



College of Dental Hygienists
of British Columbia



College of Dental Hygienists of BC Annual Report

March 1, 2022 – August 31, 2022

Amalgamation of Oral Health Colleges in BC

On September 1, 2022, four BC oral health colleges, including the College of Dental Hygienists of BC (CDHBC), were amalgamated to establish the BC College of Oral Health Professionals (BCCOHP).

This amalgamation was informed by recommendations outlined in the 2020 report, *Recommendations to modernize the provincial health profession regulatory framework*, specifically to reduce the number of health profession regulatory colleges in BC from 20 to six. This included a recommendation to create a single oral health regulatory college through the amalgamation of the College of Dental Surgeons of BC, College of Denturists of BC, College of Dental Hygienists of BC, and College of Dental Technicians of BC.

Following amalgamation, the BCCOHP Board and Financial, Audit and Risk Committee conducted due diligence to vet and approve the audited financial statements for CDHBC's final fiscal year (March 1 to August 31, 2022) and determined they are financially sound.

As CDHBC ceased to exist after August 31, 2022, BCCOHP is publishing CDHBC's annual report for the March 1, 2022 to August 31, 2022 fiscal year, on its behalf.

The creation of BCCOHP was only possible because the boards of CDHBC and the other three oral health colleges had the courage and conviction that amalgamating the colleges could build a stronger, more resilient, and more modern oral health regulator.

The following individuals comprised the final CDHBC Board:

- **David MacPherson, Chair – Public Representative**
- **Julie Akeroyd, Vice Chair – Public Representative**
- **Amber Ariss – Elected Member**
- **Emily Chowne – Public Representative**
- **Elizabeth Cavin – Elected Member**
- **Tara McCall – Elected Member**
- **Ruth Lunn – Elected Member**
- **Wendy Kelly – Public Representative**



College of Dental Hygienists of BC

FINANCIAL STATEMENTS

March 1, 2022, to August 31, 2022

INDEPENDENT AUDITORS' REPORT



To the Finance, Audit and Risk Committee of the British Columbia College of Oral Health Professionals:

Opinion

We have audited the accompanying financial statements of College of Dental Hygienists of B.C. ("the College"), which comprise the statement of financial position as at August 31, 2022 and the statement of operations, changes in net assets and cash flows for the period ended August 31, 2022 and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at August 31, 2022, and the results of its operations and its cash flows for the period then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian accounting standards for not-for-profit organizations. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which explains that the period ended August 31, 2022 is the final period of operations as the College of Dental Hygienists.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the College's financial reporting process.

*** A Partnership of Incorporated Professionals**

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INDEPENDENT AUDITORS' REPORT

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 College's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the College to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Victoria, B.C.
December 8, 2022

Lee and Sharpe

Chartered Professional Accountants

College of Dental Hygienists of BC

STATEMENT OF OPERATIONS

PERIOD ENDED AUGUST 31, 2022

	August 31, 2022 (6 months)	February 28, 2022 (12 months)
RECEIPTS		
Annual registration fees	\$ 1,119,847	\$ 2,209,725
Initial registration fees	148,785	188,025
Application fees	27,300	34,800
Interest income	25,076	110,459
Late payment fees and other	7,473	15,229
QAP Assessment Tool	6,885	59,925
CDH Pro Modules	2,325	575
CPEDH fees	-	5,000
	<u>1,337,691</u>	<u>2,623,738</u>
DISBURSEMENTS		
Wages and benefits	1,151,219	1,206,085
Professional services	269,708	591,903
Amalgamation costs	127,389	178,456
Per diems and travel	68,813	77,332
Building occupancy	55,518	94,608
Awards and contributions	50,322	47,141
College communications	47,535	60,097
Office and sundry	44,370	97,316
Training	14,057	9,042
Credit card charges	10,710	67,372
Investment management fee	7,611	14,970
CPEDH expenses	5,000	4,682
Materials and supplies	4,880	9,310
Document distribution	2,227	7,328
Amortization of tangible assets	24,642	40,072
Amortization of intangible assets	19,374	33,755
	<u>1,903,375</u>	<u>2,539,469</u>
Excess (deficiency) of receipts over disbursements from operations	(565,684)	84,269
Gains (losses) on disposal of investments	(76,655)	12,976
Unrealised losses on investments	(62,849)	(139,862)
Losses on disposal of tangible capital assets	<u>(3,332)</u>	<u>(2,180)</u>
DEFICIENCY OF RECEIPTS OVER DISBURSEMENTS	<u>\$ (708,520)</u>	<u>\$ (44,797)</u>

