



**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**

**FINANCIAL STATEMENTS**

**December 31, 2016**



**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**

**FINANCIAL STATEMENTS**

**December 31, 2016**

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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 statement of financial position as at December 31, 2016, 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

In common with many not for profit organizations, the College derives revenues from fees, the completeness of which is not susceptible to audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the College, and we were unable to determine whether any adjustments might be necessary to revenues, excess (deficiency) of revenues over expenditures, assets or 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, 2016, 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  
March 31, 2017

*Bergeron & Co.*

**Bergeron & Co. Chartered Professional Accountants**



**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**  
**STATEMENT OF OPERATIONS**  
**For the year ended December 31, 2016**

	<u>2016</u>	<u>2015</u>
<b>REVENUE</b>		
Membership dues	\$ 424,476	\$ 419,887
Educational revenue	9,945	2,500
Interest, assessments, and other revenue (Note 7)	<u>4,485</u>	<u>3,576</u>
	<u>438,906</u>	<u>425,963</u>
<b>EXPENSES</b>		
Wages and benefits	153,029	148,846
Professional fees	85,532	49,521
Insurance	60,880	65,612
Rent (Note 8)	32,681	33,144
Postage & courier	17,410	17,535
Interest and bank charges	15,327	16,476
Travel	9,963	13,721
Conferences and seminars (Note 9)	8,972	6,910
Computer & Internet services	7,491	13,461
Education expenses	6,040	4,675
Memberships and subscriptions	5,120	3,620
Telephone	5,096	6,330
Amortization of tangible assets	3,711	5,113
Office and general	3,404	3,033
Training	<u>350</u>	<u>1,600</u>
	<u>415,006</u>	<u>389,597</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ <u>23,900</u></b>	<b>\$ <u>36,366</u></b>

**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**For the year ended December 31, 2016**

NET ASSETS	<u>Restricted</u>	<u>Invested in capital assets</u>	<u>Unrestricted</u>	<u>Total 2016</u>	<u>Total 2015</u>
Balance, beginning of year	\$ -	\$ 12,579	\$ 432,835	\$ 445,414	\$ 409,048
Excess of revenues over expenses	-	(3,711)	27,611	23,900	36,366
Investment in capital assets	-	<u>894</u>	<u>(894)</u>	-	-
	-	<u>9,762</u>	<u>459,552</u>	<u>469,314</u>	<u>445,414</u>
<b>Balance, end of year</b>	<b>\$ -</b>	<b>\$ <u>9,762</u></b>	<b>\$ <u>459,552</u></b>	<b>\$ <u>469,314</u></b>	<b>\$ <u>445,414</u></b>



**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2016**

	ASSETS	<u>2016</u>	<u>2015</u>
CURRENT			
Cash and cash equivalents		\$ 843,113	\$ 828,301
Prepaid expenses		<u>14,289</u>	<u>14,830</u>
<b>TOTAL CURRENT ASSETS</b>		857,402	843,131
TANGIBLE CAPITAL ASSETS (Note 4)		<u>9,761</u>	<u>12,579</u>
<b>TOTAL ASSETS</b>		<b><u>\$ 867,163</u></b>	<b><u>\$ 855,710</u></b>
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities		\$ 26,264	\$ 21,806
Deferred revenues (Note 6)		<u>371,585</u>	<u>388,490</u>
<b>TOTAL LIABILITIES</b>		<u>397,849</u>	<u>410,296</u>
NET ASSETS			
Net assets invested in capital assets		9,762	12,579
Unrestricted net assets		<u>459,552</u>	<u>432,835</u>
<b>TOTAL NET ASSETS</b>		<u>469,314</u>	<u>445,414</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>		<b><u>\$ 867,163</u></b>	<b><u>\$ 855,710</u></b>

Approved by the Directors:

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

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

**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**  
**CASH FLOW STATEMENT**  
For the year ended December 31, 2016

	<u>2016</u>	<u>2015</u>
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 23,900	\$ 36,366
Add (deduct):		
Charges to income not involving cash		
Amortization	<u>3,711</u>	<u>5,113</u>
	27,611	41,479
Net change in non-cash working capital balances related to operations		
Prepaid expenses	540	(2,464)
Accounts payable and accrued liabilities	4,460	(675)
Deferred revenues	<u>(16,905)</u>	<u>(6,240)</u>
	<u>15,706</u>	<u>32,100</u>
 <b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	<u>(894)</u>	<u>(734)</u>
	<u>(894)</u>	<u>(734)</u>
 <b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		
	14,812	31,366
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>828,301</u>	<u>796,935</u>
 <b>CASH AND CASH EQUIVALENTS, end of year</b>	 <u>\$ 843,113</u>	 <u>\$ 828,301</u>

**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**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. 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

**Financial instruments**

- c) 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 and tangible capital assets.

Financial liabilities measured at amortized cost consist of accounts payable.





**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2016**

**Management's use of estimates**

- d) 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.

**Revenue recognition**

- e) 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.

Membership fees are recognized as revenue for the period in which it relates to.

**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.

**3. 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 College 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.

**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**  
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**4. TANGIBLE CAPITAL ASSETS**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2016</u>	<u>2015</u>
Computer hardware	\$ 66,165	\$ 61,864	\$ 4,301	\$ 5,059
Computer software	19,163	17,497	1,666	2,777
Furniture and fixtures	<u>24,488</u>	<u>20,694</u>	<u>3,794</u>	<u>4,743</u>
	<u>\$ 109,816</u>	<u>\$ 100,055</u>	<u>\$ 9,761</u>	<u>\$ 12,579</u>

**5. 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%.

**6. DEFERRED REVENUES**

	<u>2016</u>	<u>2015</u>
Membership dues	\$ <u>371,585</u>	\$ <u>388,490</u>
	<u>\$ 371,585</u>	<u>\$ 388,490</u>

**7. INTEREST, ASSESSMENTS AND OTHER INCOME**

	<u>2016</u>	<u>2015</u>
Interest income	\$ 2,580	\$ 2,446
Administrative income	975	810
Advertising income	<u>930</u>	<u>320</u>
	<u>\$ 4,485</u>	<u>\$ 3,576</u>

**8. 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:

2017	\$ 16,704
2018	16,704
2019	16,704
2020	16,704
2021	<u>16,704</u>
	<u>\$ 83,520</u>



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**9. RELATED PARTY TRANSACTIONS**

Members of the executive council have received honoraria totalling \$3,715 (2015 - \$2,500).

**10. COMPARATIVE INFORMATION**

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