

NEWFOUNDLAND & LABRADOR DENTAL BOARD
Report for 2016

Dr. Paul O'Brien, Secretary - Registrar

Board Meetings:

In 2016 the Board held regular meetings January 16, 2016, May 25, 2016, September 17, 2016 and an AGM on September 17, 2016.

Dental Board Membership:

Dr. Harry Simms	Chair - Dentist
Dr. Sneha Abhyankar	Vice- Chair -Dentist
Dr. Tony Bloom	Dentist
Dr. Jerome Johnson	Dentist
Dr. Robert Sexton	Dentist
Mrs. Paula Parsons	Registered Dental Assistant
Mr. Craig Finch	Registered Dental Technician
Mrs. Joan Lamswood	Public Representative
Mr. Martin Harty	Public Representative

REGISTRATION AND LICENSING as of January of 2015 and 2016

	2015	2016
General Dentists	177	185
Specialists	30	27
Dental Assistants	217	236
Dental Technicians	37	34

FINANCIAL REPORT

2016 presented new challenges to the Board particularly in the area of radiation safety. The Radiation Project took on new dimensions as OHS set a deadline of December 31, 2016 for survey and listing of radiation equipment. The Board agreed to undertake oversight of the project by entering a contract agreement with Biolantic Services that covered the period July 2016 – December 2017.

Fees ranged from \$138 for single units to \$273 for CBCT. Travel costs were absorbed by the Board when offices cooperation was acceptable. The total travel costs to the Island and Labrador were \$16,715.62 for the period ending December 31, 2016. Total invoices during the same period were \$84,7643.12 with \$3,904.00 accounts receivable. There are no accounts payable.

The three year cycle for office inspections ended as of December 31, 2016 with all but a few offices being visited. This year's costs were much reduced to \$8,525.24.

Grants and fees to CDAC, CDRAF and LMS ProLink have shown significant increases particularly from CDRAF where an Executive Director has been hired.

ELECTION REPORT 2016

The 2016 Board Election saw the return of Drs. Tony Bloom and Harry Simms as Board Members. Dr. Peter Stefanuto was elected as a new member. Unfortunately Dr. Stefanuto was to leave us last fall and we required another election in the spring of 2017 to replace him. Dr. Robert Sexton was successful as the new Board Representative.

Dr. Gary Butler has finished his long standing commitment as a Board Member but we hope to keep him busy for future board activities and look forward to doing so.

BOARD ROLES AND RESPONSIBILITIES

1. Each year as a Board we must review our mandate to the public interest. Yearly it seems that some new issue appears on the horizon. This year, the Board, having met the initial challenges of radiation surveys and the near completion of an office visit cycle the Board is once again required to take on a new role in the developing crisis around opioid abuse. Meetings are held every second month and progress has been made to the development of a new Act by legislative affairs of DOHCS. The medical profession in the province has produced an on-line program requirement for licensure related to proper prescribing in the fight to control over prescribing. The Board must consider what steps it should take and also what relationship the dental profession will have to the requirements in the new Act.
2. The ever changing landscape of CDRAF brings dental regulatory authorities another concern around governance that seems forever at the forefront of the profession. The present model of CDRAF has at times been too politicized with little accomplished following large, cumbersome,

and expensive meetings. A future direction seems to be evolving for CDRAF that its management will be by the Executive Director of CDRAF and the Registrars of the provinces. The consequence of such an increased role for Registrars will undoubtedly fall greater strain on the smaller provinces. Present demands on Registrars, calls for commitment to now 5 meetings a year and quarterly teleconferencing. Once the new structure is finalized each jurisdiction will have to re-evaluate what their overall commitment will be.

