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**COLLEGE OF DENTAL TECHNICIANS  
OF BRITISH COLUMBIA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
MARCH 31, 2018**

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## **INDEPENDENT AUDITORS' REPORT**

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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, 2018, 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, 2018 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.



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## **INDEPENDENT AUDITORS' REPORT**

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### **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, 2018 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 23, 2018

**COLLEGE OF DENTAL TECHNICIANS OF BRITISH COLUMBIA**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2018**

	2018	2017
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and term deposits	\$ 908,457	\$ 845,342
Prepaid expenses	5,743	11,676
	914,200	857,018
RESTRICTED CASH	152,176	149,796
CAPITAL ASSETS (Note 3)	62,166	85,756
	\$ 1,128,542	\$ 1,092,570
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 7,249	\$ 6,999
Deferred revenue (Note 4)	458,860	452,968
Deferred rental benefit	-	1,227
	466,109	461,194
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 5)	-	4,460
	466,109	465,654
<b>NET ASSETS</b>		
INVESTED IN CAPITAL ASSETS	62,166	81,296
DISCIPLINE LEGAL RESERVE (Note 6)	152,176	149,796
UNRESTRICTED	448,091	395,824
	662,433	626,916
	\$ 1,128,542	\$ 1,092,570

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, 2018**

				<b>2018</b>	<b>2017</b>
	Invested in capital assets	Discipline Legal Reserve (Note 6)	Unrestricted	Total	Total
BALANCE, BEGINNING OF YEAR	\$ 81,296	\$ 149,796	\$ 395,824	\$ 626,916	\$ 591,619
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	-	2,380	33,137	35,517	35,297
AMORTIZATION OF CAPITAL ASSETS	(28,697)	-	28,697	-	-
AMORTIZATION OF DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS	4,460	-	(4,460)	-	-
PURCHASE OF CAPITAL ASSETS	5,107	-	(5,107)	-	-
<b>BALANCE, END OF YEAR</b>	<b>\$ 62,166</b>	<b>\$ 152,176</b>	<b>\$ 448,091</b>	<b>\$ 662,433</b>	<b>\$ 626,916</b>



**COLLEGE OF DENTAL TECHNICIANS OF BRITISH COLUMBIA**  
**STATEMENT OF REVENUE AND EXPENSES**  
**FOR THE YEAR ENDED MARCH 31, 2018**

	<b>2018</b>	<b>2017</b>
<b>REVENUE</b>		
License and registration fees	\$ 477,083	\$ 479,951
Examination fees	28,675	27,550
Interest	9,686	7,248
Amortization of deferred contributions related to capital assets	4,460	4,460
Fines and hearing fees	2,475	5,035
Other	1,074	1,122
	523,453	525,366
<b>EXPENSES</b>		
Salaries and benefits	239,939	238,458
Rent	73,808	72,577
Repairs and maintenance	30,874	14,182
Amortization	28,697	33,818
Examination	21,824	22,273
Board and committee meetings (Schedule)	16,433	17,066
Legal and accounting	16,126	12,967
Bank charges and credit card processing	11,984	10,130
Liaison activities	9,947	15,025
Office supplies	7,478	7,951
Telephone, fax and internet	7,183	7,334
Insurance	5,573	4,990
Staff and member	4,779	6,292
Annual report and meeting	3,500	1,569
Consulting	2,909	1,140
Office equipment lease	2,191	2,556
Registrant communications	1,001	2,502
Staff and member education	887	75
Promotional activities	712	-
Registrar	697	2,302
Resource materials	582	406
Awards and scholarships	386	256
Benefits administration and WCB	229	206
Public education	197	4,000
Inspections	-	11,994
	487,936	490,069
<b>EXCESS OF REVENUE OVER EXPENSES</b>		
<b>FOR THE YEAR</b>	\$ 35,517	\$ 35,297



**COLLEGE OF DENTAL TECHNICIANS OF BRITISH COLUMBIA**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

	<b>2018</b>	<b>2017</b>
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Cash receipts from members	\$ 514,126	\$ 511,059
Cash paid to suppliers and employees	(454,284)	(462,352)
Interest and other amounts received	10,760	8,370
	<u>70,602</u>	<u>57,077</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(5,107)	(20,936)
FINANCING ACTIVITIES		
Increase in restricted cash	(2,380)	(1,541)
INCREASE IN CASH AND EQUIVALENTS DURING THE YEAR	63,115	34,600
CASH AND EQUIVALENTS, BEGINNING OF YEAR	845,342	810,742
CASH AND EQUIVALENTS, END OF YEAR	<u>\$ 908,457</u>	<u>\$ 845,342</u>



## SCHEDULE OF BOARD AND COMMITTEE MEETING EXPENSES - UNAUDITED

FOR THE YEAR ENDED MARCH 31, 2018

	2018	2017
Board	\$ 12,899	\$ 15,023
Finance Committee	1,487	789
Registration Committee	785	969
Inquiry Committee	604	35
Quality Assurance/Continuing Education Committee	442	100
Other Committees and Directed Activities	216	150
	\$ 16,433	\$ 17,066

	2018		2017	
	BOARD	COMMITTEE	TOTAL	TOTAL
E. Chan	\$ 698	\$ 449	\$ 1,147	\$ 1,618
A. Tutelman	559	322	881	1,153
P. Joshi	-	260	260	344
T. Roche	-	-	-	75
D. Carney	-	-	-	1,155
A. Barrie	1,005	336	1,341	2,058
A. Kumar	829	226	1,055	1,121
B. Bowie	2,674	938	3,612	2,392
F. Leak	161	-	161	2,910
F. Lando	687	100	787	-
M. Curry	407	-	407	694
L. Costello	421	108	529	-
Other expenses	5,458	795	6,253	3,546
	\$ 12,899	\$ 3,534	\$ 16,433	\$ 17,066

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





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**COLLEGE OF DENTAL TECHNICIANS OF BRITISH COLUMBIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

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**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 and methods:

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.



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**COLLEGE OF DENTAL TECHNICIANS OF BRITISH COLUMBIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

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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, 2018**

3. CAPITAL ASSETS

			<b>2018</b>	<b>2017</b>
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office equipment	\$ 58,432	\$ 53,290	\$ 5,142	\$ 6,427
Computer equipment	74,647	58,527	16,120	15,735
Computer software	150,334	111,496	38,838	55,482
Leasehold improvements	-	-	-	5,530
Exam assets	7,005	4,939	2,066	2,582
	<u>\$ 290,418</u>	<u>\$ 228,252</u>	<u>\$ 62,166</u>	<u>\$ 85,756</u>

4. DEFERRED REVENUE

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

	<b>2018</b>	<b>2017</b>
License and registration fees	\$ 458,860	\$ 452,968

5. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

	<b>2018</b>	<b>2017</b>
Balance at beginning of year	\$ 4,460	\$ 8,920
Less: amortized to revenue	(4,460)	(4,460)
Balance at end of year	<u>\$ -</u>	<u>\$ 4,460</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 \$2,380 (2017 - \$1,541).



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**COLLEGE OF DENTAL TECHNICIANS OF BRITISH COLUMBIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

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7. COMMITMENTS

The College is finalizing an agreement subsequent to the year end to rent its new premises under a lease agreement that expires in October 2023. The College also leases equipment under a lease that expires in August 2019.

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

Year ended March 31:

2019	\$	62,471
2020		45,718
2021		45,229
2022		45,229
2023		45,229
	\$	<u>243,876</u>

