

**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**

**FINANCIAL STATEMENTS**

**December 31, 2018**

**Bergeron**  
**&Co.** CHARTERED PROFESSIONAL ACCOUNTANTS  
COMPTABLES PROFESSIONNELS AGRÉÉS



**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**  
**FINANCIAL STATEMENTS**  
**December 31, 2018**

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To the Members of College of Dental Technologists of Alberta

*Opinion*

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, 2018, and the statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of College of Dental Technologists of Alberta as at December 31, 2018, and the results of its activities and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

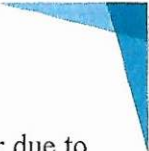
Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

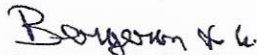
Those charged with governance are responsible for overseeing the College's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit, in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit 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 College's internal control.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the College to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

  
Bergeron & Co. Chartered Professional Accountants

April 24, 2019  
Edmonton, AB



**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**  
**STATEMENT OF OPERATIONS**  
**For the year ended December 31, 2018**

	<u>2018</u>	<u>2017</u>
<b>REVENUES</b>		
Membership dues	\$ 408,653	\$ 408,281
Educational revenue	13,300	14,850
Interest, assessments, and other revenue (Note 7)	<u>5,415</u>	<u>4,722</u>
	<u>427,368</u>	<u>427,853</u>
<b>EXPENSES</b>		
Wages and benefits	168,364	157,593
Insurance	58,068	61,160
Rent (Note 8)	34,540	34,787
Professional fees	36,902	94,174
Interest and bank charges	18,096	15,092
Postage and courier	17,981	15,363
Education expenses	15,895	7,790
Travel	10,069	9,567
Computer and Internet services	9,323	7,893
Memberships and subscriptions	5,661	5,561
Telephone	5,526	6,706
Conferences and seminars (Note 9)	4,213	7,234
Amortization of tangible capital assets	3,339	3,556
Office and general	3,194	6,580
Training	<u>3,144</u>	<u>-</u>
	<u>394,315</u>	<u>433,056</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ 33,053</u>	<u>\$ (5,203)</u>

See accompanying Notes to Financial Statements

**Bergeron & Co.**

COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA  
 STATEMENT OF CHANGES IN NET ASSETS  
 For the year ended December 31, 2018

NET ASSETS	<u>Restricted</u>	<u>Invested in capital assets</u>	<u>Unrestricted</u>	<u>Total 2018</u>	<u>Total 2017</u>
Balance, beginning of year	\$ -	\$ 11,810	\$ 452,299	\$ 464,109	\$ 469,312
Excess (deficiency) of revenues over expenses	-	(3,339)	36,392	33,053	(5,203)
<b>Balance, end of year</b>	<b>\$ -</b>	<b>\$ 8,471</b>	<b>\$ 488,691</b>	<b>\$ 497,162</b>	<b>\$ 464,109</b>

Bergeron & Co.

**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2018**

	ASSETS	
	2018	2017
CURRENT		
Cash and cash equivalents	\$ 847,699	\$ 772,492
Prepaid expenses	<u>15,660</u>	<u>69,360</u>
<b>TOTAL CURRENT ASSETS</b>	<b>863,359</b>	<b>841,852</b>
TANGIBLE CAPITAL ASSETS (Note 4)	<u>8,470</u>	<u>11,810</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 871,829</u></b>	<b><u>\$ 853,662</u></b>
	LIABILITIES	
CURRENT		
Accounts payable and accrued liabilities	\$ 17,407	\$ 20,928
Deferred revenues (Note 6)	<u>357,260</u>	<u>368,625</u>
<b>TOTAL LIABILITIES</b>	<b><u>374,667</u></b>	<b><u>389,553</u></b>
	NET ASSETS	
Net assets invested in capital assets	8,471	11,810
Unrestricted net assets	<u>488,691</u>	<u>452,299</u>
<b>TOTAL NET ASSETS</b>	<b><u>497,162</u></b>	<b><u>464,109</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 871,829</u></b>	<b><u>\$ 853,662</u></b>

Approved by the Directors:

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

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

**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**  
**CASH FLOW STATEMENT**  
**For the year ended December 31, 2018**