3. The responsibility of the Dental Assisting Regulators has included the work of a consortium of DARA seeking a willingness of dental assisting regulators to work towards acceptance in each province of a commonality of the scope of practice of other jurisdictions. Recognition of a candidate's scope is particularly important when applicants of the other jurisdiction have an expanded scope that previously not been included in the receiving jurisdiction's scope.
4. National Dental Examining Board. Discussions are currently under way between CDRAF and NDEB in relation to a common credential verification system for all provinces. A draft has been presented to all DRAs and one would expect it ratified in the near future.
5. National Dental Assisting Examining Board. Changes in the location and frequency of Clinical Practice Evaluations for non- accredited applicants may be in future plans once each jurisdiction is advised on how greater efficiencies can be found in the process.
6. A final note on the problem with dental technicians. The problem involves a creeping weakening of the standards required for licensure. The present model leaves a serious gap between what the Board can attest to and what is being presented as prima facie evidence for licensure in a system that is not controlled by truly verifiable qualifications of applicants. The bar continues to be stretched lower when affidavits from dentists are asked to be acceptable for meeting the requirement for licensure especially when the dentist is unknown to the Board. This on-going problem stems primarily from candidates unable to licence elsewhere and using labour mobility to get licensure to which they would not otherwise be entitled.

FINAL NOTES ON 2016

- Keyin Dental Assisting program has once again met CDAC requirements for Accreditation.
- Yet again there have been no increase in fees for all categories of licensure
- CDAC fees will see a modest increase in 2017
- CDRAF will see a substantial increase in fees for 2017
- The continued payment of individual malpractice for all dental assistants

REPORT ON THE COMPLAINTS AUTHORIZATION COMMITTEE 2016

In 2016 the number of complaints increased from 12 in 2015 to 20 in 2016. In last year's report mention was made of the appropriate use of "Cautions". The Board's most recent meeting addressed this issue and the thinking of members was that before any further action of reporting "Cautions" on the Board's website, government must be consulted. An approach has been made to legislative affairs and the

indication is that the present legislation does not envision any such publication of cautions. Further advice on the issue alluded to the possibility that government would base any amendment on the principles of the 1996 White Paper on Discipline which covered a multiple of disciplines. This is a similar response previously received about any amendments to professional incorporation; the application of an umbrella approach for all.

In summary for 2016:

Under Review: 5 files

Mediation: 4 files

No Action: 2 files

Counselling: 3 files

Dismissal: 6 files

Cautions: 2 files

Restricted: 1 file

FILE NO: 1

Parents expressed their concerns over the management of their 8 year-old son when visiting a dentist needing emergency care and removal of a tooth. Previous history showed another dentist using nitrous oxide had earlier failed to fulfill this same extraction. The tooth was removed by the present dentist but whether the distress was more due to nervousness of the patient rather than the dentist's approach is rarely easily determined by the committee. The dentist, having many years of experience and no previous complaints, weighed heavily on the committee's decision. The committee however did find fault on the issue of dental record-keeping. When the parent asked for a copy of her son's dental record they realized correctly that the record was deficient as to what happened, what drugs or medications were used and any instructions that were given. The committee agreed the record did not meet the requirements set out by the Board and counselled the dentist. Included in the counselling was the requirement that the dentist take an on-line course in dental record keeping.

FILE NO. 2(A)

A cancer patient complained following discussions with other health care providers that the attending dentist failed to meet the standard of care for cancer patients in the province. Also, the patient further complained that they had not been adequately informed as to the progress of their treatment.

Investigation of these allegations found that initially a long standing low grade tumor had been diagnosed following biopsy and a pathology report from another jurisdiction. First treatment of the lesion was the attempted removal 24 days later in another province. There was a preliminary report two weeks later that the cancer may not have been entirely removed. It was another month before there

was a final post-surgical pathology report determining that further treatment and follow up care would be required to take place in this province. The investigation determined the attending dentist's office failed to verify transmission of this of the referral appropriately. Also there was no indication that the patient was provided a progress update before the information was transmitted to the local cancer service. The lines of communication were apparently managed inadequately. Included in this mismanagement was the treatment in another province and subsequent transfer of information. The committee felt this was not desirable but determined the patient did agree to seek treatment in the other province. An agreement had been signed also to also seek emergency care if needed in that other province. No emergency care appeared to be needed. Also, the patient had previously been appointed to be seen in this province post-surgically but cancelled that appointment. Finally, when the patient sought to change to providers operating solely in this province, no reference was made back to the original dentist.

