
COLLEGE OF DENTAL TECHNICIANS OF BRITISH COLUMBIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2011



MANNING ELLIOTT
C H A R T E R E D A C C O U N T A N T S

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AUDITOR'S 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, 2011, and the statement of revenue and expenses, statement of changes in net assets and statement of cash flows for the year then ended, 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 generally accepted accounting principles, 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 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, 2011 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.



MANNING ELLIOTT
CHARTERED ACCOUNTANTS

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AUDITOR'S REPORT

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole.

The supplementary information included in the Schedule of Board and Committee Meeting Expenses is presented for purposes of additional information.

Such supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion is fairly stated, in all material respects, in relation to the financial statements as a whole.

Manning Elliott LLP

Chartered Accountants

Vancouver, British Columbia

July 9, 2011

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31	2011	2010
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ASSETS

CURRENT ASSETS

Cash and term deposits	\$ 850,464	\$ 846,915
Accounts receivable	-	7,913
Prepaid expenses	<u>9,307</u>	<u>10,717</u>

	859,771	865,545
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RESTRICTED CASH	137,116	135,174
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CAPITAL ASSETS (Note 4)	<u>92,132</u>	<u>107,918</u>
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	<u>\$ 1,089,019</u>	<u>\$ 1,108,637</u>
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LIABILITIES

CURRENT LIABILITIES

Accounts payable and accrued liabilities	\$ 24,329	\$ 15,709
GST payable	-	20,362
Deferred revenue (Note 5)	401,204	380,751
Deferred rental benefit	<u>1,227</u>	<u>1,227</u>

	426,760	418,049
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DEFERRED RENTAL BENEFIT	7,359	8,585
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DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 6)	<u>45,955</u>	<u>68,097</u>
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	<u>480,074</u>	<u>494,731</u>
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COMMITMENTS (Note 8)		
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NET ASSETS

INVESTED IN CAPITAL ASSETS	46,177	39,821
DISCIPLINE LEGAL RESERVE	137,116	135,174
UNRESTRICTED	<u>425,652</u>	<u>438,911</u>

	<u>608,945</u>	<u>613,906</u>
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	<u>\$ 1,089,019</u>	<u>\$ 1,108,637</u>
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Approved by the Board:

_____ Director

_____ Director

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED MARCH 31				2011	2010
	<u>Invested in Capital Assets</u>	<u>Discipline Legal Reserve (Note 7)</u>	<u>Unrestricted</u>	<u>Total</u>	<u>Total</u>
NET ASSETS AT BEGINNING OF THE YEAR	\$ 39,821	\$ 135,174	\$ 438,911	\$ 613,906	\$ 595,868
(Deficiency) excess of revenue over expenses for the year	-	1,942	(6,903)	(4,961)	18,038
Amortization of capital assets	(25,761)	-	25,761	-	-
Amortization of deferred contributions related to capital assets	22,142	-	(22,142)	-	-
Purchase of capital assets	<u>9,975</u>	<u>-</u>	<u>(9,975)</u>	<u>-</u>	<u>-</u>
NET ASSETS AT END OF THE YEAR	<u>\$ 46,177</u>	<u>\$ 137,116</u>	<u>\$ 425,652</u>	<u>\$ 608,945</u>	<u>\$ 613,906</u>

