

**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**

**FINANCIAL STATEMENTS**

**December 31, 2012**



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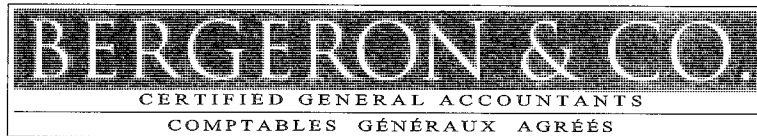
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## INDEPENDENT AUDITOR'S REPORT

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, 2012, December 31, 2011, and January 1, 2011, and the statements of operations, changes in net assets, and cash flows for the years ended December 31, 2012 and December 31, 2011, 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 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.

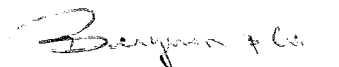
### Qualified Opinion

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, 2012, December 31, 2011, and January 1, 2011, and its financial performance and its cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian accounting standards for not-for-profit organizations.

### Comparative Information

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes that College of Dental Technologists of Alberta adopted the Canadian accounting standards for not-for-profit organizations on January 1, 2012 with a transition date of January 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at December 31, 2011 and January 1, 2011, and the statements of operations, changes in net assets, and cash flows for the period ended December 31, 2011 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

Edmonton, AB  
April 6, 2013

  
**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, 2012**

	<u>2012</u>	<u>2011</u>
<b>REVENUE</b>		
Membership dues	\$ 459,804	\$ 538,620
Interest, assessments and other income	2,988	250
Educational revenue	5,100	5,175
Rent received	<u>-</u>	<u>1,100</u>
	<u>467,892</u>	<u>545,145</u>
<b>EXPENSES</b>		
Wages and benefits	109,181	108,717
Professional fees	62,528	103,790
Insurance	57,654	56,124
Rent (Note 8)	34,714	58,978
Bank charges	20,941	6,873
Amortization of tangible assets	11,111	16,363
Travel	10,787	18,130
Education expenses	6,885	3,950
Telephone	6,273	7,051
Computer & internet services	5,958	6,688
Consulting fees	5,610	5,610
Postage & Courier	5,524	3,883
Repairs and maintenance	4,874	6,333
Standards Practice/Codes of Ethics	4,188	4,188
Competency Development Program	3,696	3,696
Conferences and seminars	3,380	284
Office and general	3,062	3,533
Advertising and promotion	2,058	-
Memberships and subscriptions	100	100
Subcontracting	<u>-</u>	<u>298</u>
	<u>358,524</u>	<u>414,589</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>109,368</u>	<u>130,556</u>
<b>OTHER</b>		
Gain (loss) on sale of assets	<u>-</u>	<u>(80,429)</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ 109,368</u>	<u>\$ 50,127</u>

**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**For the years ended December 31, 2012**

NET ASSETS	Invested in capital assets	Restricted	Unrestricted	Total 2012	Total 2011
Balance, beginning of year	\$ 35,213	\$ -	\$ 105,963	\$ 141,176	\$ 91,049
Excess of revenues over expenses	(11,111)	-	120,479	109,368	50,127
Investment in capital assets	<u>7,088</u>	<u>-</u>	<u>(7,088)</u>	<u>-</u>	<u>-</u>
	<u>31,190</u>	<u>-</u>	<u>219,354</u>	<u>250,544</u>	<u>141,176</u>
<b>Balance, end of year</b>	<b><u>\$ 31,190</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 219,354</u></b>	<b><u>\$ 250,544</u></b>	<b><u>\$ 141,176</u></b>

See accompanying Notes to Financial Statements

**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2012**

	ASSETS		
	<u>2012</u>	<u>2011</u>	<u>2011</u> (January 1)
CURRENT			
Cash	\$ 608,061	\$ 363,381	\$ 417,833
Prepaid expenses	<u>12,893</u>	<u>12,537</u>	<u>12,817</u>
TOTAL CURRENT ASSETS	620,954	375,918	430,650
TANGIBLE CAPITAL ASSETS (Note 4)	31,189	35,213	139,430
DEFERRED CHARGES (Note 5)	<u>8,612</u>	<u>25,835</u>	<u>43,058</u>
TOTAL ASSETS	<u>\$ 660,755</u>	<u>\$ 436,966</u>	<u>\$ 613,138</u>
	LIABILITIES		
CURRENT			
Accounts payable and accrued liabilities	\$ <u>21,006</u>	\$ <u>47,026</u>	\$ <u>70,304</u>
TOTAL CURRENT LIABILITIES	21,006	47,026	70,304
DEFERRED REVENUES (Note 6)	<u>389,205</u>	<u>248,764</u>	<u>451,785</u>
TOTAL LIABILITIES	<u>410,211</u>	<u>295,790</u>	<u>522,089</u>
	NET ASSETS		
Net assets invested in capital assets	31,190	35,213	139,430
Unrestricted net assets	<u>219,354</u>	<u>105,963</u>	<u>(48,381)</u>
TOTAL NET ASSETS	<u>250,544</u>	<u>141,176</u>	<u>91,049</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 660,755</u>	<u>\$ 436,966</u>	<u>\$ 613,138</u>

