

**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**

**FINANCIAL STATEMENTS**

**December 31, 2013**



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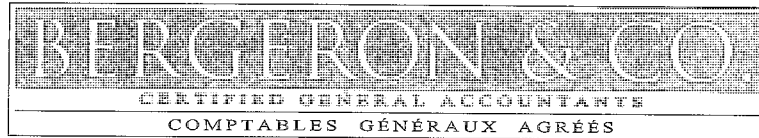
**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**

**FINANCIAL STATEMENTS**

**December 31, 2013**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of College of Dental Technologists of Alberta

We have audited the accompanying financial statements of College of Dental Technologists of Alberta, which comprise the statements of financial position as at December 31, 2013 and December 31, 2012, and the statements of operations, changes in net assets, and cash flows for the years ended December 31, 2013 and December 31, 2012, 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

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 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 is sufficient and appropriate to provide a basis for our qualified audit opinion.


### Basis for Qualified Opinion

Like many not-for-profit organizations, the College derives revenues from memberships, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the College and we were not able to determine whether any adjustments might be necessary to revenues, excess (deficiency) of revenues over expenditures, assets and net assets.

### Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of College of Dental Technologists of Alberta as at December 31, 2013 and December 31, 2012, and its financial performance and its cash flows for the years ended December 31, 2013 and December 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

Edmonton, AB  
April 24, 2014

  
**Bergeron & Co., CGA**  
Certified General Accountants

PIERRE BERGERON, B.A., CGA \*  
SIMON BELZILE, CGA \*

\* Professional Corporation



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**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**  
**STATEMENT OF OPERATIONS**  
**For the years ended December 31, 2013**

	<u>2013</u>	<u>2012</u>
<b>REVENUE</b>		
Membership dues	\$ 417,980	\$ 459,804
Educational revenue	10,997	5,100
Interest, assessments, and other revenue	<u>6,489</u>	<u>2,988</u>
	<u>435,466</u>	<u>467,892</u>
<b>EXPENSES</b>		
Wages and benefits	121,617	109,181
Insurance	59,830	57,654
Professional fees	53,956	62,528
Rent (Note 6)	31,004	34,714
Postage & courier	15,539	6,413
Bank charges	14,251	20,941
Amortization of tangible assets	10,363	11,111
Computer & Internet services	8,409	5,958
Education expenses	8,085	6,885
Telephone	7,119	6,273
Office and general	5,542	2,172
Travel	4,718	10,787
Conferences and seminars	3,354	3,380
Consulting fees	2,850	5,610
Repairs and maintenance	2,849	4,874
Standards practice/ Code of ethics	2,094	4,188
Competency development expense	1,803	3,696
Advertising and promotion	671	2,058
Training	450	-
Memberships and subscriptions	<u>-</u>	<u>100</u>
	<u>354,504</u>	<u>358,523</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ <u>80,962</u></b>	<b>\$ <u>109,369</u></b>

**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**For the years ended December 31, 2013**

	<u>Invested in capital assets</u>	<u>Unrestricted</u>	<u>Total 2013</u>	<u>Total 2012</u>
<b>NET ASSETS</b>				
Balance, beginning of year	\$ 31,189	\$ 219,358	\$ 250,547	\$ 141,178
Excess of revenues over expenses	(10,363)	91,325	80,962	109,369
Investment in capital assets	<u>2,788</u>	<u>(2,788)</u>	<u>-</u>	<u>-</u>
	<u>23,614</u>	<u>307,895</u>	<u>331,509</u>	<u>250,547</u>
<b>Balance, end of year</b>	<b><u>\$ 23,614</u></b>	<b><u>\$ 307,895</u></b>	<b><u>\$ 331,509</u></b>	<b><u>\$ 250,547</u></b>

See accompanying Notes to Financial Statements

**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA  
STATEMENT OF FINANCIAL POSITION  
December 31, 2013**

ASSETS		
	<u>2013</u>	<u>2012</u>
CURRENT		
Cash and cash equivalents	\$ 711,546	\$ 608,061
Prepaid expenses	<u>12,383</u>	<u>12,893</u>
TOTAL CURRENT ASSETS	723,929	620,954
TANGIBLE CAPITAL ASSETS (Note 3)	23,614	31,190
INTANGIBLE ASSETS (Note 4)	<u>-</u>	<u>8,612</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>747,543</u></b>	<b>\$ <u>660,756</u></b>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ <u>19,149</u>	\$ <u>21,004</u>
TOTAL CURRENT LIABILITIES	19,149	21,004
DEFERRED CONTRIBUTIONS (Note 5)	<u>396,885</u>	<u>389,205</u>
TOTAL LIABILITIES	<u>416,034</u>	<u>410,209</u>
NET ASSETS		
Net assets invested in capital assets	23,614	31,189
Unrestricted net assets	<u>307,895</u>	<u>219,358</u>
TOTAL NET ASSETS	<u>331,509</u>	<u>250,547</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$ <u>747,543</u></b>	<b>\$ <u>660,756</u></b>

Approved by the Directors:

\_\_\_\_\_, Director

\_\_\_\_\_, Director

**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA  
CASH FLOW STATEMENT  
For the years ended December 31, 2013**

	<u>2013</u>	<u>2012</u>
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 80,962	\$ 109,369
Add (deduct):		
Charges to income not involving cash		
Amortization	<u>10,363</u>	<u>11,111</u>
	91,325	120,480
Net change in non-cash working capital balances related to operations		
Prepaid expenses	511	(356)
Accounts payable and accrued liabilities	(1,856)	(26,020)
Deferred contributions	<u>7,680</u>	<u>140,441</u>
	<u>97,660</u>	<u>234,545</u>
 <b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(2,787)	(7,088)
Payment of deferred charges	<u>8,612</u>	<u>17,223</u>
	<u>5,825</u>	<u>10,135</u>
 <b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	 103,485	 244,680
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>608,061</u>	<u>363,381</u>
 <b>CASH AND CASH EQUIVALENTS, end of year</b>	 <u>\$ 711,546</u>	 <u>\$ 608,061</u>

**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2013**

**1. PURPOSE OF THE NOT-FOR-PROFIT ORGANIZATION**

The College is incorporated under the provisions of the Health Professions Act (Alberta) for the purpose of regulating the profession of Dental Technologists and Dental Technicians in Alberta pursuant to the Act and Regulation and to administer and manage the affairs of the College consistent with the Bylaws, Standards of Practice and Code of Ethics. The College is a not-for-profit organization and is therefore exempt from income tax.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies:

**Cash and cash equivalents**

- a) Cash equivalents are comprised of money market investments that are readily convertible to cash.

**Tangible capital assets**

- b) Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution. Amortization is recorded at the following rates, which have been established by estimates of useful lives. Additions during the current year are amortized at one-half their normal rates, and no amortization is taken in the year of disposition. Amortization expense is reported in the statement of operations.

Computer hardware	30% declining balance
Computer software	40% declining balance
Furniture and fixtures	20% declining balance

**Intangible assets**

- c) The College elected to defer certain costs incurred during the conversion from an association to a college. These costs are amortized on a straight-line basis at the following rate, which has been established by estimating the period the College is expected to derive benefit from the costs. Only 50% of the annual amount was claimed in 2006.

Deferred charges	7 years straight-line
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**Revenue recognition**

- d) The organization uses the deferral method of accounting for contributions. Under this method, contributions restricted to expenses of future periods are deferred and recognized as revenue in the period when the related expenses are incurred.

Investment income, which is reported on an accrual basis, includes interest income, it is recorded on the Statement of Operations.



**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2013**

**Management's use of estimates**

- e) When preparing financial statements according to ASNPO, the Association makes estimates and assumptions relating to:
- Reported amounts of revenue and expenses;
  - Reported amounts of assets and liabilities; and
  - Disclosure of contingent assets and liabilities

Management's assumptions are based on a number of factors, including historical experience, current events and actions that the organization may undertake in the future, and other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates were used when accounting for certain items, such as the useful lives of capital assets and impairment of long-lived assets.

**Contributed materials and services**

- f) Volunteers contribute many hours per year to assist the organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements. Contributed materials are recognized at their fair value.

**Financial instruments**

- g) Financial assets and liabilities are measured initially at fair value. Subsequent measurement is at amortized cost.

Financial assets measured at amortized cost consist of cash, tangible capital assets and intangible capital assets.

Financial liabilities measured at amortized cost consist accounts payable.

**3. TANGIBLE CAPITAL ASSETS**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2013</u>	<u>2012</u>
Computer hardware	\$ 65,271	\$ 54,946	\$ 10,325	\$ 11,365
Computer software	19,163	11,450	7,713	12,855
Furniture and fixtures	<u>23,040</u>	<u>17,464</u>	<u>5,576</u>	<u>6,970</u>
	<u>\$ 107,474</u>	<u>\$ 83,860</u>	<u>\$ 23,614</u>	<u>\$ 31,190</u>

**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2013**

**4. DEFERRED CHARGES**

	<u>2013</u>	<u>2012</u>
Competency development	\$ 25,871	\$ 25,871
Standards of Practice/ Codes of Ethics	29,316	29,316
Consulting	39,271	39,271
Legal costs	<u>26,104</u>	<u>26,104</u>
	120,562	120,562
Less: Accumulated amortization	<u>120,562</u>	<u>111,950</u>
	<u>\$ -</u>	<u>\$ 8,612</u>

**5. DEFERRED REVENUES**

	<u>2013</u>	<u>2012</u>
Membership revenue	\$ <u>396,885</u>	\$ <u>389,205</u>

**6. LEASE COMMITMENTS**

The college has entered into a lease agreement for office premises expiring on February 28, 2019, with an option to renew for a further five years. Minimum lease payments for the current term of the lease are as follows:

2014	\$	15,660
2015		16,269
2016		16,704
2017		16,704
2018		<u>16,704</u>
	<u>\$</u>	<u>82,041</u>

**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2013**

**7. FINANCIAL INSTRUMENTS**

The college is exposed to various risks through its financial instruments. The following describes the exposures to those risks, how they arise, any changes in risk exposures from the previous period, and any concentrations of risk.

**Credit risk:**

Credit risks arise from cash and cash equivalents. Cash and cash equivalents are deposited with reputable, major financial institutions to limit the credit risk exposure.

**Interest rate risk:**

The Association is exposed to interest rate risk with respect to the following financial instruments: cash and cash equivalents. Changes in interest rates can affect the fair value of investments and the cash flows related to interest income and expense.

**8. COMPARATIVE INFORMATION**

Certain comparative amounts have been reclassified to conform with the current year classifications of operating expenses.