New Brunswick College of Dental Hygienists
Financial Statements
December 31, 2023

Contents

Independent Auditor's Report

To the Board of New Brunswick College of Dental Hygienists:

Opinion

We have audited the financial statements of New Brunswick College of Dental Hygienists (the "College"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at December 31, 2023, 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.

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 College 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.

Other Matter

The financial statements for the year ended December 31, 2022 were reviewed and we expressed an unmodified conclusion on those statements on December 20, 2023.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

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

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 College'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 College'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 College 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.

Dieppe, New Brunswick
April 17, 2024

MNP LLP

Chartered Professional Accountants

New Brunswick College of Dental Hygienists
Statement of Financial Position
As at December 31, 2023

	2023	*2022 (Unaudited)*
Assets		
Current		
Cash	**416,028**	470,171
Short-term investments *(Note 3)*	**207,776**	181,985
Prepaid expenses	**5,549**	7,172
	629,353	659,328
Capital assets *(Note 4)*	**6,026**	7,242
Long-term investments *(Note 5)*	**113,902**	-
	749,281	666,570
Liabilities		
Current		
Accounts payable and accruals *(Note 6)*	**25,904**	21,568
Deferred membership fees	**254,074**	221,540
	279,978	243,108
Commitments *(Note 8)*		
Net Assets		
Invested in capital assets	**6,026**	7,242
Restricted *(Note 7)*	**300,000**	170,000
Unrestricted	**163,277**	246,220
	469,303	423,462
	749,281	666,570

Approved on behalf of the Board

e-Signed by Diane Theriault
2024-04-18 11:48:31:31 ADT
Director

e-Signed by Danielle Bertin
2024-04-17 17:50:43:43 ADT
Director

The accompanying notes are an integral part of these financial statements

New Brunswick College of Dental Hygienists
Statement of Operations
For the year ended December 31, 2023

	12 Months 2023	*6 Months 2022 (Unaudited)*
Revenue		
Memberships	**245,230**	130,865
Expenses		
Salaries and benefits	**101,640**	46,590
Professional fees	**27,720**	9,149
Rent	**13,283**	6,555
Meeting expenses	**10,378**	8,884
Data management fees	**9,387**	4,586
CDAC and other membership fees	**9,386**	2,763
Council members honorarium *(Note 9)*	**7,960**	8,690
Bank charges and interest	**5,232**	4,653
Insurance	**5,140**	1,426
Website redesign	**4,660**	-
Amortization of capital assets	**4,456**	1,273
Telephone	**4,286**	1,658
Printing and office supplies	**3,332**	3,675
Advertising	**1,485**	398
Courier and postage	**825**	400
Annual general meeting expense	**800**	-
Consulting fees	**-**	19,033
Total expenses	**209,970**	119,733
Excess of revenue over expenses before other items	**35,260**	11,132
Other items		
Interest income	**10,581**	1,033
Excess of revenue over expenses	**45,841**	12,165

The accompanying notes are an integral part of these financial statements

New Brunswick College of Dental Hygienists
Statement of Changes in Net Assets
For the year ended December 31, 2023

	Invested in capital assets	*Restricted*	*Unrestricted*	*12 months 2023*	*6 months 2022 (Unaudited)*
Net assets, beginning of year	**7,242**	**170,000**	**246,220**	**423,462**	411,297
Transfer for purchase of capital assets	**3,240**	**-**	**(3,240)**	**-**	-
Transfer for amortization of capital assets	**(4,456)**	**-**	**4,456**	**-**	-
Transfer for purchase of investments	**-**	**130,000**	**(130,000)**	**-**	-
Excess of revenue over expenses	**-**	**-**	**45,841**	**45,841**	12,165
Net assets, end of year	**6,026**	**300,000**	**163,277**	**469,303**	423,462

New Brunswick College of Dental Hygienists
Statement of Cash Flows
For the year ended December 31, 2023

	12 Months 2023	*6 Months 2022 (Unaudited)*
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	**45,841**	12,165
Amortization of capital assets	**4,456**	1,273
	50,297	13,438
Changes in working capital accounts		
Prepaid expenses	**1,623**	(4,397)
Accounts payable and accruals	**4,336**	3,454
Deferred membership fees	**32,534**	109,385
	88,790	121,880
Investing		
Purchase of capital assets	**(3,240)**	(4,141)
Purchase of investments	**(139,693)**	(959)
	(142,933)	(5,100)
Increase (decrease) in cash resources	**(54,143)**	116,780
Cash resources, beginning of year	**470,171**	353,391
Cash resources, end of year	**416,028**	470,171

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

New Brunswick College of Dental Hygienists (the “College”) was incorporated without share capital and is registered as a not-for-profit organization and thus is exempt from income taxes under paragraph 149 (1)(I) of the Income Tax Act (“the Act”).