Approved by the Directors:

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

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

**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA  
CASH FLOW STATEMENT  
For the years ended December 31, 2012**

	<u>2012</u>	<u>2011</u>
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 109,368	\$ 50,127
Add (deduct):		
Charges to income not involving cash		
Amortization	11,111	16,363
Gain on disposal of assets	<u>-</u>	<u>80,429</u>
	120,479	146,919
Net change in non-cash working capital balances related to operations		
Prepaid expenses	(356)	280
Accounts payable and accrued liabilities	(26,019)	(23,278)
Deferred contributions	<u>140,441</u>	<u>(203,021)</u>
	<u>234,545</u>	<u>(79,100)</u>
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of tangible capital assets	-	19,500
Purchase of tangible capital assets	(7,088)	(12,075)
Payment of deferred charges	<u>17,223</u>	<u>17,223</u>
	<u>10,135</u>	<u>24,648</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	244,680	(54,452)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>363,381</u>	<u>417,833</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 608,061</u>	<u>\$ 363,381</u>

**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012**

**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. ADOPTION OF CANADIAN ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS**

These are the first financial statements of the College since adopting Canadian accounting standards for not-for-profit organizations. The financial statements for the year ended December 31, 2011 were previously prepared in accordance with the pre-changeover accounting standards. The College's date of adoption of the new standards is January 1, 2012 while the date of transition to Canadian accounting standards for not-for-profit organizations is January 1, 2011.

On adoption of ASNPO, an organization is permitted to selectively elect certain exemptions and choose accounting policies that may differ from the previously presented financial statement information. This can result in adjustments to the opening net assets at the transition date, which is the first day of the period for which comparative information is presented.

The College did not elect to apply any exemptions upon initial adoption of Canadian accounting standards for not-for-profit organizations.

The adoption of Canadian accounting standards for not-for-profit organizations has not resulted in any restatement of the previous financial statements.

**3. SIGNIFICANT ACCOUNTING POLICIES**

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

**Revenue recognition**

- a) The College follows the deferral method of accounting for revenues whereby revenues related to expenses of future periods are deferred and recognized as revenues in the period in which the related expenses are incurred.

**Cash and cash equivalents**

- b) Cash and cash equivalents include amounts on deposit with financial institutions, and highly liquid investments.



**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012**

**Tangible capital assets**

- c) Purchased tangible capital assets are recorded at cost. 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.
- |                        |                       |
|------------------------|-----------------------|
| Computer hardware      | 30% declining balance |
| Computer software      | 40% declining balance |
| Furniture and fixtures | 20% declining balance |

**Intangible assets**

- d) 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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**Management's use of estimates**

- e) When preparing financial statements according to ASNPO, the organization 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.

**4. TANGIBLE CAPITAL ASSETS**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>		
			<u>2012</u>	<u>2011</u>	<u>2011</u> (January 1)
Computer hardware	\$ 62,483	\$ 51,119	\$ 11,364	\$ 16,236	\$ 23,195
Computer software	19,163	6,308	12,855	10,264	-
Furniture and fixtures	23,040	16,070	6,970	8,713	66,046
Office equipment	-	-	-	-	1,454
Leasehold improvements	-	-	-	-	48,735
	<u>\$ 104,686</u>	<u>\$ 73,497</u>	<u>\$ 31,189</u>	<u>\$ 35,213</u>	<u>\$ 139,430</u>

**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012**

**5. DEFERRED CHARGES**

	<u>2012</u>	<u>2011</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>111,950</u>	<u>94,727</u>
	<u>\$ 8,612</u>	<u>\$ 25,835</u>

**6. DEFERRED REVENUES**

Details of the deferred revenues are as follows:

	<u>2012</u>	<u>2011</u>
Memberships revenues	\$ <u>389,205</u>	\$ <u>248,764</u>

**7. BANK OPERATING LOAN**

The College has arranged for an operating line of credit with the TD Canada Trust authorized to \$50,000. The line of credit is secured by a General Security Agreement covering all assets of the College.

**8. LEASE COMMITMENTS**

The College has entered into a lease agreement for office premises expiring on February 28, 2019. Minimum lease payments for the current term of the lease are as follows:

2013	\$	15,660
2014		15,660
2015		16,269
2016		16,704
2017		<u>16,704</u>
	\$	<u>80,997</u>

**9. FINANCIAL INSTRUMENTS**

The College's financial instruments consist of cash and cash equivalents and accounts payable. Unless otherwise noted, it is management's opinion that there are no significant currency, credit or interest risk arising from these financial statements.

**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012**

**10. COMPARATIVE INFORMATION**

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