

COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA

FINANCIAL STATEMENTS

December 31, 2014



200, 8925 - 82 AVENUE EDMONTON, ALBERTA T6C 0Z2
TEL. (780) 468-1667 FAX (780) 468-2565 1-800-668-6013 E-MAIL: info@bergeron-cga.com

ST. PAUL, ALBERTA TEL. (780) 645-5393



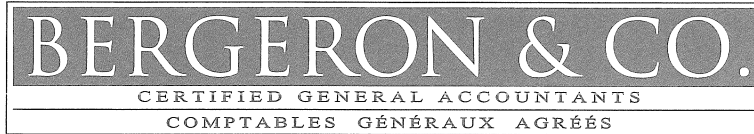
COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA

FINANCIAL STATEMENTS

December 31, 2014

INDEX

	Page
Independent Auditor's Report	
Statement of Operations	2
Statement of Changes in Net Assets	3
Statement of Financial Position	4
Cash Flow Statement	5
Notes to Financial Statements	6 - 9



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 statement of financial position as at December 31, 2014, and the statements of operations, changes in net assets, and 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 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.

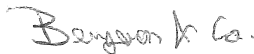
Basis for Qualified Opinion

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, 2014, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Edmonton, AB
April 23, 2015


Bergeron & Co., CGA
Certified General Accountants

COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA
STATEMENT OF OPERATIONS
For the year ended December 31, 2014

	<u>2014</u>	<u>2013</u>
REVENUE		
Membership dues	\$ 439,051	\$ 417,980
Educational revenue	8,055	10,997
Interest, assessments, and other revenue	<u>4,877</u>	<u>6,489</u>
	<u>451,983</u>	<u>435,466</u>
EXPENSES		
Wages and benefits	140,642	121,617
Insurance	58,315	59,830
Professional fees	44,240	53,956
Rent (Note 6)	31,587	31,004
Postage & courier	19,502	15,539
Computer & Internet services	18,843	8,409
Bank charges	15,700	14,251
Travel	9,586	4,718
Amortization of tangible assets	7,369	10,363
Telephone	5,178	7,119
Education expenses (Note 7)	4,811	8,085
Office and general	4,316	5,542
Memberships and subscriptions	3,120	-
Conferences and seminars (Note 9)	2,849	3,354
Repairs and maintenance	1,403	2,849
Advertising and promotion	482	671
Training (Note 8)	-	450
Standards practice/ Code of ethics (Note 8)	-	2,094
Consulting fees (Note 8)	-	2,850
Competency development expense (Note 8)	<u>-</u>	<u>1,803</u>
	<u>367,943</u>	<u>354,504</u>
EXCESS OF REVENUE OVER EXPENSES	\$ <u>84,040</u>	\$ <u>80,962</u>

COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA
STATEMENT OF CHANGES IN NET ASSETS
For the year ended December 31, 2014

	Invested in capital assets	Unrestricted	Total 2014	Total 2013
NET ASSETS				
Balance, beginning of year	\$ 23,614	\$ 307,895	\$ 331,509	\$ 250,547
Investment in capital assets	713	(713)	-	-
Excess of revenues over expenses	(7,369)	91,409	84,040	80,962
Prior Period Adjustment (Note 11)	-	(6,500)	(6,500)	-
	<u>16,958</u>	<u>392,091</u>	<u>409,049</u>	<u>331,509</u>
Balance, end of year	\$ <u>16,958</u>	\$ <u>392,091</u>	\$ <u>409,049</u>	\$ <u>331,509</u>

COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA
STATEMENT OF FINANCIAL POSITION
December 31, 2014

ASSETS		<u>2014</u>	<u>2013</u>
CURRENT			
Cash and cash equivalents (Notes 2 & 3)		\$ 796,935	\$ 711,546
Prepaid expenses		<u>12,366</u>	<u>12,383</u>
TOTAL CURRENT ASSETS		809,301	723,929
TANGIBLE CAPITAL ASSETS (Note 4)		<u>16,958</u>	<u>23,614</u>
TOTAL ASSETS		<u>\$ 826,259</u>	<u>\$ 747,543</u>
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities		\$ <u>22,480</u>	\$ <u>19,149</u>
TOTAL CURRENT LIABILITIES		22,480	19,149
DEFERRED CONTRIBUTIONS (Note 5)		<u>394,730</u>	<u>396,885</u>
TOTAL LIABILITIES		<u>417,210</u>	<u>416,034</u>
NET ASSETS			
Net assets invested in capital assets		16,958	23,614
Unrestricted net assets		<u>392,091</u>	<u>307,895</u>
TOTAL NET ASSETS		<u>409,049</u>	<u>331,509</u>
TOTAL LIABILITIES & NET ASSETS		<u>\$ 826,259</u>	<u>\$ 747,543</u>

