial Dental Board of Nova Scotia

Notes to the financial statements

December 31, 2007

5. Supplemental cash flow information	<u>2007</u>	<u>2006</u>
Change in non-cash operating working capital		
Receivables	\$ 1,645	\$ (2,899)
Prepays	-	(381)
Payables and accruals	39,590	(8,576)
Deferred revenue	<u>(42,179)</u>	<u>7,859</u>
	\$ <u>(944)</u>	\$ <u>(3,997)</u>
Cash and cash equivalents consist of:		
Cash on hand, balances with bank and short term deposits	\$ <u>298,695</u>	\$ <u>519,967</u>

Provincial Dental Board of Nova Scotia

Schedule of specific expenses

Year ended December 31	2007	2006
Board Members		
Accommodations	\$ 3,454	\$ 2,127
Meals	1,225	978
Meetings	36	26
Per diems and honorariums	21,483	20,632
Chair's honorarium	7,500	7,500
Travel	<u>9,804</u>	<u>5,835</u>
	<u>\$ 43,502</u>	<u>\$ 37,098</u>
Discipline Committee		
Meals	\$ 561	\$ -
Meetings	3,719	-
Miscellaneous	2,278	-
Per diems and honorariums	12,513	-
Travel	<u>785</u>	<u>-</u>
	<u>\$ 19,856</u>	<u>\$ -</u>
Registrar		
Salary and benefits	\$ 126,729	\$ 133,427
Accommodations	2,114	3,504
Annual dues	2,736	2,110
Meals	201	687
Miscellaneous	30	613
Travel	<u>2,276</u>	<u>4,236</u>
	<u>\$ 134,086</u>	<u>\$ 144,577</u>