

**The College of
Veterinarians of Ontario
Financial Statements
For the year ended September 30, 2011**

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Financial Statements
For the year ended September 30, 2011

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Independent Auditor's Report

To the Members of
The College of Veterinarians of Ontario

We have audited the accompanying financial statements of The College of Veterinarians of Ontario, which comprise the statement of financial position as at September 30, 2011, 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 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.

Auditor's 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 auditor's 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 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 presentation of the financial statements.

We believe that the audit evidence we have obtained 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 Veterinarians of Ontario as at September 30, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Canada LLP.

Chartered Accountants, Licensed Public Accountants

Guelph, Ontario
October 31, 2011

The College of Veterinarians of Ontario Statement of Financial Position

September 30 2011 2010

Assets

Current

Cash (Note 1)	\$ 105,515	\$ -	
Accounts receivable	143,919		83,507
Interest receivable	30,927		53,280
Short-term investments (Note 2)	1,894,473		2,321,789
Prepaid expenses	63,527		52,979

2,238,361 2,511,555

Capital (Note 3)

1,576,730 1,404,704

\$ 3,815,091 **\$ 3,916,259**

Liabilities

Current

Bank indebtedness	\$ -	\$ 29,992	
Accounts payable and accrued liabilities	276,577		311,381

276,577 341,373

Net Assets

Net assets internally restricted

Capital reserve (Page 4)	350,000	517,018	
Systems information reserve (Page 4)	395,064		395,064
Legal reserve (Page 4)	359,381		359,381


1,576,730 **1,404,704**

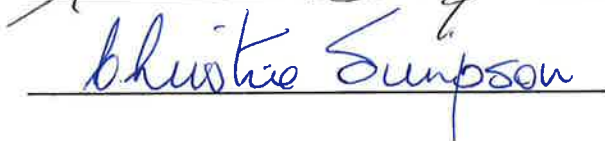
857,339 **898,719**

3,538,514 3,574,886

\$ 3,815,091 **\$ 3,916,259**

On behalf of the Council:

 President

 Treasurer

**The College of Veterinarians of Ontario
Statement of Changes in Net Assets**

For the year ended September 30	Capital Reserve	Systems Information Reserve	Legal Reserve	Invested in Capital Assets	Unrestricted	2011 Total	2010 Total
Balance, beginning of the year	\$ 517,018	\$ 395,064	\$ 359,381	\$ 1,404,704	\$ 898,719	\$ 3,574,886	\$ 3,597,208
Reserve transfers	(167,018)	-	-	-	167,018	-	-
Purchase of capital assets	-	-	-	389,573	(389,573)	-	-
Net deficit for the year	-	-	-	(217,547)	181,175	(36,372)	(22,322)
Balance, end of the year	\$ 350,000	\$ 395,064	\$ 359,381	\$ 1,576,730	\$ 857,339	\$ 3,538,514	\$ 3,574,886

The College of Veterinarians of Ontario Statement of Operations

For the year ended September 30

2011

2010

Revenue

Registration	\$ 2,758,636	\$ 2,689,010
Short-term interest	50,523	72,742
Premises inspections	93,636	91,251
Other	119,353	122,732
	3,022,148	2,975,735

Expenditures

Office and staff (Page 11)	1,691,319	1,537,192
Council and committees (Page 11)	267,818	375,675
Other (Page 12)	402,282	323,870
Office facilities (Page 12)	123,748	99,078
Accounting (Page 12)	32,153	28,705
	2,517,320	2,364,520

Surplus from operations

	504,828	611,215
Less: Legal (Page 12)	394,143	465,619
System information (Page 12)	138,803	54,936
Office improvements	8,254	112,982
	8,254	112,982

Net deficit for the year

\$ (36,372) \$ (22,322)

