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**COLLEGE OF TRADITIONAL CHINESE MEDICINE  
PRACTITIONERS AND ACUPUNCTURISTS OF BRITISH  
COLUMBIA**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**MARCH 31, 2009**

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MANNING ELLIOTT  
CHARTERED ACCOUNTANTS

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## AUDITORS' REPORT

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To the Members of the  
College of Traditional Chinese Medicine Practitioners and Acupuncturists of British Columbia

We have audited the statement of financial position of the College of Traditional Chinese Medicine Practitioners and Acupuncturists of British Columbia as at March 31, 2009 and the statements of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the College'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 College as at March 31, 2009, and the results of its operations and changes in net assets for the year then ended in accordance with Canadian generally accepted accounting principles.

*Manning Elliott LLP*

Chartered Accountants

Vancouver, British Columbia

May 29, 2009

**COLLEGE OF TRADITIONAL CHINESE MEDICINE PRACTITIONERS AND ACUPUNCTURISTS OF  
BRITISH COLUMBIA**

**STATEMENT OF FINANCIAL POSITION**

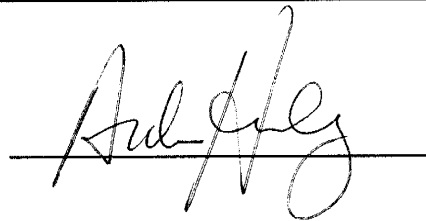
**AS AT MARCH 31, 2009**

	<b>2009</b>	<b>2008</b> Restated (Note 3)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 578,901	\$ 110,165
Short-term investments	390,890	683,575
Accounts receivable	46,100	-
Prepaid expenses and deposits	7,601	5,428
	1,023,492	799,168
OFFICE EQUIPMENT (Note 5)	22,527	34,218
OFFICIAL MARKS	8,000	8,000
	\$ 1,054,019	\$ 841,386
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 82,611	\$ 20,087
Deferred revenue (Note 6)	621,996	501,889
	704,607	521,976
<b>COMMITMENTS (Note 7)</b>		
NET ASSETS INVESTED IN OFFICE EQUIPMENT	22,257	34,218
NET ASSETS INTERNALLY RESTRICTED FOR ACQUISITION OF OFFICE	52,400	52,400
UNRESTRICTED NET ASSETS	274,755	232,792
	349,412	319,410
	\$ 1,054,019	\$ 841,386

Approved by the Board:



Director



Director



**COLLEGE OF TRADITIONAL CHINESE MEDICINE PRACTITIONERS AND ACUPUNCTURISTS OF  
BRITISH COLUMBIA**

**STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED MARCH 31, 2009**

				<b>2009</b>	<b>2008</b>
	Net assets invested in office equipment	Net assets internally restricted for acquisition of office	Unrestricted net assets	Total	Restated (Note 3) Total
BALANCE, BEGINNING OF YEAR	\$ 34,218	\$ 52,400	\$ 232,792	\$ 319,410	\$ 164,756
OFFICE EQUIPMENT ADDITIONS DURING THE YEAR	893	-	(893)	-	-
AMORTIZATION EXPENSE	(12,854)	-	12,854	-	-
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	-	-	30,002	30,002	154,654
<b>BALANCE, END OF YEAR</b>	<b>\$ 22,257</b>	<b>\$ 52,400</b>	<b>\$ 274,755</b>	<b>\$ 349,412</b>	<b>\$ 319,410</b>



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**COLLEGE OF TRADITIONAL CHINESE MEDICINE PRACTITIONERS AND ACUPUNCTURISTS OF  
BRITISH COLUMBIA**

**STATEMENT OF OPERATIONS**

**FOR THE YEAR ENDED MARCH 31, 2009**

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	<b>2009</b>	<b>2008</b> Restated (Note 3)
<b>REVENUE</b>		
License and registration fees	\$ 667,308	\$ 624,708
Course and examination fees	261,077	271,014
Database project	73,272	-
MRA project	64,963	-
Competency project	34,375	15,625
Publications and workshops	22,247	9,438
Interest and other income	13,748	32,786
	<hr/> 1,136,990	<hr/> 953,571
<b>EXPENSES</b>		
Advertising	18,524	9,143
Amortization	12,584	14,261
Competency project	46,220	12,428
Computer services	10,547	9,615
Courses and examinations	108,067	101,651
Database project	52,050	-
Honorariums	5,800	7,350
License and registration	4,381	4,860
MRA Project	64,963	-
Meetings	19,847	12,518
Office and miscellaneous	52,774	69,512
Professional fees	305,240	143,376
Publications	20,433	14,292
Rent	33,469	37,122
Salaries, subcontracts and employee benefits	331,390	344,041
Telephone	6,507	6,248
Travel	14,192	12,500
	<hr/> 1,106,988	<hr/> 798,917
<b>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>	<hr/> \$ 30,002	<hr/> \$ 154,654



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**COLLEGE OF TRADITIONAL CHINESE MEDICINE PRACTITIONERS AND ACUPUNCTURISTS OF  
BRITISH COLUMBIA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2009**

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1. PURPOSE OF COLLEGE

The College is provincially incorporated under the Health Professions Act of British Columbia to govern, control and administer the affairs of its registrants. The College is a not-for-profit organization under the Income Tax Act and, as such, is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

i) Net assets invested in office equipment consists of funds invested in office equipment.

ii) Net assets internally restricted for acquisition of office consists of funds which have been designated by the board of directors for expenditures relating to office premises and major capital asset purchases.

iii) Unrestricted net assets consists of surplus funds from general activities of the College.

b) Short-term investments

Short-term investments include highly liquid investments carried at market value.

c) Financial instruments

The College classifies its financial instruments as "held for trading", which means that all financial instruments are measured and reported at fair value. Subsequent changes in fair value of financial instruments are recognized as gains or losses in the statement of revenue and expenditures in the period in which the change in value takes place.

