

**COLLEGE OF DIETITIANS
OF BRITISH COLUMBIA**

**FINANCIAL STATEMENTS
March 31, 2016**

COLLEGE OF DIETITIANS OF BRITISH COLUMBIA

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INDEPENDENT AUDITOR'S REPORT

TO THE REGISTRANTS OF THE COLLEGE OF DIETITIANS OF BRITISH COLUMBIA

We have audited the accompanying financial statements of **College of Dietitians of British Columbia**, which comprise the statement of financial position as at **March 31, 2016**, and the statement of operations, statement of changes in net assets and statement of 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.

Auditors' 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 auditors' 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 auditors consider internal control relevant to the College'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 **College of Dietitians of British Columbia** as at March 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

The 2015 comparative figures were audited by another firm of Chartered Professional Accountants.



REID HURST NAGY INC.
CHARTERED PROFESSIONAL ACCOUNTANTS

VANCOUVER, B.C.
May 16, 2016

COLLEGE OF DIETITIANS OF BRITISH COLUMBIA

STATEMENT OF FINANCIAL POSITION As at March 31, 2016

| | 2016 | 2015 |
|--|-----------|-----------|
| | \$ | \$ |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | 838,127 | 858,091 |
| Accounts receivable | - | 1,890 |
| Prepaid expenses | 4,253 | 16,010 |
| | 842,380 | 875,991 |
| RESTRICTED FUNDS (Note 3) | 978,461 | 798,735 |
| TANGIBLE CAPITAL ASSETS (Note 4) | 16,939 | 22,906 |
| INTANGIBLE ASSETS (Note 5) | 9,207 | 9,410 |
| DEPOSIT | 4,731 | 4,731 |
| | 1,851,718 | 1,711,773 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Accounts payable and accrued liabilities | 22,813 | 5,355 |
| Deferred revenue (Note 6) | 750,955 | 722,340 |
| | 773,768 | 727,695 |
| NET ASSETS | | |
| Invested in capital assets | 26,146 | 32,315 |
| Restricted funds | 978,461 | 798,735 |
| Unrestricted | 73,343 | 153,028 |
| | 1,077,950 | 984,078 |
| | 1,851,718 | 1,711,773 |

Approved on behalf of the board

"Diana Stephenson"

Diana Stephenson, Chair

"Heather Lovelace"

Heather Lovelace, Vice-Chair

The accompanying notes are an integral part of these financial statements.

COLLEGE OF DIETITIANS OF BRITISH COLUMBIA

STATEMENT OF OPERATIONS For the year ended March 31, 2016

| | 2016 | % | 2015 | % |
|--|----------------|--------------|----------------|--------------|
| | \$ | | \$ | |
| REVENUE | | | | |
| Registration fees | 799,845 | 94.5 | 767,770 | 93.6 |
| Examination fees | 21,600 | 2.5 | 16,000 | 1.9 |
| Interest income | 18,468 | 2.2 | 27,405 | 3.3 |
| Other revenue | 7,150 | 0.8 | 10,050 | 1.2 |
| | 847,063 | 100.0 | 821,225 | 100.0 |
| EXPENSES | | | | |
| Amortization - intangible assets | 12,480 | 1.5 | 12,991 | 1.6 |
| Amortization - tangible capital assets | 6,698 | 0.8 | 9,817 | 1.2 |
| Bank charges | 17,010 | 2.0 | 17,572 | 2.1 |
| Board and committees | 22,113 | 2.6 | 32,329 | 3.9 |
| Contract services | 89,826 | 10.6 | 116,607 | 14.2 |
| General administrative | 16,825 | 2.0 | 15,652 | 1.9 |
| Insurance and dues | 9,923 | 1.2 | 8,043 | 1.0 |
| Occupancy | 78,421 | 9.3 | 74,103 | 9.0 |
| Per diems and honoraria (Note 8) | 20,438 | 2.4 | 18,083 | 2.2 |
| Professional fees | 20,557 | 2.4 | 26,870 | 3.3 |
| Publications and communications | 12,662 | 1.5 | 10,373 | 1.3 |
| Staff travel and training | 18,973 | 2.2 | 9,645 | 1.2 |
| Wages and benefits | 427,265 | 50.4 | 387,872 | 47.2 |
| | 753,191 | 88.9 | 739,957 | 90.0 |
| EXCESS OF REVENUE OVER EXPENSES | 93,872 | 11.1 | 81,268 | 9.9 |

The accompanying notes are an integral part of these financial statements.

