
**COLLEGE OF DENTAL TECHNICIANS
OF BRITISH COLUMBIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2017**





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

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and term deposits	\$ 845,342	\$ 810,742
Prepaid expenses	11,676	6,677
	857,018	817,419
RESTRICTED CASH	149,796	148,255
CAPITAL ASSETS (Note 3)	85,756	98,638
	\$ 1,092,570	\$ 1,064,312
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 6,999	\$ 6,874
Deferred revenue (Note 4)	452,968	454,445
Deferred rental benefit	1,227	1,227
	461,194	462,546
DEFERRED RENTAL BENEFIT	-	1,227
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 5)	4,460	8,920
	465,654	472,693
NET ASSETS		
INVESTED IN CAPITAL ASSETS	81,296	89,718
DISCIPLINE LEGAL RESERVE (Note 6)	149,796	148,255
UNRESTRICTED	395,824	353,646
	626,916	591,619
	\$ 1,092,570	\$ 1,064,312

COMMITMENTS (Note 7)

Approved by the Board:

_____ Director

_____ Director



COLLEGE OF DENTAL TECHNICIANS OF BRITISH COLUMBIA
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2017

				2017	2016
	Invested in capital assets	Discipline Legal Reserve (Note 6)	Unrestricted	Total	Total
BALANCE, BEGINNING OF YEAR	\$ 89,718	\$ 148,255	\$ 353,646	\$ 591,619	\$ 559,798
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	-	1,541	33,756	35,297	31,821
AMORTIZATION OF CAPITAL ASSETS	(33,818)	-	33,818	-	-
AMORTIZATION OF DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS	4,460	-	(4,460)	-	-
PURCHASE OF CAPITAL ASSETS	20,936	-	(20,936)	-	-
BALANCE, END OF YEAR	\$ 81,296	\$ 149,796	\$ 395,824	\$ 626,916	\$ 591,619



COLLEGE OF DENTAL TECHNICIANS OF BRITISH COLUMBIA
STATEMENT OF REVENUE AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
REVENUE		
License and registration fees	\$ 479,951	\$ 496,659
Examination fees	27,550	20,250
Interest	7,248	8,395
Fines and hearing fees	5,035	3,286
Amortization of deferred contributions related to capital assets	4,460	4,460
Other	1,122	809
	525,366	533,859
EXPENSES		
Salaries and benefits	238,458	241,290
Rent	72,577	73,336
Amortization	33,818	24,512
Examination	22,273	24,808
Board and committee meetings (Schedule)	17,066	22,089
Liaison activities	15,025	12,230
Repairs and maintenance	14,182	15,528
Legal and accounting	12,967	16,217
Inspections	11,994	4,318
Bank charges and credit card processing	10,130	8,892
Office supplies	7,951	7,586
Telephone, fax and internet	7,334	6,482
Staff and member	6,292	6,259
Insurance	4,990	4,848
Public education	4,000	5,000
Office equipment lease	2,556	1,698
Registrant communications	2,502	3,501
Registrar	2,302	1,690
Annual report and meeting	1,569	3,117
Consulting	1,140	14,642
Resource materials	406	1,171
Awards and scholarships	256	1,103
Benefits administration and WCB	206	175
Staff and member education	75	1,359
Promotional activities	-	187
	490,069	502,038
EXCESS OF REVENUE OVER EXPENSES		
FOR THE YEAR	\$ 35,297	\$ 31,821



COLLEGE OF DENTAL TECHNICIANS OF BRITISH COLUMBIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Cash receipts from members	\$ 511,059	\$ 508,130
Cash paid to suppliers and employees	(462,352)	(486,992)
Interest and other amounts received	8,370	9,204
	<u>57,077</u>	<u>30,342</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(20,936)	(43,068)
FINANCING ACTIVITIES		
Increase in restricted cash	(1,541)	(2,078)
INCREASE (DECREASE) IN CASH AND EQUIVALENTS DURING THE YEAR	34,600	(14,804)
CASH AND EQUIVALENTS, BEGINNING OF YEAR	810,742	825,546
CASH AND EQUIVALENTS, END OF YEAR	<u>\$ 845,342</u>	<u>\$ 810,742</u>



SCHEDULE OF BOARD AND COMMITTEE MEETING EXPENSES - UNAUDITED

FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
Board	\$ 15,023	\$ 16,841
Quality Assurance/Continuing Education Committee	100	201
Finance Committee	789	1,921
Inquiry Committee	35	1,633
Registration Committee	969	1,084
Other Committees and Directed Activities	150	409
	\$ 17,066	\$ 22,089

			2017	2016
	BOARD	COMMITTEE	TOTAL	TOTAL
E. Chan	\$ 1,159	\$ 459	\$ 1,618	\$ 1,294
A. Tutelman	917	236	1,153	1,110
P. Joshi	294	50	344	533
T. Roche	-	75	75	200
D. Carney	937	218	1,155	1,641
A. Barrie	1,922	136	2,058	1,461
A. Kumar	1,121	-	1,121	1,527
B. Bowie	2,192	200	2,392	3,824
H. Grigg	-	-	-	658
F. Leak	2,735	175	2,910	3,521
F. Lando	-	-	-	119
M. Curry	593	101	694	729
Other expenses	3,153	393	3,546	5,472
	\$ 15,023	\$ 2,043	\$ 17,066	\$ 22,089

Amounts paid to Board and Committee members include the cost of travel to attend meetings.



COLLEGE OF DENTAL TECHNICIANS OF BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

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 III 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.



COLLEGE OF DENTAL TECHNICIANS OF BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

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.



COLLEGE OF DENTAL TECHNICIANS OF BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

3. CAPITAL ASSETS

			2017		2016
	Cost	Accumulated Amortization	Net Book Value		Net Book Value
Office equipment	\$ 58,432	\$ 52,005	\$ 6,427	\$	8,034
Computer equipment	69,540	53,805	15,735		12,675
Computer software	150,334	94,852	55,482		63,641
Leasehold improvements	55,298	49,768	5,530		11,060
Exam assets	7,005	4,423	2,582		3,228
	<u>\$ 340,609</u>	<u>\$ 254,853</u>	<u>\$ 85,756</u>	<u>\$</u>	<u>98,638</u>

4. DEFERRED REVENUE

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

	2017	2016
License and registration fees	\$ 452,968	\$ 454,445

5. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

	2017	2016
Balance at beginning of year	\$ 8,920	\$ 13,380
Less: amortized to revenue	(4,460)	(4,460)
Balance at end of year	<u>\$ 4,460</u>	<u>\$ 8,920</u>

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).



COLLEGE OF DENTAL TECHNICIANS OF BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

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:

2018	\$	40,981
2019		1,956
2020		489
	\$	<u>43,426</u>