The College of Veterinarians of Ontario Statement of Cash Flows

For the year ended September 30	2011	2010
Cash flows from operating activities		
Net deficit for the year	\$ (36,372)	\$ (22,322)
Adjustments for		
Amortization	<u>217,547</u>	125,651
	181,175	103,329
Changes in non-cash working capital balances		
Accounts receivable	(60,412)	(52,680)
Interest receivable	22,353	4,472
Prepaid expenses	(10,548)	9,721
Accounts payable and accrued liabilities	<u>(34,804)</u>	20,921
	97,764	85,763
Cash flows from investing activities		
Purchase of capital assets	<u>(389,573)</u>	(313,584)
Change in cash position during the year	(291,809)	(227,821)
Cash position, beginning of year	<u>2,291,797</u>	<u>2,519,618</u>
Cash position, end of year	<u>\$ 1,999,988</u>	<u>\$ 2,291,797</u>
Cash position represented by:		
Cash (bank indebtedness)	\$ 105,515	\$ (29,992)
Short-term investments	<u>1,894,473</u>	<u>2,321,789</u>
	<u>\$ 1,999,988</u>	<u>\$ 2,291,797</u>

The College of Veterinarians of Ontario

Summary of Significant Accounting Policies

September 30, 2011

Nature of Operations

The College of Veterinarians of Ontario (the "College") was established in 1874 and incorporated on March 11, 1879 under "The Veterinarians Act" of the Province of Ontario and continued under "The Veterinarians Act, 1989" proclaimed April 4, 1990. The purpose of the College, among other things, is the admission, registration, governance and discipline of the members. The College is exempt from income taxes.

Basis of Accounting

These financial statements were prepared using the accrual basis of accounting. The accrual basis recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipts of goods and services and the creation of a legal obligation to pay.

Capital Assets

Capital assets are stated at acquisition cost less accumulated amortization. Amortization is based on the estimated useful life of the assets as follows:

Buildings	- 40 years straight line basis
Furnishings	- 10 years straight line basis
Office equipment	- 5 years straight line basis
Web site	- 3 years straight line basis
Software	- 3 years straight line basis

No amortization is recorded in the year of purchase.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Revenue Recognition

Registration revenue is recognized over the period which the license applies. Revenue from premises inspection is recognized when the inspection is completed. Other income and interest income are recognized when earned.

The College of Veterinarians of Ontario

Summary of Significant Accounting Policies

September 30, 2011

Financial Instruments

The College's financial instruments consist of cash, accounts receivable, interest receivable, short-term investments, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the College is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values unless otherwise noted.

All transactions related to financial instruments are recorded on a completed transaction basis.

The College classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired. The College's accounting policy for each category is as follows:

Held-For-Trading

This category is comprised of cash and short-term investments. They are carried on the balance sheet at fair value with changes in fair value recognized in the income statement. Transaction costs related to instruments classified as held-for-trading are expensed as incurred.

Loans and Receivables

These assets are non-derivative financial assets resulting from the delivery of services to members of the College in return for a promise to repay on a specified date or dates, or on demand. Loans and receivables consist of accounts receivable and interest receivable. They are recognized at fair value. Transaction costs related to loans and receivables are expensed as incurred.

Other Financial Liabilities

Other financial liabilities include all financial liabilities other than those classified as held-for-trading and comprises accounts payable and accrued liabilities. These liabilities are recognized at fair value. Transaction costs related to other financial liabilities are expensed as incurred.

The College of Veterinarians of Ontario

Notes to Financial Statements

September 30, 2011

1. Cash

The College's bank accounts are held at one chartered bank.

2. Short-term Investments

Investments are comprised of short-term deposits and government bonds with interest rates of 1.55% to 5.55% (2010 - 1.60% to 5.55%).

The cost and estimated fair value (carrying value) of these investments is as follows:

	2011		2010	
	Cost	Fair Value	Cost	Fair Value
Held for trading				
Cash	\$ 1,080	\$ 1,080	\$ 4,391	\$ 4,391
Money Market Funds	-	-	9,974	9,974
Fixed Income	1,870,760	1,893,393	2,316,970	2,307,424
	\$ 1,871,840	\$ 1,894,473	\$ 2,331,335	\$ 2,321,789

3. Capital Assets

	2011			2010
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 209,358	\$ -	\$ 209,358	\$ 209,358
Buildings	1,277,523	582,157	695,366	727,305
Furnishings	79,676	38,038	41,638	43,323
Office equipment	88,434	50,756	37,678	49,925
Web site	41,589	9,167	32,422	27,500
Software	821,588	261,320	560,268	347,293
	\$ 2,518,168	\$ 941,438	\$ 1,576,730	\$ 1,404,704

The College of Veterinarians of Ontario

Notes to Financial Statements

September 30, 2011

4. Reserves

Capital Reserve

The capital reserve is designed to provide ongoing funds for the maintenance, replacement and updating of all aspects of the building due to weathering and replacement of worn out heating and air conditioning equipment in an organized manner. Insurance coverage is available for unexpected disasters. It is expected that this reserve will continue to grow each year as current expenditures are not expected to exceed the annual contribution from operations. At September 30, 2011, the fund has reached the maximum of \$350,000. In the event that the reserve falls below this maximum, a contribution may be made to the reserve from the current surplus from operations.