COLLEGE OF DIETITIANS OF BRITISH COLUMBIA

STATEMENT OF CHANGES IN NET ASSETS For the year ended March 31, 2016

| | Invested in Capital Assets | Restricted | Unrestricted | 2016 | 2015 |
|--------------------------------------|-------------------------------|----------------|---------------|------------------|----------------|
| | \$ | \$ | \$ | \$ | \$ |
| BALANCE, BEGINNING OF YEAR | 32,315 | 798,735 | 153,028 | 984,078 | 882,621 |
| Prior period adjustment | - | - | - | - | 20,189 |
| AS RESTATED | 32,315 | 798,735 | 153,028 | 984,078 | 902,810 |
| Excess of revenue over expenses | (19,177) | - | 113,049 | 93,872 | 81,268 |
| Transfer to restricted fund (Note 7) | - | 179,726 | (179,726) | - | - |
| Acquisition of capital assets | 13,008 | - | (13,008) | - | - |
| BALANCE, END OF YEAR | 26,146 | 978,461 | 73,343 | 1,077,950 | 984,078 |

The accompanying notes are an integral part of these financial statements.

COLLEGE OF DIETITIANS OF BRITISH COLUMBIA

STATEMENT OF CASH FLOWS For the year ended March 31, 2016

| | 2016 | 2015 |
|---|-----------------|----------|
| | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Excess of revenue over expenses | 93,872 | 81,268 |
| Items not requiring the outlay of cash: | | |
| Amortization - tangible capital assets | 6,698 | 9,817 |
| Amortization - intangible assets | 12,480 | 12,991 |
| | 113,050 | 104,076 |
| Change in non-cash working capital items: | | |
| Accounts receivable | 1,890 | (1,890) |
| Prepaid expenses | 11,757 | (1,981) |
| Accounts payable and accrued liabilities | 17,458 | (1,136) |
| Deferred revenue | 28,615 | 18,025 |
| | 172,770 | 117,094 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Restricted funds | (179,726) | (42,405) |
| Purchase of capital assets | (13,008) | (5,279) |
| | (192,734) | (47,684) |
| (DECREASE) INCREASE IN CASH | (19,964) | 69,410 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 858,091 | 788,681 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | 838,127 | 858,091 |

The accompanying notes are an integral part of these financial statements.

COLLEGE OF DIETITIANS OF BRITISH COLUMBIA

NOTES TO THE FINANCIAL STATEMENTS March 31, 2016

1 NATURE OF OPERATIONS

The College of Dietitians of British Columbia ("the College") regulates dietetic practice in BC under the *Health Professions Act*. The College's primary function is to protect the public by ensuring all dietitians adhere to requirements for competent dietetic practice. The College was formally established on December 11, 2003 under section 18(1) of the *Health Professions Act*, with initial registration starting April 1, 2004. The College is a not-for-profit organization and is an exempt organization under the Income Tax Act.

2 SIGNIFICANT ACCOUNTING POLICIES

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

(a) Deferred revenue

The College follows the deferral method of accounting for contributions. Registrant contribution revenue is recognized in the year which the related expenses are incurred. Accordingly, contributions received for expenses not yet incurred are deferred.

(b) Investments

Investments are valued at the lower of cost or market value.

