INDEPENDENT AUDITORS' REPORT

To the Members of:
College of Dental Technicians of British Columbia

We have audited the accompanying financial statements of College of Dental Technicians of British Columbia which comprise the statement of financial position as at March 31, 2017, and the statement of revenue and expenses, statement of changes in net assets and statement of cash flows for the year then ended, and the related notes comprising 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.

Auditors' 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 our 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, we consider 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 in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of College of Dental Technicians of British Columbia as at March 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.
INDEPENDENT AUDITORS' REPORT

Other Matter
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary Schedule of Board and Committee Meeting Expenses for the year ended March 31, 2017 is presented for purposes of additional analysis and does not form part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and we do not express an opinion on this supplementary schedule.

Manning Elliott LLP
Chartered Professional Accountants
Vancouver, British Columbia
June 17, 2017
## COLLEGE OF DENTAL TECHNICIANS OF BRITISH COLUMBIA

### STATEMENT OF FINANCIAL POSITION

#### AS AT MARCH 31, 2017

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and term deposits</td>
<td>$845,342</td>
<td>$810,742</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>11,676</td>
<td>6,677</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>857,018</strong></td>
<td><strong>817,419</strong></td>
</tr>
<tr>
<td>Restricted cash</td>
<td>149,796</td>
<td>148,255</td>
</tr>
<tr>
<td>Capital assets (Note 3)</td>
<td>85,756</td>
<td>98,638</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$1,092,570</strong></td>
<td><strong>$1,064,312</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$6,999</td>
<td>$6,874</td>
</tr>
<tr>
<td>Deferred revenue (Note 4)</td>
<td>452,968</td>
<td>454,445</td>
</tr>
<tr>
<td>Deferred rental benefit</td>
<td>1,227</td>
<td>1,227</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>461,194</strong></td>
<td><strong>462,546</strong></td>
</tr>
<tr>
<td><strong>Deferred Rental Benefit</strong></td>
<td>-</td>
<td>1,227</td>
</tr>
<tr>
<td><strong>Deferred Contributions Related to Capital Assets (Note 5)</strong></td>
<td>4,460</td>
<td>8,920</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>465,654</strong></td>
<td><strong>472,693</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in capital assets</td>
<td>81,296</td>
<td>89,718</td>
</tr>
<tr>
<td>Discipline legal reserve (Note 6)</td>
<td>149,796</td>
<td>148,255</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>395,824</td>
<td>353,646</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td><strong>$1,092,570</strong></td>
<td><strong>$1,064,312</strong></td>
</tr>
</tbody>
</table>

**COMMITMENTS (Note 7)**

Approved by the Board:

_________________________    Director

_________________________    Director
<table>
<thead>
<tr>
<th></th>
<th>Invested in capital assets</th>
<th>Discipline Legal Reserve (Note 6)</th>
<th>Unrestricted</th>
<th>Total 2017</th>
<th>Total 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>BALANCE, BEGINNING OF YEAR</td>
<td>$ 89,718</td>
<td>$ 148,255</td>
<td>$ 353,646</td>
<td>$ 591,619</td>
<td>$ 559,798</td>
</tr>
<tr>
<td>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</td>
<td>-</td>
<td>1,541</td>
<td>33,756</td>
<td>35,297</td>
<td>31,821</td>
</tr>
<tr>
<td>AMORTIZATION OF CAPITAL ASSETS</td>
<td>(33,818)</td>
<td></td>
<td>33,818</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>AMORTIZATION OF DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS</td>
<td>4,460</td>
<td>-</td>
<td>(4,460)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>PURCHASE OF CAPITAL ASSETS</td>
<td>20,936</td>
<td></td>
<td>(20,936)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>BALANCE, END OF YEAR</td>
<td>$ 81,296</td>
<td>$ 149,796</td>
<td>$ 395,824</td>
<td>$ 626,916</td>
<td>$ 591,619</td>
</tr>
</tbody>
</table>
## COLLEGE OF DENTAL TECHNICIANS OF BRITISH COLUMBIA

