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

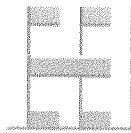
**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**MARCH 31, 2012**

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MANNING ELLIOTT  
CHARTERED ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the College of Traditional Chinese Medicine Practitioners and Acupuncturists of British Columbia (the "College"), which comprise the statement of financial position as at March 31, 2012, and the statement of operations and statement of changes in net assets 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 generally accepted accounting principles, 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 auditor considers internal control relevant to the entity'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 the College of Traditional Chinese Medicine Practitioners and Acupuncturists of British Columbia as at March 31, 2012, and its financial performance for the year then ended in accordance with Canadian generally accepted accounting principles.

*Manning Elliott LLP*

Chartered Accountants

Vancouver, British Columbia

June 27, 2012

COLLEGE OF TRADITIONAL CHINESE MEDICINE PRACTITIONERS AND ACUPUNCTURISTS OF  
BRITISH COLUMBIA

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2012

	2012	2011
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents (Note 4)	\$ 1,720,238	\$ 1,292,130
Accounts receivable	8,137	-
Prepaid expenses and deposits	7,851	5,387
	1,736,226	1,297,517
OFFICE EQUIPMENT (Note 5)	10,960	15,401
OFFICIAL MARKS	8,000	8,000
	\$ 1,755,186	\$ 1,320,918
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 83,393	\$ 98,959
Vacation payable	10,234	8,319
Deferred revenue (Note 6)	995,754	845,618
	1,089,381	952,896
COMMITMENTS (Note 7)		
NET ASSETS INVESTED IN OFFICE EQUIPMENT	10,960	15,401
INTERNALLY RESTRICTED NET ASSETS (Note 2(a)(ii))	250,000	52,400
UNRESTRICTED NET ASSETS	404,845	300,221
	665,805	368,022
	\$ 1,755,186	\$ 1,320,918

Approved by the Board:

  
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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, 2012**

				2012	2011
	Net assets invested in office equipment	Internally restricted net assets	Unrestricted net assets	Total	Total
Balance, beginning of year	\$ 15,401	\$ 52,400	\$ 300,221	\$ 368,022	\$ 437,816
Excess (deficiency) of revenue over expenses for the year	-	-	297,783	297,783	(69,794)
Amortization expense	(4,441)	-	4,441	-	-
Transfer to internally restricted	-	197,600	(197,600)	-	-
Balance, end of year	\$ 10,960	\$ 250,000	\$ 404,845	\$ 665,805	\$ 368,022



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

**STATEMENT OF OPERATIONS**

**FOR THE YEAR ENDED MARCH 31, 2012**

	2012	2011
<b>REVENUE</b>		
Registration fees	\$ 929,579	\$ 690,987
Examinations	255,355	184,485
Tariffs and fines	48,577	12,233
Courses	22,125	22,531
Events	19,566	2,905
Training program review	17,199	7,304
Safety program	10,000	-
Criminal record check	9,195	8,718
Newsletter ads	6,238	8,995
Interest income	4,860	706
Miscellaneous	2,221	2,125
Government projects	-	33,304
	1,324,915	974,293
<b>EXPENSES</b>		
Staffing	307,077	313,348
Legal fees	218,831	203,184
Operations	106,985	117,077
Examinations	96,760	77,153
Committee: inquiry, discipline and insurance	83,178	87,264
Professional fees	57,671	100,492
Registrant services	50,220	43,018
Safety program expenses	28,137	-
Data quality project	24,296	19,315
Training program review	12,438	12,750
Committee: operations	12,023	7,652
Annual general meeting	11,947	5,499
Board operations	11,083	22,696
Health professions review board: non-legal	6,478	564
Government projects	8	34,075
	1,027,132	1,044,087
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR</b>	<b>\$ 297,783</b>	<b>\$ (69,794)</b>



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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, 2012**

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1. PURPOSE OF THE 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) Internally restricted net assets consist of funds which have been designated for extraordinary risk management expenditures as approved by the board of directors.

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

b) Cash and cash equivalents

Cash consists of funds held on deposit and highly liquid investments carried at their fair 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 operations 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%
Computer software	100%
Furniture and equipment	20%

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, 2012 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, 2012

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Revenue recognition

The College follows the deferral method of accounting for contributions. License and registration fees are recognized as revenue in the year to which they relate. Course and examination fees are recognized as revenue when the courses or examinations are taken. Other restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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 September 2010, the CICA's Accounting Standards Board confirmed that not-for-profit organizations will be required to prepare financial statements in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") or International Financial Reporting Standards ("IFRS") for fiscal years beginning on or after January 1, 2012. The College will adopt ASNPO for its year ending March 31, 2013 and anticipates that the effect on its financial statements will be insignificant.

3. FINANCIAL INSTRUMENTS RISKS

The College's financial instruments consist of cash and equivalents, 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.

4. CASH AND CASH EQUIVALENTS

	2012	2011
Cash on deposit	\$ 577,277	\$ 834,069
Cashable GICs due within one year and bearing interest at rates ranging from 1.2% to 1.25%	1,142,961	458,061
	<u>\$ 1,720,238</u>	<u>\$ 1,292,130</u>

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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, 2012**

5. OFFICE EQUIPMENT

			<b>2012</b>		<b>2011</b>	
	Cost	Accumulated Amortization	Net Book Value		Net Book Value	
Computer hardware	\$ 52,456	\$ 50,451	\$ 2,005	\$	4,207	
Furniture and equipment	49,012	40,057	8,955		11,194	
	<b>\$ 101,468</b>	<b>\$ 90,508</b>	<b>\$ 10,960</b>	<b>\$</b>	<b>15,401</b>	

6. DEFERRED REVENUE

	<b>2012</b>		<b>2011</b>	
Balance, beginning of year	\$	845,618	\$	612,523
Cash received		995,754		845,618
Amount recognized as revenue		(845,618)		(612,523)
Balance, end of year	\$	995,754	\$	845,618

7. COMMITMENTS

The College leases its premises and certain office equipment under long-term leases. The leases expire at varying dates to April 2014. Minimum payments required under the lease commitments during the next two years are anticipated to be as follows:

2013	\$	12,267
2014		176

8. CAPITAL MANAGEMENT

The capital structure of the College consists of net assets invested in office equipment, internally restricted net assets and unrestricted net assets. Net assets invested in office equipment are not available for other purposes because they are invested. Internally restricted net assets have been designated by the College's board of directors as described in Note 2(a)(ii). Unrestricted net assets represents the College's accumulated excess of revenue over expenses from operations.

9. 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.

10. COMPARATIVE FIGURES

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation adopted in the current year financial statements. Such reclassification does not have any effect on the deficiency of revenue over expenses, assets or net assets previously reported.