Subsequently, the committee found it was an omission on the part of the original dentist to properly verify delivery of a referral for follow up care at the earliest opportunity. For this reason the CAC believed that sanction of the dentist was warranted and a "Caution" was given. The dentist subsequently must provide a proper verification system that determines that referrals are transmitted immediately. The dentist must also submit; for the purpose of monitoring, a fulsome report to the Registrar of all cases in their practice of cancer patients over the next 2 years and beyond as required by the Board.

FILE: NO. 2(B)

A representative of the Cancer Clinic in the province also made a complaint on behalf of the clinic alleging the failure of the dentist in (FILE NO. 2) properly advise the patient as to their options for providers and place of treatment. A further assertion that the dentist did not intend to recognize the requirements of the patient for follow-up care and a referral to the Cancer Care Clinic in this province was not accepted by the CAC. The committee did accept, as stated in the previous file, that patient communication and a referral was not executed satisfactorily. The Cancer Care Clinic subsequently made an allegation to the office of the Minister that the CAC did not exercise due diligence in adjudicating this file or the previous file. The body of reasoning given was the failure to do interviews with the Cancer Care representative and the patient and the over reliance on dental records and information provided by complainants and respondent.

The meeting of government officials with the registrar explored the reasoning behind the decisions of CAC. The investigation of the case was discussed but the issues of patient freedom of choice, labour mobility, the willingness of government to send patients out of province in similar circumstances was also addressed.

And, finally, although all treatment in this case occurred in another province one must ask why, given all the concerns expressed by the complainants, no complaint; either by the patient, or the Cancer Care Clinic of this province was filed in the province where treatment took place? The committee felt that the

as all information provided was generated from one source that the Caution and requirements issued in 2(A) was sufficient.

FILE: NO. 3

A physician practising in the province alleged possible incompetence on the part of a provincially licensed dentist concerning treatment provided in another province. The treatment received occurred following a referral by a medical specialist in this province. On returning to this province the patient experienced problems although they had agreed when necessary to return to the province where treatment took place. The attending dentist did provide follow-up care which was limited partially by not having hospital privileges in this province. The dentist presently is restricted by the Board from providing major oral surgery in this province unless hospital privileges are in place.

A further observation of CAC was that during the healing process the patient was specifically instructed on the wearing of supporting dental work and apparently was not in compliance with this requirement.

As the CAC did not find cause or reason to sanction the dentist based on the care provided in this province it dismissed the complaint. This disposition applied only to issues relevant to this province

The Registrar's investigation determined further that this matter is the subject of an investigation in the province where the treatment was undertaken the results of which will be made known to the Board.

FILE:NO. 4

The CAC reviewed an allegation concerning the removal of an impacted lower second bicuspid the removal of which evidently led to the apical root fracture of an adjacent tooth. The committee determined that while the patient did consent to the removal of this tooth the risks for removal of an otherwise a symptomatic tooth were not well given. The review of all information having been done, the committee was of the opinion that there were grounds that the respondent had engaged in conduct deserving sanction. The Respondent was required by the committee to establish a proper framework for informed consent.

FILE:NO. 5

The patient complained that the work done by the dentist; basically to improve their dental esthetics failed to meet a reasonable standard of care. A review of photographs and models and the apparent effort provided by the dentist to satisfy the patient was undertaken. The patient subsequently had visited a dentist in another community and was thereafter referred out of province to a prosthodontic specialist.

The decision of the Registrar to attempt mediation of the problem met with a degree of success as the dentist agreed to subsidize 2 further trips to the prosthodontist for remedial work. The patient wasn't completely happy with this option given what she felt was an unprofessional attitude of the dentist eventually but accepted the compromise. The complainant signed off on a release of further action.

FILE: NO.6

A patient alleged that Labrador Grenfell Health should be liable to cover a significant costs associated with remedial work done following care provided by LGH dentists. The allegation in particular sought compensation for root canal treatment that failed. In the opinion of the committee treatment could have been managed by the original dentist given their background and expertise. The patient however opted for other treatment options and given that the respondent had no option in determining care the CAC dismissed the allegation as not meeting the standard of a care. The patient was advised of the reasoning and the CAC did not feel it was in any position to dictate LGH policy.

