

**NEW BRUNSWICK COLLEGE OF DENTAL
HYGIENISTS – L'ORDRE DES HYGIÉNISTES
DENTAIRES DU NOUVEAU-BRUNSWICK**
Financial Statements
June 30, 2022

**NEW BRUNSWICK COLLEGE OF DENTAL HYGIENISTS -
L'ORDRE DES HYGIÉNISTES DENTAIRE DU NOUVEAU-BRUNSWICK
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For the year ended June 30, 2022

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INDEPENDENT AUDITORS' REPORT

To the Members of
NEW BRUNSWICK COLLEGE OF DENTAL HYGIENISTS
L'ORDRE DES HYGIÉNISTES DENTAIRES DU NOUVEAU-BRUNSWICK

Opinion

We have audited the accompanying financial statements of the NEW BRUNSWICK COLLEGE OF DENTAL HYGIENISTS - L'ORDRE DES HYGIÉNISTES DENTAIRES DU NOUVEAU-BRUNSWICK, which comprise the statement of financial position as at June 30, 2022 and the statements changes in net assets, of operations and of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the NEW BRUNSWICK COLLEGE OF DENTAL HYGIENISTS - L'ORDRE DES HYGIÉNISTES DENTAIRES DU NOUVEAU-BRUNSWICK as at June 30, 2022, and its financial performance and cash flows for the year 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 Organization 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 these financial statements in accordance with the applicable financial reporting framework, 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 these financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Organization'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.

COMPTABILITÉ > CONSULTATION > FISCALITÉ

ACCOUNTING > CONSULTING > TAX

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INDEPENDENT AUDITORS' REPORT (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 Organization'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 Organization'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 Organization 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.

MNP LLP

Chartered Professional Accountants

Dieppe, New Brunswick
February 23, 2023

**NEW BRUNSWICK COLLEGE OF DENTAL HYGIENISTS -
L'ORDRE DES HYGIÉNISTES DENTAIRES DU NOUVEAU-BRUNSWICK**
Statement of financial position

As at June 30, 2022

	2022	2021
Assets		
Current		
Cash	\$ 353,391	\$ 294,120
Short-term investments (note 3)	181,026	180,136
Prepaid expenses	2,775	12,107
	537,192	486,363
Equipment (note 4)	4,374	4,225
	\$ 541,566	\$ 490,588
Liabilities		
Current		
Accounts payable and accrued liabilities (note 5)	\$ 18,114	\$ 15,296
Deferred membership fees	112,155	103,398
	130,269	118,694
Net assets		
Restricted (note 6)	170,000	170,000
Unrestricted	236,923	197,669
Invested in equipment	4,374	4,225
	411,297	371,894
	\$ 541,566	\$ 490,588

Commitments (note 7)

Approved on behalf of the Board

.....
Director

.....
Director

See accompanying notes to the financial statements

**NEW BRUNSWICK COLLEGE OF DENTAL HYGIENISTS -
L'ORDRE DES HYGIÉNISTES DENTAIRE DU NOUVEAU-BRUNSWICK**
Statement of changes in net assets

For the year ended June 30, 2022

	Restricted (Note 6)	Unrestricted	Invested in equipment	2022	2021
Balance, beginning of year	\$ 170,000	\$ 197,669	\$ 4,225	\$ 371,894	\$ 328,296
Excess of revenues over expenses	-	39,403	-	39,403	43,598
Transfer for purchase of equipment	-	(2,305)	2,305	-	-
Transfer for amortization of equipment	-	2,156	(2,156)	-	-
Balance, ending of year	\$ 170,000	\$ 236,923	\$ 4,374	\$ 411,297	\$ 371,894

See accompanying notes to the financial statements

**NEW BRUNSWICK COLLEGE OF DENTAL HYGIENISTS -
L'ORDRE DES HYGIÉNISTES DENTAIRE DU NOUVEAU-BRUNSWICK**

Statement of operations

For the year ended June 30, 2022

	2022	2021
Revenue		
Membership fees	\$ 229,753	\$ 221,148
Expenses		
Salaries and benefits	91,478	88,381
Consulting fees	22,806	19,747
Legal and accounting	20,369	13,969
Rent	13,294	7,107
Data management expenses	8,740	18,392
CDAC fees and other memberships	5,836	4,225
Printing and office expenses	5,692	4,004
Interest and bank charges	4,798	4,227
Insurance	3,796	3,696
Telephone	3,495	2,896
Meeting expenses	3,192	(573)
Council members honorarium (note 8)	3,075	8,175
Amortization of equipment	2,156	1,978
Courier and postage	1,234	303
Annual general meeting expenses	800	800
Website costs	502	356
Conference expenses	-	2,000
Translation fees	-	564
	191,263	180,247
Excess of revenues over expenses before other income	38,490	40,901
Other income		
Interest revenue	913	2,697
Excess of revenues over expenses	\$ 39,403	\$ 43,598