(See accompanying notes)

STATEMENT OF FINANCIAL POSITION

AUGUST 31, 2022

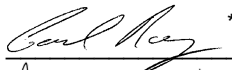
ASSETS

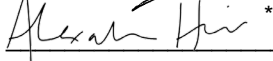
	August 31, 2022	February 28, 2022
Current		
Cash	\$ 265,439	\$ 1,837,958
Short-term investments (Note 5)	974,725	439,876
Accounts receivable	4,317	24,597
Prepaid expenses	<u>91,919</u>	<u>26,923</u>
	1,336,400	2,329,354
Long-term		
Internally restricted assets (Note 5 & 6)	1,070,673	1,738,110
Funds held in trust (Note 10)	1,197	529,634
Tangible capital assets (Note 7)	1,932,478	1,954,187
Intangible capital assets (Note 8)	<u>109,789</u>	<u>129,163</u>
	<u>\$ 4,450,537</u>	<u>\$ 6,680,448</u>

LIABILITIES AND NET ASSETS

Current		
Accounts payable and accrued liabilities	\$ 141,599	\$ 195,269
Government remittances payable	-	13,717
Deferred revenue (Note 9)	1,186,648	2,106,740
Funds held in trust (Note 10)	1,197	529,634
Current portion of obligation under capital lease (Note 11)	<u>8,153</u>	<u>10,951</u>
	<u>1,337,597</u>	<u>2,856,311</u>
Obligation under capital lease (Note 11)	<u>-</u>	<u>2,677</u>
Net assets		
Invested in capital assets	2,042,267	2,083,350
Internally restricted net assets	<u>1,070,673</u>	<u>1,738,110</u>
	<u>3,112,940</u>	<u>3,821,460</u>
	<u>\$ 4,450,537</u>	<u>\$ 6,680,448</u>

Approved by those charge with governance





*These financial statements were approved by members of the Board of the BC College of Oral Health Professionals on behalf of the legacy College of Dental Hygienists of BC.

(See accompanying notes)

STATEMENT OF CHANGES IN NET ASSETS

AUGUST 31, 2022

	Invested in Capital Assets	Reserve Fund (Note 6)	August 31, 2022	February 28, 2022
Balance, beginning of year	\$ 2,083,350	\$ 1,738,110	\$ 3,821,460	\$ 3,866,257
Deficiency of receipts over disbursements	(47,348)	(661,172)	(708,520)	(44,797)
Investment in capital assets	<u>6,265</u>	<u>(6,265)</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 2,042,267</u>	<u>\$ 1,070,673</u>	<u>\$ 3,112,940</u>	<u>\$ 3,821,460</u>

(See accompanying notes)