FILE: NO.7

Patient was unhappy when they visited a dental office and felt uncomfortable when someone (other than the dentist) asked preliminary questions related to the office visit. The dentist was advised of the patient concerns and the outcome left to the dentist to resolve. The office policy did not appear to contravene any standard of care.

FILE: NO. 8

Patient wrote concerning post endo enamel fracture. Patient was provided with reasoning and an explanation of what had happened but patient never responded to the committee past their first letter of complaint.

The investigation of the matter absolved the dentist of any further responsibility. The CAC's review did determine that the dentist gave a discount because the patient had insurance. This is improper and discriminatory based solely on the holding of insurance. The dentist was advised to cease and desist in such discounts.

FILE: NO. 9

The parent of a child complained when two recently restored teeth were necessarily removed within an extremely short period of time. The treatment plan as reviewed by CAC indicated several restorations and the committee questioned the advisability of restoring the two teeth in question. The dentist was counselled that particular care need be taken in explaining to parents the poor prognosis of restoring such teeth. The parent was particularly upset with the repetition of treatment including the use of N2O; and the fact that they were again charged a fee. Although the dentist contended they had followed outlined procedures they were advised that the straw that probably broke the camel's back was the imposition of yet another fee so close in time. Although not a substantial fee better PR would have dictated a write –off of the fee. The dentist eventually did so as advised by the CAC. The rest of the complaint was dismissed given the rational for treatment provided by the dentist.

FILE: NO. 10

A parent presented at the Board office to discuss the bill they received which caused them great concern. Part of the problem arose wherein their spouse had provided incorrect information regarding

the costs. Apparently a 2 ½ year old required treatment on 26 teeth. There was a question as to whether root canals were appropriate in such cases. Eventually the Registrar reviewed the complete file with the parent and dismissed the need for further action based on the apparent acceptance by the parent of the circumstances.

FILE: NO.11

A patient complained about costs and follow up care when an orthodontic case was transferred from one general practitioner to another. After advising the new practitioner of the problem the patient called the Registrar to advise they were satisfied things had been worked out. No further action was taken.

FILE: NO.12

The Board received a complaint that dentist who attempted to provide patient care in a hospital bed failed to provide adequate care and failed to adhere to infection control standards form managing sharps. The complainant was acting on behalf of their elderly parent with a proper release to do so. The complainant, a registered nurse, was present during the surgical procedure of removing a partially buried root while the patient was in a hospital bed. The outcome was traumatic to the patient and left them with a difficult retreatment from an oral surgeon. The apparent infection control contravention occurred when the dentist failed to follow proper recapping or discarding procedures when leaving the site and another health care worker was subsequently injured.

The CAC considered such inadequate treatment to be a serious risk to the treatment of elderly compromised patients and noted the complainant felt that the dentist was at best unsympathetic. In such cases patients need to be seen and treated in a proper environment and should only do otherwise in dire circumstances. The respondent was, in the opinion of the committee, demonstrably lacking judgement in dealing with adults in general as evident in this case and in the respondent's history.

It was the decision of the committee therefore to restrict the respondent from treating adults which are not normally within their scope of practice to concentrate on that area of practice which the Board is presently monitoring.

FILE:NO. 13

A patient complained they were charged fees above and beyond fees suggested in the fee guide. The committee reviewed the file and decided that the patient was charged high fees. The patient did not ask for a predetermination. The dentist should not have charged the fees without some explanation given the preamble of the fee guide. When extra costs are involved such as travel costs patients should be advised of such issues of compensation.

The CAC suggested to the dentist that they should structure a preamble to inform patients of the variables of their billing policies. The committee further advised that the dentist consult with the Registrar further on this matter. The dentist has since removed themselves from this practice.

The patient was advised to be better informed and not make assumptions on what their costs will be by analyzing their insurance package. Further they were advised to not wait till a collection agency calls before addressing their concerns.