See accompanying notes to the financial statements

**NEW BRUNSWICK COLLEGE OF DENTAL HYGIENISTS -
L'ORDRE DES HYGIÉNISTES DENTAIRES DU NOUVEAU-BRUNSWICK**

Statement of cash flows

For the year ended June 30, 2022

	2022	2021
Operating activities		
Excess of revenues over expenses	\$ 39,403	\$ 43,598
Items not affecting cash:		
Amortization of equipment	2,156	1,978
	41,559	45,576
Changes in non-cash working capital:		
Prepaid expenses	9,332	(9,933)
Accounts payable and accrued liabilities	2,818	838
Deferred membership fees	8,757	(2,102)
	20,907	(11,197)
	62,466	34,379
Investing activities		
Acquisition of investments	(890)	(2,676)
Purchase of equipment	(2,305)	(2,650)
	(3,195)	(5,326)
Increase in cash	59,271	29,053
Cash, beginning of year	294,120	265,067
Cash, end of year	\$ 353,391	\$ 294,120

See accompanying notes to the financial statements

NEW BRUNSWICK COLLEGE OF DENTAL HYGIENISTS - L'ORDRE DES HYGIÉNISTES DENTAIRE DU NOUVEAU-BRUNSWICK

Notes to financial statements

For the year ended June 30, 2022

1. STATUS AND NATURE OF OPERATIONS

The New Brunswick College of Dental Hygienists (the College) is a not-for-profit organization incorporated under the Business Corporation Act of the Province of New Brunswick. Its principal activity is to ensure that, for the public's interest, the profession of dental hygiene is practiced by its members in accordance with standards set by the College. The College is exempt from tax on income under paragraph 149 (1)(l) of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Part III of the Canadian Institute of Chartered Accountants (CICA) Accounting Handbook – Accounting standards for not-for-profit organizations, which sets out generally accepted accounting principles for not-for-profit organizations and include the significant policies described hereafter:

Cash and cash equivalent

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted funds.

Equipment

The equipment is initially recorded at cost. Amortization is provided at rates intended to amortize the cost of assets over their estimated useful lives using the following methods and rates:

Office equipment	20%	declining balance method
Computer equipment	30%	declining balance method
Computer software	100%	declining balance method

Equipment acquired during the year are amortized at one half of their rate.

Long-lived assets

Long-lived assets consist of equipment mentioned above. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The College performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable.

The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. If the carrying amount is not recoverable, impairment is then measured as the amount by which the asset's carrying amount exceeds its fair value.

Fair value is measured using quoted market prices. Any impairment is included in excess of revenues over expenses for the year.

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**NEW BRUNSWICK COLLEGE OF DENTAL HYGIENISTS -
L'ORDRE DES HYGIÉNISTES DENTAIRE DU NOUVEAU-BRUNSWICK**

Notes to financial statements

For the year ended June 30, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

The College follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership fees are recognized as revenue over the period to which they relate and recognized only when payment is received since it is only then that the members obtain their valid license.

Deferred membership fees represent membership fees received in the current year but related to operations for next year.

Restricted funds

The Council's executives have established a disciplinary fund, a reserve fund and a restricted executive director/registrar succession planning fund to be used for specific spending. The reserve fund is to be used for operational contingencies, the restricted executive director/registrar succession planning fund for the position search, negotiations and related activities and the disciplinary fund, for carrying their mandated discipline & complaints work of the College. Funds will be transferred from the unrestricted funds by Council motion. All interests earned in restricted investments will be transferred to the unrestricted fund. When expenses are incurred, transfers will be made from the unrestricted funds to cover such costs.

Operating Leases

An operating lease is a lease where substantially all the benefits and risks incidental to ownership of the property are not transferred to the organization.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity 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 date of financial statements, and the reported amounts of revenues and expenses during the year.

Amortization is based on the estimated useful lives of equipment. Accounts payable and accrued liabilities are estimated based on historical costs for goods and services.

By their nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements from changes in such estimates in future years could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenues over expenses in the years in which they become known.

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**NEW BRUNSWICK COLLEGE OF DENTAL HYGIENISTS -
L'ORDRE DES HYGIÉNISTES DENTAIRE DU NOUVEAU-BRUNSWICK**

Notes to financial statements

For the year ended June 30, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

The College recognizes financial instruments when it becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated, acquired, issued or assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the College may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The College has not made such an election during the year.

The College subsequently measures all its financial instruments at their amortized cost, which include cash, short-term investments, accounts payable and accrued liabilities. The College removes financial liabilities, or a portion of, when the obligation is discharged, cancelled, or expires.

Transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

Financial assets or liabilities obtained in related party transactions are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received (refer to Note 8).

Financial instruments that were initially measured at cost and derivatives that are linked to, and must be settled by, delivery of unquoted equity instruments of another entity, are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenues over expenses.

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**NEW BRUNSWICK COLLEGE OF DENTAL HYGIENISTS -
L'ORDRE DES HYGIÉNISTES DENTAIRE DU NOUVEAU-BRUNSWICK**

Notes to financial statements

For the year ended June 30, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial asset impairment

The College assesses impairment of all its financial assets measured at cost or amortized cost. It groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty in determining whether objective evidence of impairment exists. When there is an indication of impairment, the College determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the College reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the balance sheet date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the College reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the balance sheet date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The College reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenues over expenses in the year the reversal occurs.