### STATEMENT OF REVENUE AND EXPENSES

#### FOR THE YEAR ENDED MARCH 31, 2017

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>License and registration fees</td>
<td>$479,951</td>
<td>$496,659</td>
</tr>
<tr>
<td>Examination fees</td>
<td>27,550</td>
<td>20,250</td>
</tr>
<tr>
<td>Interest</td>
<td>7,248</td>
<td>8,395</td>
</tr>
<tr>
<td>Fines and hearing fees</td>
<td>5,035</td>
<td>3,286</td>
</tr>
<tr>
<td>Amortization of deferred contributions related to capital assets</td>
<td>4,460</td>
<td>4,460</td>
</tr>
<tr>
<td>Other</td>
<td>1,122</td>
<td>809</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>525,366</td>
<td>533,859</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>EXPENSES</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and benefits</td>
<td>238,458</td>
<td>241,290</td>
</tr>
<tr>
<td>Rent</td>
<td>72,577</td>
<td>73,336</td>
</tr>
<tr>
<td>Amortization</td>
<td>33,818</td>
<td>24,512</td>
</tr>
<tr>
<td>Examination</td>
<td>22,273</td>
<td>24,808</td>
</tr>
<tr>
<td>Board and committee meetings (Schedule)</td>
<td>17,066</td>
<td>22,089</td>
</tr>
<tr>
<td>Liaison activities</td>
<td>15,025</td>
<td>12,230</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>14,182</td>
<td>15,528</td>
</tr>
<tr>
<td>Legal and accounting</td>
<td>12,987</td>
<td>16,217</td>
</tr>
<tr>
<td>Inspections</td>
<td>11,994</td>
<td>4,318</td>
</tr>
<tr>
<td>Bank charges and credit card processing</td>
<td>10,130</td>
<td>8,892</td>
</tr>
<tr>
<td>Office supplies</td>
<td>7,951</td>
<td>7,586</td>
</tr>
<tr>
<td>Telephone, fax and internet</td>
<td>7,334</td>
<td>6,482</td>
</tr>
<tr>
<td>Staff and member</td>
<td>6,292</td>
<td>6,259</td>
</tr>
<tr>
<td>Insurance</td>
<td>4,990</td>
<td>4,848</td>
</tr>
<tr>
<td>Public education</td>
<td>4,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Office equipment lease</td>
<td>2,556</td>
<td>1,698</td>
</tr>
<tr>
<td>Registrant communications</td>
<td>2,502</td>
<td>3,501</td>
</tr>
<tr>
<td>Registrar</td>
<td>2,302</td>
<td>1,690</td>
</tr>
<tr>
<td>Annual report and meeting</td>
<td>1,569</td>
<td>3,117</td>
</tr>
<tr>
<td>Consulting</td>
<td>1,140</td>
<td>14,642</td>
</tr>
<tr>
<td>Resource materials</td>
<td>406</td>
<td>1,171</td>
</tr>
<tr>
<td>Awards and scholarships</td>
<td>256</td>
<td>1,103</td>
</tr>
<tr>
<td>Benefits administration and WCB</td>
<td>206</td>
<td>175</td>
</tr>
<tr>
<td>Staff and member education</td>
<td>75</td>
<td>1,359</td>
</tr>
<tr>
<td>Promotional activities</td>
<td>-</td>
<td>187</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>490,069</td>
<td>502,038</td>
</tr>
</tbody>
</table>

#### EXCESS OF REVENUE OVER EXPENSES

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FOR THE YEAR</td>
<td>$35,297</td>
<td>$31,821</td>
</tr>
</tbody>
</table>

---

6
## COLLEGE OF DENTAL TECHNICIANS OF BRITISH COLUMBIA

### STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2017

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FROM (USED IN):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash receipts from members</td>
<td>$511,059</td>
<td>$508,130</td>
</tr>
<tr>
<td>Cash paid to suppliers and employees</td>
<td>(462,352)</td>
<td>(486,992)</td>
</tr>
<tr>
<td>Interest and other amounts received</td>
<td>8,370</td>
<td>9,204</td>
</tr>
<tr>
<td><strong>INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of capital assets</td>
<td>(20,936)</td>
<td>(43,068)</td>
</tr>
<tr>
<td><strong>FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in restricted cash</td>
<td>(1,541)</td>
<td>(2,078)</td>
</tr>
<tr>
<td><strong>INCREASE (DECREASE) IN CASH AND EQUIVALENTS</strong></td>
<td>34,600</td>
<td>(14,804)</td>
</tr>
<tr>
<td><strong>CASH AND EQUIVALENTS, BEGINNING OF YEAR</strong></td>
<td>810,742</td>
<td>825,546</td>
</tr>
<tr>
<td><strong>CASH AND EQUIVALENTS, END OF YEAR</strong></td>
<td>$845,342</td>
<td>$810,742</td>
</tr>
</tbody>
</table>
## SCHEDULE I