College of Dental Hygienists of BC

STATEMENT OF CASH FLOWS

PERIOD ENDED AUGUST 31, 2022

	August 31, 2022 (6 months)	February 28, 2022 (12 months)
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of receipts over disbursements	\$ (708,520)	\$ (44,797)
Items not involving cash		
Amortization of intangible assets	19,374	33,755
Amortization of tangible assets	24,642	40,072
Unrealised loss on investments	62,849	139,862
Loss (gain) on disposal of investments	76,655	(12,976)
Loss on disposal of tangible capital assets	<u>3,332</u>	<u>2,180</u>
	(521,668)	158,096
Cash provided by (used for) non-cash working capital items		
Accounts receivable	20,280	24,897
Prepaid expenses	(64,996)	(18,496)
Funds held in trust	(528,437)	(37,050)
Accounts payable and accrued liabilities	(53,679)	27,593
Government remittances payable	(13,717)	5,081
Deferred revenue	<u>(920,092)</u>	<u>103,039</u>
	<u>(2,082,309)</u>	<u>263,160</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Reduction of obligation under capital lease	<u>(5,475)</u>	<u>(11,197)</u>
	<u>(5,475)</u>	<u>(11,197)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase (decrease) in internally restricted assets	667,437	94,337
Purchase of tangible capital assets	-	(24,747)
Purchase of intangible capital assets	(6,256)	(100,800)
Increase (decrease) in short-term investments	<u>(139,504)</u>	<u>(126,886)</u>
	<u>521,677</u>	<u>(158,096)</u>
INCREASE (DECREASE) DURING THE YEAR	(1,566,107)	93,867
CASH RESOURCES, beginning of year	<u>2,807,468</u>	<u>2,713,601</u>
CASH RESOURCES, end of year	<u>\$ 1,241,361</u>	<u>\$ 2,807,468</u>
CASH RESOURCES REPRESENTED BY		
Cash	\$ 265,439	\$ 1,837,958
Short-term investments	974,725	439,876
Funds held in trust	<u>1,197</u>	<u>529,634</u>
	<u>\$ 1,241,361</u>	<u>\$ 2,807,468</u>

(See accompanying notes)

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2022

Note 1 - Authority and Purpose

The College of Dental Hygienists of British Columbia (the "College") was established under the Health Professions Act, effective March 1, 1995. The College regulates the practice of dental hygiene in a manner that protects and serves the public interest. In fulfilling this role, the College establishes, maintains and enforces standards for registration and continuing competence, standards of practice and a code of ethics for the profession, and investigates and acts on complaints.

On September 1, 2022, the College amalgamated with three other regulators to form a single regulator for oral health professionals, in alignment with the Government of BC's recommendations for modernizing the health profession regulatory system. The new college is named the British Columbia College of Oral Health Professionals.

Note 2 - Accounting Policies

(a) Basis of Accounting

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-profit Organizations in Part III of the CPA Canada Handbook and include the following significant accounting policies.

(b) Fund Accounting

The College follows the deferral method of accounting for contributions.

(c) Revenue Recognition

Registration and exam fees are recognized in the year to which they relate. Deferred revenue represents amounts received in advance of the period to which they relate.

Investment transactions are recognized on the transactions date and resulting revenue is recorded on an accrual basis.

(d) Short-term Investments

Short-term investments are measured at fair value and are adjusted to recognize impairment, other than a temporary impairment, in the underlying value.

NOTES TO THE FINANCIAL STATEMENTS

Note 2 - Accounting Policies (continued)(e) Tangible Capital Assets

Tangible capital assets are recorded at cost. Amortization is determined at rates which will reduce net book value to estimated residual value over the projected useful life of each asset. Annual rates used to compute amortization are as follows, with half-rates in the year of acquisition:

Building	35 years	straight line
Computer hardware	30%	declining balance
Furniture and equipment	20%	declining balance
Computer software	100%	declining balance
Furniture and equipment under capital lease	20%	declining balance

(f) Intangible Capital Assets

Intangible assets are recognized at cost and amortized on the basis of their useful life using the declining balance method at 30%. Intangible assets consist of externally developed database software.

(g) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the financial statement date and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. Significant financial statement items that require the use of estimates are as follows: useful life of tangible capital assets, accounts payable and accrued liabilities. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the year they become known.

Note 3 - Financial Instruments

The College initially measures its financial assets and financial liabilities at fair value. It subsequently measures all of its financial assets and liabilities at amortized cost. The financial assets subsequently measured at amortized cost include cash and accounts receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities. The College's short-term investments are measured at fair value.