The College’s principal activity is to ensure that, for the public's interest. the profession of dental hygiene is practiced by its members in accordance with the standards set by the College.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada.

Basis of accounting

These financial statements have been prepared in accordance with Part III of the Chartered Professional Accountants of Canada (CPA Canada) Handbook – accounting standards for not-for-profit organizations, which establishes generally accepted accounting principles (GAAP) for not-for-profit organizations and includes the main accounting methods described below:

Cash and cash equivalents

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 cash.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Computer equipment	declining balance	30 %
Computer software	declining balance	100 %
Office equipment	declining balance	20 %

Long-lived assets

Long-lived assets consist of capital assets with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The College writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the College’s ability to provide goods and services. The asset is also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the College determines that a long-lived asset is impaired, its carrying amount is written down to the asset’s fair value.

2. Significant accounting policies *(Continued from previous page)*

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. Endowment contributions are recognized as direct increases in net assets.

Membership fees collected are charged to income for the fiscal year for which they are paid and recognized only when payment is received, since members receive their valid permit at the time of payment.

Deferred membership fees represent dues received during the year but related to the following fiscal year.

Unrestricted interest income is recognized as revenue when earned.

Restricted Funds

The Board has established a Disciplinary Fund, a Restricted Succession Planning Fund for the Executive Director/Registrar, a Reserve Fund and a Legislation Fund to be used for specific needs. The Disciplinary Fund for carrying out their discipline mandate and labor complaints of the College, the Restricted Succession Planning Fund for the Executive Director/Registrar for related research position and the negotiations and other related activities, the Reserve Fund will be used for operational contingencies and the Legislation Fund will be used for any legislation changes. Funds shall be transferred from the unrestricted fund by motion of the Board. Any interest earned in the investments of the restricted fund will be transferred to the unrestricted fund. When expenses are incurred, a transfer will be made from the unallocated fund to cover them.

Leases

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. Assets under capital leases are amortized on a declining balance basis, over their estimated useful lives estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

An arrangement contains a lease where the arrangement conveys a right to use the underlying tangible asset, and whereby its fulfillment is dependent on the use of the specific tangible asset. After the inception of the arrangement, a reassessment of whether the arrangement contains a lease is made only in the event that:

- there is a change in contractual terms;
- a renewal option is exercised or an extension is agreed upon by the parties to the arrangement;
- there is a change in the determination of whether the fulfillment of the arrangement is dependent on the use of the specific tangible asset; or
- there is a substantial physical change to the specified tangible asset.

2. Significant accounting policies *(Continued from previous page)*

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 the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Amortization is based on the estimated useful lives of capital assets. Accounts payable and accruals are estimated based on historical costs for goods and services.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. 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.

Financial instruments

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

Arm's length financial instruments

Financial instruments originated/acquired or issued/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 other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues over expenses.

Related party financial instruments

The College initially measures at cost. 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 9).

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.

2. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

Financial asset impairment

The College assesses impairment of all its financial assets measured at cost or amortized cost. The College 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 statement of financial position 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 statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the College reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the statement of financial position date.

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.