### SCHEDULE OF BOARD AND COMMITTEE MEETING EXPENSES - UNAUDITED

FOR THE YEAR ENDED MARCH 31, 2017

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board</td>
<td>$15,023</td>
<td>$16,841</td>
</tr>
<tr>
<td>Quality Assurance/Continuing Education Committee</td>
<td>100</td>
<td>201</td>
</tr>
<tr>
<td>Finance Committee</td>
<td>789</td>
<td>1,921</td>
</tr>
<tr>
<td>Inquiry Committee</td>
<td>35</td>
<td>1,633</td>
</tr>
<tr>
<td>Registration Committee</td>
<td>969</td>
<td>1,084</td>
</tr>
<tr>
<td>Other Committees and Directed Activities</td>
<td>150</td>
<td>409</td>
</tr>
</tbody>
</table>

$17,066 $22,089

### BOARD COMMITTEE

<table>
<thead>
<tr>
<th>Member</th>
<th>2017 BOARD</th>
<th>2016 COMMITTEE</th>
<th>2017 TOTAL</th>
<th>2016 TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>E. Chan</td>
<td>$1,159</td>
<td>$459</td>
<td>$1,618</td>
<td>$1,294</td>
</tr>
<tr>
<td>A. Tutelman</td>
<td>917</td>
<td>236</td>
<td>1,153</td>
<td>1,110</td>
</tr>
<tr>
<td>P. Joshi</td>
<td>294</td>
<td>50</td>
<td>344</td>
<td>533</td>
</tr>
<tr>
<td>T. Roche</td>
<td>-</td>
<td>75</td>
<td>75</td>
<td>200</td>
</tr>
<tr>
<td>D. Carney</td>
<td>937</td>
<td>218</td>
<td>1,155</td>
<td>1,641</td>
</tr>
<tr>
<td>A. Barrie</td>
<td>1,922</td>
<td>136</td>
<td>2,058</td>
<td>1,461</td>
</tr>
<tr>
<td>A. Kumar</td>
<td>1,121</td>
<td>-</td>
<td>1,121</td>
<td>1,527</td>
</tr>
<tr>
<td>B. Bowie</td>
<td>2,192</td>
<td>200</td>
<td>2,392</td>
<td>3,824</td>
</tr>
<tr>
<td>H. Grigg</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>658</td>
</tr>
<tr>
<td>F. Leak</td>
<td>2,735</td>
<td>175</td>
<td>2,910</td>
<td>3,521</td>
</tr>
<tr>
<td>F. Lando</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>119</td>
</tr>
<tr>
<td>M. Curry</td>
<td>593</td>
<td>101</td>
<td>694</td>
<td>729</td>
</tr>
<tr>
<td>Other expenses</td>
<td>3,153</td>
<td>393</td>
<td>3,546</td>
<td>5,472</td>
</tr>
</tbody>
</table>

$15,023 $2,043 $17,066 $22,089

Amounts paid to Board and Committee members include the cost of travel to attend meetings.
PURPOSE OF THE COLLEGE

Effective December 7, 1995, the practice of Dental Technology became a designated Health Profession, regulated by the College of Dental Technicians, under the authority of the Health Professions Act and the Dental Technician Regulations. Pursuant to section 149(1)(l) of the Income Tax Act (Canada), the College qualifies as a not-for-profit organization, and as such, is exempt from tax.

The College establishes, monitors and enforces standards of education, qualifications and practice for dental technicians, issues practicing certificates, conducts certificate inspections and, where necessary, suspends or cancels certificates.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”) under Part II of the CPA Handbook – Accounting. Financial statements prepared in accordance with ASNPO are also in accordance with Canadian generally accepted accounting principles (“GAAP”).

These financial statements have, in management’s opinion, been prepared within reasonable limits of materiality using the significant accounting policies noted below:

a) Cash and cash equivalents

Cash and cash equivalents consist of cash and term deposits. These amounts are subject to a low risk of change in fair value and may be withdrawn on demand.

b) Capital Assets

Capital assets are recorded at historical cost and amortized over their estimated useful lives applying the following annual rates:

- Office equipment: 20% declining balance basis
- Computer equipment: 30% declining balance basis
- Computer software: 30% declining balance basis
- Leasehold improvements: 1/10 straight-line basis
- Exam assets: 20% declining balance basis

The College records one-half of the annual amortization amount in the year an asset is purchased.