FILE: NO 14(A)

A parent of a patient with Aspergers complained their privacy was compromised when a dentist referred their son to a specialist. The Registrar first reviewed the allegation and suggested that the privacy commissioner would be the appropriate place to address this. The CAC agreed they saw no concern and dismissed this allegation.

FILE:NO. 14(B)

The same parent as in FILE 14 (A) on being referred to the specialist alleged discrimination by the specialist. The Registrar suggested that if they felt they were the subject of discrimination perhaps their complaint should be through the Human Rights Act. Following investigation of the patient's dental record the CAC found the facts that the patient /parent had a very poorly attended record over time and but that the present dentist (specialist) had only seen the patient once. The specialist had suggested that the patient having a long history with another specialist much closer to home would be better served going there.

The CAC reminded the specialist that if they did not wish to treat the patient because of their attendance record or other reasons appropriate these reasons should be stated in a letter and offer emergency treatment till the parent finds another provider. The CAC dismissed this allegation also.

FILE:NO.15

The parent of a child complained that a dentist removed the wrong teeth and caused harm to future orthodontic treatment. The review of records indicated that in fact two permanent teeth were removed in error and that subsequent orthodontic treatment would be more difficult.

The dentist was misled when they failed to properly identify the teeth the orthodontist advised. The referral record was not in the chart but the CAC determined that the dentist should not have proceeded without further due diligence.

The CAC found reason to believe that the dentist failed to meet the standard of care required in this case and counselled that treatment in following another's treatment plan requires even greater diligence than shown here.

The Committee subsequently directed the dentist to contact the complainant to reach an agreement in resolving the matter.

UNRESOLVED COMPLAINTS FROM 2016

There are 5 unresolved complaints mostly due to difficulty getting information from distance and reviewing other records. A couple of the complaints have basically been disposed of but are in connection with some other activity so given the circumstances they should be resolved together.

NEWFOUNDLAND & LABRADOR DENTAL BOARD

Financial Statements

Year Ended December 31, 2016

NEWFOUNDLAND & LABRADOR DENTAL BOARD

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Year Ended December 31, 2016

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INDEPENDENT AUDITOR'S REPORT

To the Members of Newfoundland & Labrador Dental Board

I have audited the accompanying financial statements of Newfoundland & Labrador Dental Board, which comprise the statement of financial position as at December 31, 2016 and the statements of revenues and expenditures, changes in net assets and cash flow 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Newfoundland & Labrador Dental Board as at December 31, 2016 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Brian Scammell

Brian T. Scammell Professional Corporation

St. John's, NL
June 30, 2017

NEWFOUNDLAND & LABRADOR DENTAL BOARD

Statement of Financial Position

December 31, 2016

	2016	2015
ASSETS		
CURRENT		
Cash	\$ 291,217	\$ 301,085
Marketable securities (<i>Market value \$860,214; 2015 \$808,206</i>)	860,214	808,206
Accounts receivable	40,616	9,083
Prepaid expenses	4,367	-
	\$ 1,196,414	\$ 1,118,374
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 11,366	\$ 18,801
Wages payable	-	2,127
Deferred income	304,769	293,607
	316,135	314,535
NET ASSETS	880,279	803,839
	\$ 1,196,414	\$ 1,118,374

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

NEWFOUNDLAND & LABRADOR DENTAL BOARD**Statement of Revenues and Expenditures****Year Ended December 31, 2016**

	2016	2015
REVENUES		
Licensing fees and penalties	\$ 397,790	\$ 320,858
Investment income	7,008	9,453
	404,798	330,311
EXPENSES		
Radiation surveys	79,147	59,721
Salaries, wages and benefits	72,562	87,096
Rent	59,123	52,277
Registrar's stipend	40,000	40,000
Travel and meeting - out of province	12,078	6,618
Travel and meeting - local	10,795	9,791
Office inspection	8,525	37,115
Legal fees	7,904	-
Insurance	7,292	7,268
Office supplies and postage	6,998	4,462
Professional fees	5,917	4,627
Grants	5,267	8,543
Computer consulting fees	4,476	2,436
Telephone	3,452	3,974
Courier	1,876	1,376
Equipment rentals	1,740	2,033
Printing	622	470
Interest and bank charges	494	228
Miscellaneous	90	215
Repairs and maintenance	-	165
Advertising and promotion	-	232
	328,358	328,647
EXCESS OF REVENUES OVER EXPENSES	\$ 76,440	\$ 1,664