Approved by the Directors:

_____, Director

_____, Director

**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA
CASH FLOW STATEMENT
For the year ended December 31, 2014**

	<u>2014</u>	<u>2013</u>
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 84,040	\$ 80,962
Add (deduct):		
Charges to income not involving cash		
Amortization	7,369	10,363
Prior period adjustment	<u>(6,500)</u>	<u>-</u>
	84,909	91,325
Net change in non-cash working capital		
Balances related to operations		
Prepaid expenses	17	511
Accounts payable and accrued liabilities	3,330	(1,856)
Deferred contributions	<u>(2,155)</u>	<u>7,680</u>
	<u>86,101</u>	<u>97,660</u>
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(712)	(2,787)
Payment of deferred charges	<u>-</u>	<u>8,612</u>
	<u>(712)</u>	<u>5,825</u>
INCREASE IN CASH AND CASH EQUIVALENTS	85,389	103,485
CASH AND CASH EQUIVALENTS, beginning of year	<u>711,546</u>	<u>608,061</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 796,935</u>	<u>\$ 711,546</u>

COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

1. PURPOSE OF THE NOT-FOR-PROFIT ORGANIZATION

The College of Dental Technologists of Alberta is constituted under the provisions of the Health Professions Act of Alberta. The purpose of the College is to regulate the profession of Dental Technologists and Dental Technicians in Alberta pursuant to the Act and Regulations of the Act, 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 and cash equivalents are comprised of amounts on deposit at financial institutions and 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

Revenue recognition

- c) 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 and is recorded on the Statement of Operations.

Membership fees are recognized in the year for which the membership covers.

COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

Management's use of estimates

- d) When preparing financial statements according to ASNPO, the College 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

- e) 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

- f) 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.

Financial liabilities measured at amortized cost consist accounts payable.

3. BANK OPERATING LOAN

The College has arranged for an operating line of credit with TD Canada Trust authorized to \$50,000. The line of credit is secured by a General Security Agreement covering all assets of the College and interest is payable monthly on any outstanding balance at bank prime plus 3.85%.

4. TANGIBLE CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2014</u>	<u>2013</u>
Computer hardware	\$ 65,271	\$ 58,044	\$ 7,227	\$ 10,325
Computer software	19,163	14,535	4,628	7,713
Furniture and fixtures	<u>23,754</u>	<u>18,651</u>	<u>5,103</u>	<u>5,576</u>
	<u>\$ 108,188</u>	<u>\$ 91,230</u>	<u>\$ 16,958</u>	<u>\$ 23,614</u>

COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

5. DEFERRED REVENUES

	<u>2014</u>	<u>2013</u>
Membership revenue	\$ <u>394,730</u>	\$ <u>396,885</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:

2015	\$	16,269
2016		16,704
2017		16,704
2018		16,704
2019		<u>16,704</u>
	\$	<u>83,085</u>

7. LONG TERM ENGAGEMENT

The College has pledged to provide a contribution of \$2,000 per year to the NAIT Scholarships and Bursary fund for students enrolled in the Dental Technologists program at NAIT. The pledge will expire in 2016.

8. DEFERRED CHARGES

	<u>2014</u>	<u>2013</u>
Competency development	\$ -	\$ 25,871
Standards of Practice/ Codes of Ethics	-	29,316
Consulting	-	39,271
Legal costs	<u>-</u>	<u>26,104</u>
	-	120,562
Less: Accumulated amortization	<u>-</u>	<u>120,562</u>
	<u>\$ -</u>	<u>\$ -</u>

9. RELATED PARTY TRANSACTIONS

Members of the executive council have received honoraria totalling \$750 in 2014.

COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

10. 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.

11. PRIOR PERIOD ADJUSTMENT

In 2014, the College of Dental Technologists of Alberta refunded the unexpended portion of a grant from the Government of Alberta. The effect of the adjustment is a reduction of the net assets by \$6,500.

12. COMPARATIVE INFORMATION

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