



Financial Statements

Provincial Dental Board of Nova Scotia

December 31, 2008

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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, 2008 and the statements of loss, 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 Board'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 Board as at December 31, 2008 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
May 6, 2009

Chartered Accountants

Provincial Dental Board of Nova Scotia

Statements of loss and changes in net assets

Year ended December 31	2008	2007
Revenue		
License fees		
Dentists	\$ 295,362	\$ 321,186
Dental hygienists	85,524	92,337
Dental assistants	89,639	93,307
Corporation permit fees	14,287	22,446
Reinstatement fees	2,810	5,561
Realized (loss) gain on sale of investments	(31,138)	2,238
Unrealized loss on investments	(170,162)	(56,804)
Investment income	<u>34,960</u>	<u>57,053</u>
	<u>321,282</u>	<u>537,324</u>
Expenses		
Administration fees (note 3)	7,391	7,042
Ad-hoc committee expenses	-	-
Audit and accounting	19,148	19,368
Bank and credit card fees	6,982	5,427
Board members (page 8)	44,334	43,502
Complaints committee expenses	3,110	7,244
Continuing education committee travel, meals and miscellaneous	483	1,718
Depreciation	5,634	14,348
Discipline committee (page 8)	3,282	19,856
Equipment rental (note 3)	584	1,631
Grants	24,623	14,577
Insurance (note 3)	17,861	17,859
Investment fees	14,859	13,571
Legal (note 6)	7,809	82,296
Miscellaneous	3,865	2,849
Office (note 3)	7,429	7,925
Office supplies and printing (note 3)	8,458	8,607
Postage (note 3)	7,021	6,348
Registrar (page 8)	144,239	134,086
Rent (note 3)	33,399	32,909
Staff expenses (note 3)	45,074	43,663
Telephone	<u>5,072</u>	<u>4,691</u>
	<u>410,657</u>	<u>489,517</u>
Net (loss) earnings	<u>\$ (89,375)</u>	<u>\$ 47,807</u>
Unrestricted net assets, beginning of year	\$ 697,079	\$ 638,396
Opening fair value adjustment due to adoption of financial instruments (note 2)	-	10,876
Net (loss) earnings	<u>(89,375)</u>	<u>47,807</u>
Unrestricted net assets, end of year	<u>\$ 607,704</u>	<u>\$ 697,079</u>

See accompanying notes to the financial statements.

Provincial Dental Board of Nova Scotia

Balance sheet

December 31 2008 2007

Assets

Current

Cash and short term deposits	\$ 193,443	\$ 298,695
Receivables	5,596	3,884
Other receivable (note 6)	32,000	-
Prepays	<u>13,329</u>	<u>13,329</u>
	244,368	315,908

Office equipment and software, net of \$40,580 (2007 - \$34,946) accumulated depreciation	13,577	15,591
Long term investments, at market value	787,359	821,310
Long term portion of other receivable (note 6)	<u>30,000</u>	<u>-</u>
	\$ 1,075,304	\$ 1,152,809

Liabilities

Current

Payables and accruals (note 3)	\$ 84,422	\$ 86,992
Deferred revenue		
Dentists	267,128	256,988
Dental hygienists	73,758	71,331
Dental assistants	27,485	30,077
Corporation permit fees	<u>14,807</u>	<u>10,342</u>
	467,600	455,730

Net assets

Unrestricted net assets	<u>607,704</u>	<u>697,079</u>
	\$ 1,075,304	\$ 1,152,809

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	2008	2007
Increase in cash and cash equivalents		
Operating		
Net earnings	\$ (89,375)	\$ 47,807
Realized loss (gain) on sale of investments	31,138	(2,238)
Unrealized loss on investments	170,162	56,804
Depreciation	<u>5,634</u>	<u>14,348</u>
	117,559	116,721
Change in non-cash operating working capital (note 5)	<u>(51,842)</u>	<u>(944)</u>
	<u>65,717</u>	<u>115,777</u>
Investing		
Purchase of investments	(527,213)	(377,746)
Proceeds on sale of investments	358,258	43,891
Purchase of office equipment, software and website development	<u>(2,014)</u>	<u>(3,194)</u>
	<u>(170,969)</u>	<u>(337,049)</u>
Net decrease in cash and cash equivalents	(105,252)	(221,272)
Cash and cash equivalents		
Beginning of year	<u>298,695</u>	<u>519,967</u>
End of year	\$ <u>193,443</u>	\$ <u>298,695</u>

See accompanying notes to the financial statements.

Provincial Dental Board of Nova Scotia

Notes to the financial statements

December 31, 2008

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, 2007, 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 2008 fiscal year, the Organization has recorded a loss from investments totalling (\$166,340). 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, 2008 to December 31, 2008 includes \$3,822 of realized income and \$170,162 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, 2008 which relate to periods after December 31, 2008 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, 2008

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 2008 the Board was charged \$57,104 (2007 - \$56,578) 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 \$8,999 owed to the NSDA relating to services provided in 2008 (2007 - \$4,833).

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, 2008

5. Supplemental cash flow information	<u>2008</u>	<u>2007</u>
Change in non-cash operating working capital		
Receivables	\$ (63,712)	\$ 1,645
Prepays	-	-
Payables and accruals	(2,570)	39,590
Deferred revenue	<u>14,440</u>	<u>(42,179)</u>
	<u>\$ (51,842)</u>	<u>\$ (944)</u>
Cash and cash equivalents consist of:		
Cash on hand, balances with bank and short term deposits	<u>\$ 193,443</u>	<u>\$ 298,695</u>

6. Other receivable

During the 2008 fiscal year, the Board reached a settlement from an ongoing legal issue. Part of the settlement entitled the Board to receive payment for the court fees incurred. The total payments to be received by the Board are equal to \$62,000. Of the total amount due, \$60,000 relates to the original Discipline Committee decision upheld by the Court of Appeal while \$2,000 relates to court costs awarded by the Court of Appeal to the Board. Payment terms for the \$60,000 are eight quarterly payments of \$7,500, commencing January 1, 2009 and ending October 1, 2010. The \$62,000 has been recorded as a reduction of legal costs in the current year.

Provincial Dental Board of Nova Scotia

Schedule of specific expenses

Year ended December 31	2008	2007
Board members		
Accommodations	\$ 3,429	\$ 3,454
Chair's honorarium	7,500	7,500
Meals	1,600	1,225
Meetings	81	36
Per diems and honorariums	22,812	21,483
Travel	<u>8,912</u>	<u>9,804</u>
	\$ <u>44,334</u>	\$ <u>43,502</u>
Discipline committee		
Meals	\$ 114	\$ 561
Meetings	461	3,719
Miscellaneous	-	2,278
Per diems and honorariums	2,621	12,513
Travel	<u>86</u>	<u>785</u>
	\$ <u>3,282</u>	\$ <u>19,856</u>
Registrar		
Accommodations	\$ 3,033	\$ 2,114
Annual dues	2,751	2,736
Meals	433	201
Miscellaneous	35	30
Salary and benefits	135,004	126,729
Travel	<u>2,983</u>	<u>2,276</u>
	\$ <u>144,239</u>	\$ <u>134,086</u>