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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

MARCH 31, 2016





INDEPENDENT AUDITORS' REPORT

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, 2016, and the statements of revenue and expenses, changes in net assets and cash flows for the year then ended, and the related notes comprising 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 our 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, we consider 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 College of Traditional Chinese Medicine Practitioners and Acupuncturists of British Columbia as at March 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Manning Elliott LLP

Chartered Professional Accountants

Vancouver, British Columbia

July 4, 2016

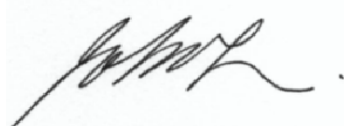
**COLLEGE OF TRADITIONAL CHINESE MEDICINE PRACTITIONERS AND ACUPUNCTURISTS OF
BRITISH COLUMBIA**

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2016

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash and equivalents (Note 3)	\$ 3,697,290	\$ 3,040,872
Accounts receivable	67,575	40,680
Prepaid expenses and deposits	2,964	5,797
	<hr/> 3,767,829	<hr/> 3,087,349
OFFICE EQUIPMENT (Note 4)	40,829	4,875
OFFICIAL MARKS (Note 5)	8,000	8,000
MEMBERSHIP MANAGEMENT SYSTEM (Note 5)	52,920	70,560
	<hr/> \$ 3,869,578	<hr/> \$ 3,170,784
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 118,639	\$ 67,767
Government remittances payable	9,211	7,022
Vacation payable	11,294	9,076
Deferred revenue (Note 6)	1,392,788	1,301,071
	<hr/> 1,531,932	<hr/> 1,384,936
COMMITMENTS (Note 7)		
INTERNALLY RESTRICTED NET ASSETS		
(Note 1(a)(ii))	1,880,176	1,222,088
UNRESTRICTED NET ASSETS	457,470	563,760
	<hr/> 2,337,646	<hr/> 1,785,848
	<hr/> \$ 3,869,578	<hr/> \$ 3,170,784

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, 2016**

			2016		2015	
	Internally restricted net assets (Note 1(a)(ii))	Unrestricted net assets	Total	Total	Total	Total
Balance, beginning of year	\$ 1,222,088	\$ 563,760	\$ 1,785,848	\$ 1,240,975		
Excess of revenue over expenses for the year	-	551,798	551,798	544,873		
Transfer to internally restricted	658,088	(658,088)	-	-		
Balance, end of year	\$ 1,880,176	\$ 457,470	\$ 2,337,646	\$ 1,785,848		



**COLLEGE OF TRADITIONAL CHINESE MEDICINE PRACTITIONERS AND ACUPUNCTURISTS OF
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STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2016

	2016	2015
REVENUE		
Registration fees	\$ 1,473,543	\$ 1,436,778
Examinations	286,400	238,615
Tariffs and fines	42,127	69,132
Interest income	24,114	23,837
Courses	21,000	15,150
Training program review	20,345	5,122
Expense recovery	6,455	5,218
Newsletter ads	2,750	15,400
Safety program	810	725
Events	-	2,034
Criminal record check	-	418
	<hr/> 1,877,544	<hr/> 1,812,429
EXPENSES		
Wages and benefits	420,013	372,950
Operations (Note 8)	270,879	224,533
Committee: operations	208,855	102,383
Committee: inquiry, discipline and insurance	116,436	100,911
Legal fees	88,335	130,653
Examinations	51,538	199,530
Data quality project	33,456	21,145
Board operations	31,219	29,304
Registrant services	30,671	38,121
Annual general meeting	25,257	13,920
Professional fees	24,688	29,265
Training program review	21,975	4,481
Health professions review board	1,500	200
Safety program expenses	924	160
	<hr/> 1,325,746	<hr/> 1,267,556
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<hr/> \$ 551,798	<hr/> \$ 544,873



**COLLEGE OF TRADITIONAL CHINESE MEDICINE PRACTITIONERS AND ACUPUNCTURISTS OF
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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2016

	2016	2015
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 551,798	\$ 544,873
Items not involving cash:		
Amortization	23,600	19,075
	<hr/> 575,398	<hr/> 563,948
Change in non-cash working capital items:		
Accounts receivable	(26,895)	(14,667)
Prepaid expenses and deposits	2,833	(1,986)
Accounts payable and accrued liabilities	50,872	(124,322)
Government remittances payable	2,189	(1,102)
Vacation payable	2,218	(7,466)
Deferred revenue	91,717	166,726
	<hr/> 698,332	<hr/> 581,131
INVESTING ACTIVITIES		
Purchase of office equipment	(41,914)	-
Purchase of membership management system	-	(88,200)
	<hr/> (41,914)	<hr/> (88,200)
INCREASE IN CASH AND EQUIVALENTS DURING THE YEAR	656,418	492,931
CASH AND EQUIVALENTS, BEGINNING OF YEAR	3,040,872	2,547,941
CASH AND EQUIVALENTS, END OF YEAR	<hr/> \$ 3,697,290	<hr/> \$ 3,040,872



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

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016**

PURPOSE OF THE COLLEGE

The College of Traditional Chinese Medicine Practitioners and Acupuncturists of British Columbia (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 (Canada) and, as such, is exempt from income taxes.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") under Part III of the CPA Canada Handbook - Accounting. Financial statements prepared in accordance with ASNPO are also in accordance with Canadian generally accepted accounting principles ("GAAP").