Systems Information Reserve

This reserve is designed to provide ongoing funds for the development, replacement and updating of software, computer systems and the web site. Information is the backbone of the College, and without proper development and maintenance of the infrastructure the College will fall behind. It is expected that ongoing development costs will be less than or equal to the current year allocation from the operations, allowing the fund to grow to a maximum of \$500,000.

Legal Reserve

This reserve will ensure the College has adequate funds for future legal expenditures without threatening any one particular year of general operations. If the current year allocation is insufficient to fund the expenditures in any year, the reserve fund will cover the short fall. Once the fund reaches the maximum of \$450,000 then annual contributions will only be necessary if the reserve falls below this maximum.

**The College of Veterinarians of Ontario
Schedule of Council and Committees and
Office and Staff Expenditures**

For the year ended September 30	2011	2010
Council and Committees		
Accreditation committee	\$ 11,982	\$ 12,620
Annual general meeting	8,765	14,867
C.V.M.A. conference	3,751	4,245
Complaints committee	83,474	86,574
Council	99,681	180,880
Discipline committee	7,471	6,100
Executive committee	27,935	21,527
Internal audit committee	1,451	-
Liaison committee	4,959	5,177
N.E.B. representation	6,000	1,400
National exam board grant	5,208	5,208
Quality assurance committee	4,616	4,803
Registration committee	2,525	2,274
Strategic planning consultant	-	30,000
	\$ 267,818	\$ 375,675
Office and Staff		
Amortization	\$ 217,547	\$ 125,651
Bank charges	55,687	51,972
Communication expense	51,375	19,844
Gifts and awards	4,947	4,797
Hired labour - part time	21,903	17,339
Insurance	33,250	46,692
Investigation expense	26,772	9,020
Office expenses	26,033	28,354
Office machines - repair and rental	29,081	32,031
Postage and courier	34,746	32,757
Premises inspections - expenses	44,893	43,421
Premises inspections - wages	71,672	64,563
Registrar representation	10,128	12,416
Salaries and benefits	971,961	957,573
Staff development	9,659	11,851
Telephone	17,860	19,764
Update newsletter	63,805	59,147
	\$ 1,691,319	\$ 1,537,192

**The College of Veterinarians of Ontario
Schedules of Other, Office Facilities, Accounting,
Legal and System Information Expenditures**

For the year ended September 30	2011	2010
Other		
Consultant fees	\$ 45,397	\$ 44,056
Professional health program	77,664	47,696
Registrar and staff search	64,734	-
Quality assurance	213,645	229,611
Records retention	842	935
Staff operational planning	-	1,572
	<u>\$ 402,282</u>	<u>\$ 323,870</u>
Office Facilities		
Janitorial	\$ 11,265	\$ 10,473
Municipal taxes	43,865	42,766
Repairs and maintenance	44,244	28,285
Utilities	24,374	17,554
	<u>\$ 123,748</u>	<u>\$ 99,078</u>
Accounting		
Audit and consulting	\$ 9,405	\$ 8,895
Bookkeeping	22,748	19,810
	<u>\$ 32,153</u>	<u>\$ 28,705</u>
Legal		
Alleged unlawful practice	\$ 32,462	\$ 27,339
Appeal decision costs	13,665	167
Non-legal - disciplinary/Board of Inquiry	40,489	34,523
Legal - disciplinary/Board of Inquiry	243,339	340,727
Legal - non-disciplinary	64,188	62,863
	<u>\$ 394,143</u>	<u>\$ 465,619</u>
System Information		
Computer system	\$ 18,512	\$ 20,489
Software programming	2,915	2,274
Technical support	115,469	30,660
Web site maintenance	1,907	1,513
	<u>\$ 138,803</u>	<u>\$ 54,936</u>