(c) Capital assets

Capital assets are recorded at cost. The College provides for amortization using the following methods at rates designed to amortize the cost of the capital assets over their estimated useful lives. One half of the year's amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal. The annual amortization rates and methods are as follows:

| | | |
|------------------------|-------------------|-------|
| Furniture and fixtures | Declining balance | 20% |
| Leasehold improvements | Straight-line | 5 yrs |
| Computer equipment | Declining balance | 30% |
| Computer software | Straight-line | 2 yrs |
| Database software | Straight-line | 5 yrs |

(d) Use of estimates

The preparation of financial statements in conformity 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 and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year.

Management assumptions are based on a number of factors, including historical experience, current events and actions that the College may undertake in the future, and other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates were used when accounting for certain items, such as the useful lives of capital assets and impairment of long-lived assets.

3 RESTRICTED FUNDS

Restricted funds consist of guaranteed investment certificates and are carried at fair market value. Funds are internally restricted and may only be accessed through a Board resolution for unexpected legal fees, discipline hearings, related unforeseen expense, or for purchase/maintenance of capital assets. In 2005, the College Board resolved to set a goal of \$1,000,000 for the restricted funds.

COLLEGE OF DIETITIANS OF BRITISH COLUMBIA

NOTES TO THE FINANCIAL STATEMENTS March 31, 2016

4 TANGIBLE CAPITAL ASSETS

| | Cost | Accumulated amortization | 2016 Net | 2015 Net |
|------------------------|---------|-----------------------------|-------------|-------------|
| | \$ | \$ | \$ | \$ |
| Furniture and fixtures | 56,596 | 47,619 | 8,977 | 11,222 |
| Leasehold improvements | 20,993 | 20,993 | - | 1,197 |
| Computer equipment | 135,082 | 127,120 | 7,962 | 10,487 |
| | 212,671 | 195,732 | 16,939 | 22,906 |

5 INTANGIBLE ASSETS

| | Cost | Accumulated amortization | 2016 Net | 2015 Net |
|-------------------|---------|-----------------------------|-------------|-------------|
| | \$ | \$ | \$ | \$ |
| Computer software | 60,530 | 51,323 | 9,207 | 4,890 |
| Database software | 53,700 | 53,700 | - | 4,520 |
| | 114,230 | 105,023 | 9,207 | 9,410 |

6 DEFERRED REVENUE

Consists of registrant fees for the subsequent fiscal year.

7 INTER-FUND TRANSFERS

During the year, a total of \$179,726 (2015: \$42,405) was transferred from the unrestricted to the restricted fund consisting of:

| | 2016 | 2015 |
|--|---------|--------|
| | \$ | \$ |
| Annual funding | 15,000 | 15,000 |
| Purchase of guaranteed investment certificates | 153,787 | - |
| Interest earned | 10,939 | 27,405 |
| Transfer to restricted fund | 179,726 | 42,405 |

8 PER DIEMS AND HONORARIA

Per diems and honoraria expensed on the Statement of Operations were paid to committee and board members of the College.

COLLEGE OF DIETITIANS OF BRITISH COLUMBIA

NOTES TO THE FINANCIAL STATEMENTS March 31, 2016

9 LEASE COMMITMENTS

A 10 year lease expiring on June 30, 2020 for office space has been entered into with Fairmile Developments Ltd. that provided for a base rent plus operating expenses. The base rents due up to the expiration of the lease are:

| | |
|------|--------|
| | \$ |
| 2017 | 41,244 |
| 2018 | 41,244 |
| 2019 | 41,244 |
| 2020 | 10,311 |

10 FINANCIAL INSTRUMENTS

The College's financial instruments consist of cash and cash equivalents, investments, accounts receivable, accounts payable and accrued liabilities and deferred revenue. It is management's opinion that the College is not exposed to significant interest, liquidity or credit risk arising from these financial instruments. The fair value of these financial instruments approximate their carrying value.

11 CONTINGENT LIABILITIES

The College is involved in an ongoing complaint with one of its members. The likelihood or amount of any liability under these agreements cannot be reasonably determined and as such no liability has been accrued in these financial statements.

12 COMPARATIVE FIGURES

Certain 2015 comparative figures have been reclassified to conform with the current year's presentation.