The College monitors the recoverability of capital assets based on their long-term service potential. When a capital asset no longer has any long-term service potential to the College, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of revenue and expenses. Write-downs recognized under this policy are not reversed.

c) Revenue recognition

The College follows the deferral method of accounting for revenue. License and registration fees are recognized as revenue throughout the license year or when an individual becomes eligible for registration during the year. When a member has not paid their annual dues by March 31, that individual is removed from the register and must pay a reinstatement fee in addition to the regular fee. This policy results in revenue being recorded only when the reinstatement fee is paid.

d) Deferred revenue

Deferred revenue includes license fees, registration fees and other amounts received in the current period relating to the following license year.
1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

   e) Deferred contributions

   Deferred contributions for the purchase of capital assets that will be amortized are deferred and
   recognized as revenue on the same basis as the amortization expense related to the acquired
   capital assets.

   f) Discipline legal reserve

   This reserve is to be used to pay the costs, including legal expenses, related to the disciplinary
   actions undertaken by the College. In 1997, the College Board resolved to transfer $25,000 per
   year into the reserve up to a maximum of $100,000. The Board further resolved that the reserve be
   invested in a Guaranteed Investment Certificate with all interest earned on the investment to be
   retained in the reserve. During 2001, College contributions to the reserve resulted in a balance of
   $100,000 and as such, no further contributions will be made to the reserve unless the balance is
   drawn down to pay approved costs.

   g) Use of estimates

   The preparation of the financial statements in conformity with Canadian accounting standards for
   not-for-profit organizations requires management to make estimates and assumptions about future
   events that affect the reported amounts of assets, liabilities, revenues and expenses as at the end
   of or during the reporting period. Management believes that the estimates used are reasonable and
   prudent, however, actual results could differ from those estimates. Significant areas requiring the
   use of management estimates relate to the determination of the useful lives of assets for calculating
   amortization, recognition of deferred revenue, and the amounts recorded as accrued liabilities.

   h) Financial instruments

   Measurement

   The College's financial instruments consist of cash and term deposits, restricted cash and accounts
   payable.

   The College initially measures all of its financial assets and liabilities at fair value, except for certain
   non-arm's length transactions. The College subsequently measures all of its financial assets and
   liabilities at amortized cost.

   Impairment

   Financial assets measured at cost are tested for impairment when there are indicators of
   impairment. The amount of any write-down that is determined is recognized in the statement of
   revenue and expenses. A previously recognized impairment loss may be reversed to the extent of
   any improvement, provided it is no greater than the amount that would have been reported at the
   date of the reversal had the impairment not been recognized previously. The amount of the reversal
   is recognized in the statement of revenue and expenses in the period in which it is determined.

2. FINANCIAL INSTRUMENTS RISKS

   The College’s financial instruments are described in Note 1(h). In management’s opinion, the College is
   not exposed to significant currency, credit, liquidity, interest rate or other market risks arising from these
   financial instruments. In addition, the College is not exposed to any material concentrations of risk and
   there has been no change in risk exposures from the prior year.
3. CAPITAL ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Accumulated Amortization</td>
</tr>
<tr>
<td>Office equipment</td>
<td>$58,432</td>
<td>$52,005</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>$69,540</td>
<td>$53,805</td>
</tr>
<tr>
<td>Computer software</td>
<td>$150,334</td>
<td>$94,852</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>$55,298</td>
<td>$49,768</td>
</tr>
<tr>
<td>Exam assets</td>
<td>$7,005</td>
<td>$4,423</td>
</tr>
<tr>
<td></td>
<td><strong>$340,609</strong></td>
<td><strong>$254,853</strong></td>
</tr>
</tbody>
</table>

4. DEFERRED REVENUE

Deferred revenue is comprised of the following amounts relating to the subsequent fiscal year:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>License and registration fees</td>
<td>$452,968</td>
<td>$454,445</td>
</tr>
</tbody>
</table>

5. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of year</td>
<td>$8,920</td>
<td>$13,380</td>
</tr>
<tr>
<td>Less: amortized to revenue</td>
<td>(4,460)</td>
<td>(4,460)</td>
</tr>
<tr>
<td>Balance at end of year</td>
<td>$4,460</td>
<td>$8,920</td>
</tr>
</tbody>
</table>

During 2009, the College received a contribution from its landlord of $44,600 as a tenant inducement for leasehold improvements to the College's leased office premises.

6. DISCIPLINE LEGAL RESERVE

The revenue allocated to the reserve during the current year is comprised of interest income of $1,541 (2016 - $2,078).
7. COMMITMENTS

The College rents its premises under a lease agreement that expires in March 2018 and leases equipment under a lease that expires in August 2019.

The minimum contracted lease payments, excluding operating costs, during the next three years are estimated to be as follows:

Year ended March 31:

<table>
<thead>
<tr>
<th>Year</th>
<th>Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$40,981</td>
</tr>
<tr>
<td>2019</td>
<td>1,956</td>
</tr>
<tr>
<td>2020</td>
<td>489</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$43,426</strong></td>
</tr>
</tbody>
</table>