NEWFOUNDLAND & LABRADOR DENTAL BOARD

Statement of Changes in Net Assets

Year Ended December 31, 2016

	2016		2015
NET ASSETS - BEGINNING OF YEAR	\$ 803,839	\$	802,175
EXCESS OF REVENUES OVER EXPENSES	76,440		1,664
NET ASSETS - END OF YEAR	\$ 880,279	\$	803,839

NEWFOUNDLAND & LABRADOR DENTAL BOARD

Statement of Cash Flow

Year Ended December 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 76,440	\$ 1,664
Changes in non-cash working capital:		
Accounts receivable	(31,533)	(3,569)
Interest receivable	-	1,147
Accounts payable	(7,435)	3,047
Deferred income	11,162	12,133
Prepaid expenses	(4,367)	648
Wages payable	(2,127)	2,127
	(34,300)	15,533
Cash flow from operating activities	42,140	17,197
INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	130,000	19,400
Purchase of marketable securities	(182,008)	-
Cash flow from (used by) investing activities	(52,008)	19,400
INCREASE (DECREASE) IN CASH FLOW	(9,868)	36,597
Cash - beginning of year	301,085	264,488
CASH - END OF YEAR	\$ 291,217	\$ 301,085

NEWFOUNDLAND & LABRADOR DENTAL BOARD

Notes to Financial Statements

Year Ended December 31, 2016

1. PURPOSE OF THE ORGANIZATION

Newfoundland & Labrador Dental Board (the "Organization") is incorporated under the Corporations Act as a corporation without share capital that operates to protect the public and to administer the licensing of dental professionals in the Province of Newfoundland and Labrador. The Board is exempt from income taxes under the Income Tax Act due to its not-for-profit nature.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Cash and cash equivalents

The Board's policy is to present bank balances and investments with a maturity period of three months or less from the date of acquisition under cash and cash equivalents.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, investments in equity instruments that are quoted in an active market are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Capital assets

Capital assets are recorded as expenses in the year they are acquired.

Revenue recognition

Newfoundland & Labrador Dental Board follows the deferral method of accounting for contributions.

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.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Licensing fees and penalties and interest revenue are recognized as earned and when collection is reasonably assured.

Contributed services

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Leases

Leases are classified as either capital or operating leases. Rental payments under operating leases are expensed as incurred.

(continues)

NEWFOUNDLAND & LABRADOR DENTAL BOARD

Notes to Financial Statements

Year Ended December 31, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. FINANCIAL INSTRUMENTS

The Board is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Board's risk exposure and concentration as of December 31, 2016.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Board is exposed to credit risk. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Board has a significant number of parties to whom they bill which minimizes concentration of credit risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Board is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Board manages exposure through its normal operating and financing activities. The Board is exposed to interest rate risk primarily through its investments.

4. CONTINGENT LIABILITY

The Board has been named as a defendant in a legal claim. Neither the possible outcome nor the amount of loss, if any, can be reasonably estimated as at December 31, 2016. No provision with respect to this claim has been made in these financial statements.

5. CAPITAL ASSETS CHARGED TO THE STATEMENT OF OPERATIONS

The cost of the capital assets expensed in the period was \$ 0. (2015 - \$0)

NEWFOUNDLAND & LABRADOR DENTAL BOARD

Notes to Financial Statements

Year Ended December 31, 2016

6. LEASE COMMITMENTS

The Board entered into a lease for office space on September 9, 2016. The approximate annual rent to the end of the lease term is as follows:

	\$
2017	52,404
2018	52,404
2019	52,404
2020	52,404
2021	39,303

7. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.