	<u>2018</u>	<u>2017</u>
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ 33,053	\$ (5,203)
Add (deduct):		
Charges to income not involving cash		
Amortization of tangible capital assets	<u>3,339</u>	<u>3,556</u>
	36,392	(1,647)
Net change in non-cash working capital balances related to operations		
Prepaid expenses	53,700	(55,071)
Accounts payable and accrued liabilities	(3,520)	(5,339)
Deferred revenues	<u>(11,365)</u>	<u>(2,960)</u>
	<u>75,207</u>	<u>(65,017)</u>
 <b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	<u>-</u>	<u>(5,604)</u>
 <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	 75,207	 (70,621)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>772,492</u>	<u>843,113</u>
 <b>CASH AND CASH EQUIVALENTS, end of year</b>	 <u>\$ 847,699</u>	 <u>\$ 772,492</u>
 Cash and cash equivalents consist of:		
Cash	\$ 476,660	\$ 405,868
Money Market Mutual Funds, 1.60%	<u>371,039</u>	<u>366,624</u>
	<u>\$ 847,699</u>	<u>\$ 772,492</u>

See accompanying Notes to Financial Statements



**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

**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:

**Management's use of estimates**

- a) The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date, and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. Significant financial statements items that require the use of estimates are as follows: useful life and amortization of tangible capital assets, accrued liabilities and deferred revenues. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the year they become known.

**Revenue recognition**

- b) 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.

Education, assessment and administrative revenues are recorded as revenue when received or receivable if it is measurable and when the collectability is reasonably assured.

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.

**Financial instruments**

- c) Financial assets and liabilities are measured initially at fair value, except for certain related party transactions which are measured at carrying amount or exchange amount as appropriate. Subsequent measurement is at amortized cost.

Financial assets measured at amortized cost consist of cash and cash equivalents.

Financial liabilities measured at amortized cost consist of accounts payable and accrued liabilities.

**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

**Financial instruments impairment**

- d) Financial assets measured at cost or amortized cost are tested for impairment if there are indications of possible impairment. The amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, either directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment loss not been recognized previously. The amount of the reversal is recognized in net income.

**Cash and cash equivalents**

- e) 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**

- f) 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

When a tangible capital asset no longer has any long-term service potential for the College, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

**Contributed materials and services**

- g) 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 RISKS**

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 its 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**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018**

**4. TANGIBLE CAPITAL ASSETS**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2018</u>	<u>2017</u>
Computer hardware	\$ 71,769	\$ 66,327	\$ 5,442	\$ 7,774
Computer software	19,163	18,563	600	1,000
Furniture and fixtures	<u>24,488</u>	<u>22,060</u>	<u>2,428</u>	<u>3,036</u>
	<u>\$ 115,420</u>	<u>\$ 106,950</u>	<u>\$ 8,470</u>	<u>\$ 11,810</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%.

The college also has two credit cards with authorized limits of \$5,000 each bearing interest of 19.99%.

**6. DEFERRED REVENUES**

	<u>Opening</u>	<u>Funds received</u>	<u>Funds used</u>	<u>Ending</u>
Membership dues	\$ <u>368,625</u>	\$ <u>397,288</u>	\$ <u>408,653</u>	\$ <u>357,260</u>

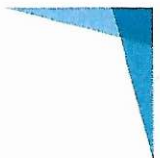
**7. INTEREST, ASSESSMENTS AND OTHER INCOME**

	<u>2018</u>	<u>2017</u>
Interest income	\$ 4,415	\$ 2,955
Advertising income	800	960
Administrative income	<u>200</u>	<u>808</u>
	<u>\$ 5,415</u>	<u>\$ 4,723</u>

**8. LEASE COMMITMENTS**

The college has entered into lease agreements for office premises expiring on January 31, 2023 for a total amount of \$127,175. Minimum lease payments for the next five years are as follows:

2019	\$ 27,284
2020	23,815
2021	24,624
2022	24,697
2023	<u>24,697</u>
	<u>\$ 125,117</u>



**COLLEGE OF DENTAL TECHNOLOGISTS OF ALBERTA**  
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**9. RELATED PARTY TRANSACTIONS**

Members of the executive council have received honoraria totalling \$2,700 (2017 - \$1,500). These transactions were made in the normal course of business and were measured at the exchange amount which is the amount established and agreed to by the related parties.

**10. COMPARATIVE INFORMATION**

Certain corresponding figures have been reclassified to conform with the current year's presentation.