The College has elected to continue to follow the financial instrument disclosure and presentation requirements of Section 3861 of the CICA Handbook instead of the requirements of Sections 3862 and 3863, as provided by Sections 3862 and 3863.

d) Amortization

Office equipment is stated at cost less accumulated amortization which is recorded over the useful lives of the assets on the declining balance basis, with a half-year's provision in the year of acquisition, at the following annual rates:

Computer hardware	45%-55%	declining balance basis
Computer software	100%	declining balance basis
Furniture and equipment	20%	declining balance basis

Intangible assets with indefinite lives are not amortized, but are tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset might be impaired.

e) Long-lived assets

The College monitors the recoverability of long-lived assets, which include office equipment and intangible assets, based on factors such as current market value and future asset utilization. The College's policy is to record an impairment loss when it is determined that the carrying amount of the assets may not be recoverable. To March 31, 2009 no impairment losses have been recorded.



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**COLLEGE OF TRADITIONAL CHINESE MEDICINE PRACTITIONERS AND ACUPUNCTURISTS OF  
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**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2009**

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Revenue recognition

The College follows the deferral method of accounting for revenue. The College recognizes license and registration fees as revenue in the year to which they relate. Course and examination fees are recognized as revenue when the courses or examinations are taken.

g) Use of estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities, revenues and expenses as at the end of or during the reporting period. Management believes that the estimates used are reasonable and prudent, however, actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the determination of the useful lives of assets for amortization, recognition of deferred revenue, and the amounts recorded as accrued liabilities.

h) Recent accounting pronouncements

In 2008, the CICA issued Handbook Section 3064, "Goodwill and Intangible Assets", which replaces Section 3062, "Goodwill and Intangible Assets", and Section 3450, "Research and Development Costs". Section 3064 establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. This new standard is effective for fiscal periods commencing on or after October 1, 2008. The College is currently assessing the impact of the new standard and has not yet determined its effect on the College's financial statements.

In September 2008, the Accounting Standards Board issued CICA Handbook Section 4470, "Disclosure of allocated expenses by not-for-profit organizations", which establishes standards for disclosing an entity's policies governing the allocation of common expenses to multiple functions or programs. This standard is effective for fiscal years beginning on or after January 1, 2009. The College is currently assessing the impact of these new standards and has not yet determined their impact on the College's financial statements.

Also in September 2008, the Accounting Standards Board amended the following CICA Handbook Sections:

- 1540 "Cash flow statements"
- 4400 "Financial statement presentation by not-for-profit organizations"
- 4430 "Capital assets held by not-for-profit organizations"
- 4460 "Disclosure of related party transactions by not-for-profit organizations"

The amendments provide additional guidance on applying the existing standards and are effective for fiscal years beginning on or after January 1, 2009. The College is currently assessing the impact of the amendments to these standards and has not yet determined their impact on the College's financial statements.



**COLLEGE OF TRADITIONAL CHINESE MEDICINE PRACTITIONERS AND ACUPUNCTURISTS OF  
BRITISH COLUMBIA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2009**

**3. RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS**

The College has determined that prior years' financial statements did not recognize any liability for employees' accrued vacation leave. The College has accordingly retrospectively restated the prior period financial statements presented for comparative purposes.

The effect of the restatement on the prior period financial statements has been to decrease beginning net assets by \$8,666, increase accounts payable and accrued liabilities by \$7,637 and decrease salaries, subcontracts and employee benefits expense and increase excess of revenue over expenses by \$1,029. The prior period's total assets and net assets have been correspondingly recalculated to reflect this restatement.

**4. FINANCIAL INSTRUMENTS**

The College's financial instruments consist of cash, short-term investments, accounts receivable and accounts payable. Financial instruments are carried at their fair value as described in Note 2(c). In management's opinion the College is not exposed to significant interest rate, currency exchange rate or credit risk arising from these financial instruments.

**5. OFFICE EQUIPMENT**

			<b>2009</b>		<b>2008</b>	
	Cost	Accumulated Amortization	Net Book Value		Net Book Value	
Computer hardware	\$ 46,113	\$ 41,075	\$ 5,038	\$	8,253	
Computer software	18,313	18,313	-		4,102	
Furniture and equipment	49,012	31,523	17,489		21,863	
	<b>\$ 113,438</b>	<b>\$ 90,911</b>	<b>\$ 22,527</b>	<b>\$</b>	<b>34,218</b>	

**6. DEFERRED REVENUE**

	<b>2009</b>		<b>2008</b>	
Balance, beginning of year	\$	501,889	\$	477,271
Cash received		621,996		501,889
Amount recognized as revenue		(501,889)		(477,271)
Balance, end of year	<b>\$</b>	<b>621,996</b>	<b>\$</b>	<b>501,889</b>





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**COLLEGE OF TRADITIONAL CHINESE MEDICINE PRACTITIONERS AND ACUPUNCTURISTS OF  
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**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2009**

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7. COMMITMENTS

The College leases its premises and certain office equipment under long-term leases. The leases expire at varying dates to April 2013. Minimum payments required under the lease commitments during the next five years are anticipated to be as follows:

2010	\$	26,477
2011		26,477
2012		26,477
2013		12,267
2014		176

8. STATEMENT OF CASH FLOWS

A statement of cash flows has not been presented since information on the College's cash flows is readily available from the other statements and note disclosures presented.