STATEMENT OF REVENUE AND EXPENSES

YEAR ENDED MARCH 31	2011	2010
REVENUE		
License and registration fees	\$ 400,908	\$ 417,979
Examination fees	22,904	18,632
Interest	10,967	15,186
Amortization of deferred contributions related to capital assets	22,142	22,142
Fines and hearing fees	6,020	3,575
Other	<u>338</u>	<u>5,160</u>
	<u>463,279</u>	<u>482,674</u>
EXPENSES		
Salaries and benefits	248,268	248,663
Rent	64,684	64,276
Amortization	25,761	30,129
Examination	19,621	17,807
Board and committee meetings (Schedule)	18,211	16,734
HST	10,900	-
Legal and accounting	10,324	23,623
Liaison activities	9,256	4,328
Bank charges and credit card processing	8,360	7,846
Office supplies	8,026	7,048
Registrant communications	7,741	7,088
Repairs and maintenance	6,683	8,089
Telephone, fax and internet	6,119	6,554
Staff and member expenses	5,458	4,590
Insurance	5,187	5,187
Consulting	3,003	360
Annual report and meeting	2,457	2,226
Office equipment lease	2,144	1,703
Inspections	1,673	1,387
Promotional activities	1,393	2,175
Staff and member education	1,001	2,204
Benefits administration and WCB	721	564
Awards and scholarship	565	593
Resource materials	355	552
Public education	<u>329</u>	<u>910</u>
	<u>468,240</u>	<u>464,636</u>
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ (4,961)</u>	<u>\$ 18,038</u>

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31	2011	2010
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Cash receipts from members	\$ 458,197	\$ 458,550
Cash paid to suppliers and employees	(454,037)	(422,344)
Interest and other amounts received	<u>11,306</u>	<u>20,346</u>
	<u>15,466</u>	<u>56,552</u>
INVESTING ACTIVITY		
Purchase of capital assets	<u>(9,975)</u>	<u>-</u>
INCREASE IN CASH AND EQUIVALENTS DURING THE YEAR	5,491	56,552
CASH AND EQUIVALENTS AT BEGINNING OF YEAR	<u>982,089</u>	<u>925,537</u>
CASH AND EQUIVALENTS AT END OF YEAR	<u>\$ 987,580</u>	<u>\$ 982,089</u>
REPRESENTED BY:		
Cash and term deposits	\$ 850,464	\$ 846,915
Restricted cash	<u>137,116</u>	<u>135,174</u>
	<u>\$ 987,580</u>	<u>\$ 982,089</u>

SCHEDULE OF BOARD AND COMMITTEE MEETING EXPENSES

YEAR ENDED MARCH 31	2011	2010
Board	\$ 10,110	\$ 9,894
Quality Assurance/Continuing Education Committee	1,665	838
Finance Committee	1,363	1,240
Inquiry Committee	1,275	3,096
Registration Committee	3,214	1,494
Other Committees and Directed Activities	<u>584</u>	<u>172</u>
	<u>\$ 18,211</u>	<u>\$ 16,734</u>

	<u>BOARD</u>	<u>COMMITTEE</u>	<u>TOTAL</u>	<u>TOTAL</u>
J. Eto	\$ 1,037	\$ 418	\$ 1,455	\$ 970
H. Jahr	1,086	450	1,536	927
A. Kumar	1,040	580	1,620	1,449
A. Lalani	602	334	936	1,435
D. Minichiello	875	780	1,655	1,100
P. Poyner	546	622	1,168	1,279
G. Robertshaw	1,751	2,286	4,037	3,236
T. Roche	1,377	1,493	2,870	2,884
B. Van De Snepscheut	903	597	1,500	2,393
Other Expenses	<u>893</u>	<u>541</u>	<u>1,434</u>	<u>1,061</u>
	<u>\$ 10,110</u>	<u>\$ 8,101</u>	<u>\$ 18,211</u>	<u>\$ 16,734</u>

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

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2011

1. PURPOSE OF THE ORGANIZATION

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. The College is a not-for-profit organization under the Income Tax Act and, as such, is exempt from income taxes.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a) Cash and cash equivalents**

Cash and cash equivalents consist of cash, term deposits and restricted cash for the discipline legal reserve as described in Note 2(g). These amounts are subject to a low risk of change in fair value and have maturities of less than one year.

b) Financial instruments

The College classifies its financial instruments as "held for trading", which means that all financial instruments are measured and reported at fair value. Subsequent changes in fair value of financial instruments are recognized as gains or losses in the statement of revenue and expenses in the period in which the change in value takes place.