**NEW BRUNSWICK COLLEGE OF DENTAL HYGIENISTS -
L'ORDRE DES HYGIÉNISTES DENTAIRE DU NOUVEAU-BRUNSWICK**

Notes to financial statements

For the year ended June 30, 2022

3. SHORT-TERM INVESTMENTS

Short-term investments consist of:

- a GIC of \$52,295 (2021 - \$52,147), which include \$2,295 (2021 - \$2,146) of reinvested interest of which \$44 (2021 - \$25) are accrued interest, bearing interest at 1.40% (2021 - 0.30%) maturing on September 16, 2022. The investment's original cost of \$50,000 was purchased for the disciplinary fund.
- a GIC of \$54,710 (2021 - \$54,256), which include \$4,710 (2021 - \$4,255) of reinvested interest of which \$232 (2021 - \$95) are accrued interest, bearing interest at 2.35% (2021 - 0.50%) maturing on June 24, 2023. The investment's original cost of \$50,000 was purchased for the disciplinary fund.
- a GIC of \$42,106 (2021 - \$41,918), which include \$2,106 (2021 - \$1,918) of reinvested interest of which \$88 (2021 - \$145) are accrued interest, bearing interest at 4.00% (2021 - 0.50%) maturing on February 18, 2023. The investment's original cost of \$40,000 was purchased for the restricted executive director/registrar succession planning fund.
- a GIC of \$31,915 (2021 - \$31,815), which include \$1,915 (2021 - \$1,815) of reinvested interest of which \$80 (2021 - \$79) are accrued interest, bearing interest at 0.25% (2021 - 0.25%) maturing on February 21, 2023. The investment's original cost of \$30,000 was purchased for the reserve fund.

4. EQUIPMENT

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Office equipment	\$ 11,108	\$ 8,626	\$ 2,482	\$ 1,814
Computer equipment	6,653	5,341	1,312	1,875
Computer software	57,397	56,817	580	536
	\$ 75,158	\$ 70,784	\$ 4,374	\$ 4,225

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
Accounts payable and accrued liabilities	\$ 8,500	\$ 5,500
Payroll withholdings	9,614	9,796
	\$ 18,114	\$ 15,296

6. RESTRICTED NET ASSETS

The restricted net assets include the following three funds:

- Reserve Fund for \$30,000 (2021 - \$30,000)
- Disciplinary Fund for \$100,000 (2021 - \$100,000)
- Restricted Executive Director/Registrar Succession Planning Fund for \$40,000 (2021 - \$40,000)

**NEW BRUNSWICK COLLEGE OF DENTAL HYGIENISTS -
L'ORDRE DES HYGIÉNISTES DENTAIRE DU NOUVEAU-BRUNSWICK**

Notes to financial statements

For the year ended June 30, 2022

7. COMMITMENTS

The College leases its office under a two-years term lease ending on September 30, 2023. Under the lease agreement, the College is required to pay monthly instalments of \$1,093, for a total future minimum lease payments of \$16,388.

The College also has a lease agreement for a printer that expires in 2025. Under the lease agreement, the College is required to pay quarterly instalments of \$218, for a total future minimum lease payments of \$2,400.

The total installments over the next three years are the following:

2023	\$ 13,983
2024	4,150
2025	\$ 655

8. RELATED PARTY TRANSACTIONS

During the year, the College paid \$3,075 (2021- \$8,175) to compensate their board members for their active participation in general board and annual general meetings of the College. The parties are related due to the significant influence held by the members of the board of directors of the strategic and operating activities of the College.

9. CORONAVIRUS DISEASE (2019) (COVID-19)

The COVID-19 pandemic declared in January 2020 by the World Health Organization (WHO) is continuing to disrupt supply chains and affect production and sales across a range of industries. The extent of the impact of COVID-19 on the College's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on customers, employees and vendors all of which are uncertain and cannot be predicted. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, while the College expects this matter to continue to impact its operating results subsequent to year end, the related financial effects and duration cannot be reasonably estimated at this time.

**NEW BRUNSWICK COLLEGE OF DENTAL HYGIENISTS -
L'ORDRE DES HYGIÉNISTES DENTAIRE DU NOUVEAU-BRUNSWICK**

Notes to financial statements

For the year ended June 30, 2022

10. FINANCIAL INSTRUMENTS

The College is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the College's risk exposure and concentration as of June 30, 2022.

Liquidity Risk

Liquidity risk is the risk that the College will encounter difficulty in meeting the obligations associated with its financial liabilities. The College is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The College's exposure to liquidity risk is dependent to the membership received from members. There has been no change to the risk exposure from the prior year.

Market risk

Market risk is the risk that the fair value of future cash flows of financial instrument will fluctuate because of change in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The College is solely exposed to the interest rate risk. There has been no change to the risk exposure from the prior year.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the College manages exposure through its normal operating and financing activities. The College is exposed to interest rate risk primarily through its term deposit. There has been no change to the risk exposure from the prior year.