3. Short-term investments

Short-term investments consists of:

- A treasury bill in the amount of $55,033 (2022 - $52,887), including reinvested interest of $5,033 (2022 - $2,887) including $537 (2022 - $14) of accrued interest, bearing interest at rate of 5.45% (2022 – 3.30%), maturing on October 27, 2024. The original cost of $50,000 was acquired for the Disciplinary Fund.
- A treasury bill in the amount of $57,284 (2022 - $54,942), including reinvested interest of $7,284 (2022 - $4,942) including $1,304 (2022 - $232) of accrued interest, bearing interest at rate of 4.50% (2022 – 2.35%), maturing on August 25, 2024. The original cost of $50,000 was acquired for the Disciplinary Fund
- A treasury bill in the amount of $43,903 (2022 - $42,194), including reinvested interest of $3,903 (2022 - $2,194) including $1,689 (2022 - $88) of accrued interest, bearing interest at rate of 4.65% (2022 – 0.40%), maturing April 22, 2024. The original cost of $40,000 was acquired for the Restricted Succession Planning Fund for the Executive Director/Registrar.
- A treasury bill in the amount of $51,556 (2022 - $0), including reinvested interest of $1,556 (2022 - $0) including $420 (2022 - $0) of accrued interest, bearing interest at rate of 4.00% (2022 – 0.00%), maturing on January 26, 2024. The original cost of $50,000 was acquired for the Disciplinary Fund.

  These are classified as short-term investments due to the maturity dates being in less than 12 months from the year end date.

4. Capital assets

	Cost	Accumulated amortization	***2023*** Net book value	2022 (Unaudited) Net book value
Computer equipment	**9,492**	**6,873**	**2,619**	3,742
Computer software	**61,939**	**60,319**	**1,620**	1,266
Office equipment	**11,108**	**9,321**	**1,787**	2,234
	82,539	**76,513**	**6,026**	7,242

5. Long-term investments

Long-term investments consists of:

- A treasury bill in the amount of $83,612 (2022 - $0), including reinvested interest of $1,612 (2022 - $0) including $1,612 (2022 - $0) of accrued interest, bearing interest at a rate between the minimum of 2.60% and the maximum of 19.00% (2022 - 0%), maturing on March 31, 2026. The original cost of $82,000 was for the Reserve Fund.
- A treasury bill in the amount of $30,290 (2022 - $0), including reinvested interest of $290 (2022 - $0) including $290 (2022 - $0) of accrued interest, bearing interest at rate of 5.35% (2022 - 0%), maturing on October 27, 2025. The original cost of $30,000 was for the Legislation Fund.

  These are classified as long-term investments due to the maturity dates being in more than 12 months from the year end date.

6. Accounts payable and accruals

	2023	*2022* *(Unaudited)*
Accounts payable and accrued charges	**19,853**	15,307
Source deductions	**6,051**	6,261
	25,904	21,568

7. Restricted net assets

Restricted net assets include the following four funds:

- Disciplinary Fund for $150,000 (2022 - $100,000)
- Restricted Succession Planning Fund for the Executive Director/Registrar for $40,000 (2022 - $40,000)
- Legislation Fund for $30,000 (2022 - $0)
- Reserve Fund for $80,000 (2022 - $30,000)

8. Commitments

The College leases its offices under a two-year lease expiring September 30, 2025. Under the lease agreement, the College is required to pay monthly installments of $1,150, for a total future minimum lease payments of $24,150.

The College also has a lease for a printer that expires in 2025. Under the lease, the College is required to pay quarterly installments of $218, for a total future minimum lease payment of $1,091.

The College has entered into various lease agreements with estimated minimum annual payments as follows:

2024	14,673
2025	10,568
	25,241

9. Related party transactions

Included in expenses for the current year are $7,960 (2022 - $8,690) to compensate the members of its Board of Directors for their active participation in the general council and at the annual general meetings of the College. The parties are bound by the significant influence exercised by the members of the Board of Directors on the strategic and operational activities of the College. The expenses were recorded at fair value at the date of transaction.

10. Financial instruments

The College, as part of its operations, carries a number of financial instruments. It is management's opinion that the College is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Liquidity risk

Liquidity risk is the risk that the College will encounter difficulty in meeting obligations associated with financial liabilities. The College's exposure to liquidity risk is dependent on the membership fees received from members to meet commitments and sustain operations.

The College's exposure to liquidity risk has not changed compared to the prior year.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The College is exposed to interest rate risk with respect to its term deposits. Floating rate instruments subject the College to fluctuations in the related future cash flows, in seeking to minimize the risks, the College renews the term deposits at fixed interest rates for shorter periods of time.

During the year, the College's exposure to interest rate risk increased as the prime rate increased during the year in response to a decline in the economy.