NOTES TO THE FINANCIAL STATEMENTS

Note 3 - Financial Instruments (continued)Liquidity risk

Liquidity risk is the risk that an entity does not have sufficient financial resources to meet obligations as they fall due, or can only obtain such resources at excessive cost. The risk arises from mismatches in the timing of cash flows. Funding risk arises when the necessary liquidity to fund asset growth cannot be obtained at the expected terms when required. It is management's opinion the College is not exposed to significant liquidity risks arising from its financial instruments.

Credit risk

Credit risk is the risk of loss resulting from failure of a borrower to honour its financial or contractual obligation. Credit risk arises in the College's investment activities. It is management's opinion the College is not exposed to significant credit risks arising from its financial instruments.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market valuations. Market risk is comprised on interest rate and other price risk.

Note 4 - Capital Management

The capital structure of the College consists of an investment in capital assets and internally restricted net assets. The primary objectives of the College's capital management policies are to ensure that it maintains adequate resources to support the activities of the College and minimize the risk to the stability of cash flow from operations.

Note 5 - Short-term Investments

	August 31, 2022	February 28, 2022
Short-term investments consist of the following:		
Money market funds	\$ 901,548	\$ 300,262
Long-term funds	605,350	448,932
Other fixed income	221,520	673,057
Canadian equity	175,723	366,015
American equity	126,279	157,432
Foreign equity	14,978	232,288
	<u>\$ 2,045,398</u>	<u>\$ 2,177,986</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 5 - Short-term Investments (continued)

The above amounts are presented as follows on the statement of financial position:

Short-term investments	\$ 974,725	\$ 439,876
Internally restricted assets	<u>1,070,673</u>	<u>1,738,110</u>
	<u>\$ 2,045,398</u>	<u>\$ 2,177,986</u>

Note 6 - Internally Restricted Assets

Those charged with governance have restricted certain funds as outlined below.

Reserve Fund - To cover general operations, unanticipated contingencies, extraordinary legal costs and discipline hearings. Unless further transfers are approved, any excess or deficiency of receipts over disbursements for the year will accrue to this fund.

Note 7 - Tangible Capital Assets

			Net Book Value	
	Cost	Accumulated Amortization	August 31 2022	February 28 2022
Land	\$ 1,026,411	\$ -	\$ 1,026,411	\$ 1,026,411
Building	881,491	62,964	818,527	831,120
Computer hardware	205,703	161,716	43,987	48,263
Furniture and equipment	177,188	157,279	19,909	22,122
Computer software	22,064	22,064	-	-
Furniture and equipment under capital lease	<u>45,609</u>	<u>21,965</u>	<u>23,644</u>	<u>26,271</u>
	\$ 2,358,466	\$ 425,988	\$ 1,932,478	\$ 1,954,187

Note 8 - Intangible Capital Assets

			Net Book Value	
	Cost	Accumulated Amortization	August 31 2022	February 28 2022
Database	\$ 355,426	\$ 245,637	\$ 109,789	\$ 129,163

Note 9 - Deferred Revenue

Deferred revenues consist of amounts received from members in respect of annual registration fees for the fiscal periods ending after August 31, 2022.

NOTES TO THE FINANCIAL STATEMENTS

Note 10 - Funds Held in Trust

The College entered into an agreement with the Canadian Dental Hygienists' Association (the "CDHA") wherein annual CDHA fees are collected by the College as an agent for the CDHA and held in trust. The fees are remitted to the CDHA with a deduction for any credit card service fees incurred in the collection of these funds.

Note 11 - Obligation Under Capital Lease

	August 31, 2022	February 28, 2022
Office furniture lease, 2.25% lease rate factor with monthly payments of \$975, maturing May 2023. The lease is secured by office equipment with a carrying value of \$23,644 (2022 - \$26,271).		
Current portion	\$ 8,153	\$ 13,628
	<u>(8,153)</u>	<u>(10,951)</u>
	<u>\$ -</u>	<u>\$ 2,677</u>