The College has elected to continue to follow the financial instruments disclosure and presentation requirement of Section 3861 *financial instruments - disclosure and presentation* of the CICA Handbook instead of the requirements of Sections 3862 *financial instruments - disclosures* and 3863 *financial instruments - presentation*.

c) Amortization

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

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

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

d) 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.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**e) Deferred revenue**

Deferred revenue includes license fees, registration fees and other amounts received in the current period relating to the following license year.

f) 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.

g) 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.

h) Capital assets

The College monitors the recoverability of capital assets, based on factors such as current market value and future asset utilization. The College's policy is to record an impairment loss when it is determined that the carrying amount of the assets may not be recoverable. To March 31, 2011, no impairment losses have been recorded.

i) Use of estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles 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 used for calculating amortization, recognition of deferred revenue, and the amounts recorded as accrued liabilities.

j) Recent accounting pronouncements

In September 2010, the CICA's Accounting Standards Board confirmed that not-for-profit organizations will be required to prepare financial statements in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") or International Financial Reporting Standards ("IFRS") for fiscal years beginning on or after January 1, 2012. Early adoption of ASNPO is permitted for fiscal years ending on or after December 31, 2010. Management anticipates that the College will adopt ASNPO for its year ending March 31, 2013 and has not yet determined its effect on the College's financial statements.

NOTES TO FINANCIAL STATEMENTS

MARCH 31

2011

2010

3. FINANCIAL INSTRUMENTS

The College's financial instruments consist of cash and term deposits, restricted cash, accounts receivable and accounts payable and are recorded at their fair value as described in Note 2(b). In management's opinion the College is not exposed to significant interest rate risk, currency exchange rate risk or credit risk arising from these financial instruments.

4. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Office equipment	\$ 53,401	\$ 39,065	\$ 14,336	\$ 17,920
Computer equipment	32,265	29,860	2,405	3,436
Computer software	69,149	36,024	33,125	35,209
Leasehold improvements	55,298	16,589	38,709	44,238
Exam portfolio	<u>35,575</u>	<u>32,018</u>	<u>3,557</u>	<u>7,115</u>
	<u>\$ 245,688</u>	<u>\$ 153,556</u>	<u>\$ 92,132</u>	<u>\$ 107,918</u>

5. DEFERRED REVENUE

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

License and registration fees	<u>\$ 401,204</u>	<u>\$ 380,751</u>
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6. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Balance at beginning of year	\$ 68,097	\$ 90,239
Less: amortized to revenue	<u>(22,142)</u>	<u>(22,142)</u>
	<u>\$ 45,955</u>	<u>\$ 68,097</u>

During 2009, the College received a contribution from the Province of British Columbia of \$58,940 for the purchase and installation of an online computer database. During 2009, the College also received a contribution from its landlord of \$44,600 as a tenant inducement for leasehold improvements to the College's leased office premises.

NOTES TO FINANCIAL STATEMENTS**MARCH 31, 2011**

7. DISCIPLINE LEGAL RESERVE

The revenue allocated to the reserve during the current year is comprised of interest income of \$1,942 (2010 - \$2,394).

8. 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 2014.

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

Year ended March 31:

2012	\$	38,784
2013		38,784
2014		41,014
2015		39,522
2016		<u>39,025</u>
	\$	<u>197,129</u>

9. CAPITAL MANAGEMENT

The capital structure of the College consists of net assets invested in capital assets, an internally restricted discipline legal reserve and unrestricted net assets. Net assets invested in capital assets are not available for other purposes because they are invested. The internally restricted discipline legal reserve has been designated by the College's Board of Directors as described in Note 2(g). The unrestricted net assets represents the College's accumulated surplus of revenue over expenses from operations.

The objective of the College's capital management is to invest it in a manner to provide a reasonable rate of return, minimize risk and ensure adequate liquid investments are available for current cash flow requirements.