These financial statements have, in management's opinion, been prepared within reasonable limits of materiality using the significant accounting policies noted below:

a) Basis of presentation

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

ii) Internally restricted net assets consists of funds which have been designated for extraordinary risk management expenditures, unanticipated contingencies and special projects as approved by the board of directors, and includes one year of operating costs.

b) Financial instruments

Measurement

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

The College initially measures all of its financial assets and liabilities at fair value. The College subsequently measures all of its financial assets and liabilities at amortized cost.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down that is determined is recognized in the statement of revenue and expenses. A previously recognized impairment loss may be reversed to the extent of any improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of revenue and expenses in the period in which it is determined.

c) Cash and equivalents

Cash and equivalents consists of funds held on deposit and cashable GICs.

d) Office equipment

Office equipment is stated at cost less accumulated amortization which is recorded over the useful lives of the assets on the declining balance basis, at the following annual rates:

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



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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Intangible assets

Intangible assets are measured at cost and amortized on the basis of their useful lives using the straight-line method, except for the official marks which are not amortized as they have an indefinite life. Currently, the College's only intangible asset subject to amortization is its membership management system, which is being amortized on a straight-line basis over five years.

f) Impairment

The College monitors the recoverability of capital assets and intangible assets based on their long-term service potential. When the assets no longer have any long-term service potential to the College, the excess of their net carrying amount over any residual value is recognized as an expense in the statement of revenue and expenses. Write-downs recognized under this policy are not reversed.

g) 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.

h) Use of estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 computing amortization, recognition of deferred revenue, and the amounts recorded as accrued liabilities.

2. FINANCIAL INSTRUMENTS RISKS

The College's financial instruments are described in Note 1(b). In management's opinion, the College is not exposed to significant currency, credit, liquidity, interest rate, market or other price risks. In addition, the College is not exposed to any material concentrations of risk and there has been no change in the risk exposures from the prior year.

3. CASH AND EQUIVALENTS

	2016	2015
Cash on deposit	\$ 367,290	\$ 1,560,872
Cashable GICs due within one year and bearing interest at a rate of 0.90% (2015 - 1.20%)	3,330,000	1,480,000
	\$ 3,697,290	\$ 3,040,872



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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

4. OFFICE EQUIPMENT

			2016			2015
	Cost	Accumulated Amortization	Net Book Value		Net Book Value	
Computer hardware	\$ 57,020	\$ 53,564	\$ 3,456	\$	290	
Furniture and equipment	86,362	48,989	37,373	\$	4,585	
	\$ 143,382	\$ 102,553	\$ 40,829	\$	4,875	

5. MEMBERSHIP MANAGEMENT SYSTEM AND OFFICIAL MARKS

			2016			2015
	Cost	Accumulated Amortization	Net Book Value		Net Book Value	
Membership management system	\$ 88,200	\$ 35,280	\$ 52,920	\$	70,560	
Official marks	8,000	-	8,000	\$	8,000	
	\$ 96,200	\$ 35,280	\$ 60,920	\$	78,560	

6. DEFERRED REVENUE

	2016	2015
Balance, beginning of year	\$ 1,301,071	\$ 1,134,345
Cash received	1,392,788	1,301,071
Amount recognized as revenue	(1,301,071)	(1,134,345)
	\$ 1,392,788	\$ 1,301,071



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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016**

7. COMMITMENTS

The College leases its premises and certain office equipment under long-term leases. The leases expire at varying dates to April 2018. The anticipated lease payments during the next two years are estimated as follows:

2017	\$	33,534
2018		15,772
	\$	<u>49,306</u>

8. OPERATIONS EXPENSE

		2016		2015
Computer maintenance and supplies	\$	108,952	\$	76,529
Rent		45,525		45,259
General administration and office		43,112		35,227
Credit card processing fees		29,466		25,496
Amortization of membership management system		17,640		17,640
Postage and courier		10,609		13,010
Telephone and utilities		9,615		9,937
Amortization of office equipment		5,960		1,435
	\$	<u>270,879</u>	\$	<u>224,533</u>

