



2012 – 2013 ANNUAL REPORT

This report covers the activities of the College from September 1, 2012 – August 31, 2013.

<i>Item</i>	<i>Page</i>
Mission, Vision and Values	1
Objects	2
Members of Council	3
Committees	4
Registrar's Report	5
<i>Annual Reports</i>	
Registration Committee	6
Quality Assurance Committee	6
Inquiries, Complaints and Reports Committee	8
Patient Relations Committee	8
Discipline Committee	9
Fitness to Practice Committee	10
<i>Auditor's Report and Financial Statement</i>	11

Mission, Vision and Values

MISSION

To serve and protect the public interest, by providing leadership and setting quality standards through self-regulation for Registered Dental Technologists of Ontario.

VISION

Excellence through

- ❖ Leadership
- ❖ Accountability
- ❖ Trust

VALUES

The CDTO is guided in its activities by these core values:

- | | |
|-----------------------------------|--|
| Integrity: | CDTO carries out its mission with professionalism that promotes trust and confidence, and sets an example for the profession. |
| Respect and Consideration: | CDTO conducts business thoughtfully, fairly and with compassion in all interactions. |
| Transparency and Openness: | CDTO programs and activities are conducted openly and interactively within the boundaries of privacy legislation and regulations. |
| Communication: | The CDTO values open and honest communication exchange, and being accessible. |
| Accountability: | CDTO sets strategic goals and achieves them through collective responsibilities and teamwork. CDTO assesses its operations and reinforces ongoing quality improvement. |

Objects

The College has the following objects:

1. To regulate the practice of the profession and to govern the members in accordance with the health professions Act, this Code and the *Regulated Health Professions Act, 1991* and the regulations and the by-laws.
2. To develop, establish and maintain standards of qualifications for persons to be issued certificates of registration.
3. To develop, establish and maintain programs and standards of practice to assure the quality of the practice of the profession.
4. To develop, establish and maintain standards of knowledge and skill and programs to promote continuing evaluation, competence and improvement among the members.
- 4.1 To develop, in collaboration and consultation with other Colleges, standards of knowledge, skill and judgment relating to the performance of controlled acts common among health professions to enhance Interprofessional collaboration, while respecting the unique character of individual health professions and their members.
5. To develop, establish and maintain standards of professional ethics for the members.
6. To develop, establish and maintain programs to assist individuals to exercise their rights under this Code and the *Regulated Health Professions Act, 1991*.
7. To administer the health profession Act, this Code and the *Regulated Health Professions Act* as it relates to the profession and to perform the other duties and exercise the other powers that are imposed or conferred on the College.
8. To promote and enhance relations between the College and its members, other health profession colleges, key stakeholders, and the public.
9. To promote inter-professional collaboration with other health profession colleges.
10. To develop, establish, and maintain standards and programs to promote the ability of members to respond to changes in practice environments, advances in technology and other emerging issues.
11. Any other objects relating to human health care that the Council considers desirable.

(Health Professions Procedural Code, s.3)

Members of Council

September – December 2012

January – August 2013

President	Paul Imperius, RDT (to November 2012)	Vacant
Vice-President	Sean Hanrahan, RDT	Sean Hanrahan, RDT
Secretary-Treasurer	Rekha Lakra	Rekha Lakra (to May 2013)
Members	Mark Behar-Bannelier , RDT	Jason Chai Chun Wei, RDT
	Jason Chai Chun Wei, RDT	Hsiu Chin Chang, RDT
	Vincent Chan, RDT	Richard Diamond (from April 2013)
	Hsiu Chin Chang, RDT	Jeff Donnelly
	Jeff Donnelly	Michael Karrandjas, RDT
	Mike Omokhua (to November 2012)	J. Derrick Ostner, RDT
	J. Derrick Ostner, RDT	Devinder Walia
	Devinder Walia	

Staff

Registrar	J. David McDonald
Deputy Registrar	Dwight Townsend
Coordinator, Examinations	Paola Bona
Coordinator, QA & ICRC	Bojana Cvetkovic
Coordinator, Registration	Katherine Stern
Coordinator, Finance & Administration	Steven Wang

Committees

Executive Committee	<i>September – December 2012</i>	<i>January – August 2013</i>
	Paul Imperius, RDT (Chair) (to Noember 2012) Sean Hanrahan, RDT Rekha Lakra Hsiu Chin Chang, RDT Devinder Walia	Sean Hanrahan, RDT (Chair) Rekha Lakra (to May 2013) Hsiu Chin Chang, RDT Devinder Walia
Registration Committee	Sean Hanrahan, RDT (Chair) Hsiu Chin Chang, RDT Devinder Walia	Sean Hanrahan, RDT (Chair) Hsiu Chin Chang, RDT Devinder Walia
Quality Assurance Committee	Rekha Lakra Jason Chai Chun Wei, RDT Vincent Chan, RDT Jeff Donnelly J. Derrick Ostner, RDT	Rekha Lakra (Chair) (to May 2013) Jason Chai Chun Wei, RDT Jeff Donnelly J. Derrick Ostner, RDT
Inquiries, Complaints and Reports Committee	Rekha Lakra (Chair) Hsiu Chin Chang, RDT Devinder Walia	Rekha Lakra (Chair) (to May 2013) Hsiu Chin Chang, RDT Devinder Walia
Patient Relations Committee	Sean Hanrahan, RDT (Chair) Hsiu Chin Chang, RDT Devinder Walia	Sean Hanrahan, RDT (Chair) Hsiu Chin Chang, RDT Devinder Walia
Discipline Committee	Panel to be appointed as necessary	
Fitness to Practice Committee	Panel to be appointed as necessary	

Registrar's Report

After two long years our Council has finally received the correct number of public appointees and elected members to consider us officially and legally constituted once again. Despite this interval without a Council meeting the College has been able to continue in maintenance mode. Examinations have been held; new members have been registered; Quality Assurance checks have occurred; and complaints reviewed for future discussion. All staff, stakeholders, government, and affiliated bodies are looking forward with great anticipation to new a great things to occur with our new Council.

As Registrar I have been involved in meetings or discussions with several groups:

- Ministry of Health officials
- Fairness Commissioner representatives
- Canadian Alliance of Dental Technology Regulators
- Federation of Health Regulatory Colleges of Ontario
- Dental Industry Association of Canada
- Technorama
- Ontario Regulators for Access Consortium
- Health Professions Appeal Review Board
- Legal Advisors
- Banking representatives

In January, 2014 I announced that I would be retiring at the end of April, 2014. As this is my last report as Registrar for the Annual Report Book, I must express my thanks to all current and previous Council members for their support and encouragement since I began my role as the College's Registrar. Those of you who are new to Council have some big shoes to fill. To staff I offer sincere gratitude for the hard work and many hours of personal sacrifice often given to the College.

For the past few weeks I have been reflecting on some of the key activities and changes that have taken place at the CDTO since I began as Registrar. Many good things bear remembering; many challenges deserve a place in the character building column; and a few solemn events will be put into a space reserved for review many years from now. All in all, I am pleased to have served as your Registrar and want to wish you all the best for the future.

Last Thoughts

As a regulatory college we must always remember our role as a regulator is to protect the interest of the public and not get caught up in peripheral issues that would be better served by others. Sometimes, this is easier said than done.



J. David McDonald,
Registrar / CAO

Registration Committee

Chair: Sean Hanrahan, RDT
Members: Hsiu Chin Chang, RDT
Devinder Walia

During 2012/2013 the Registration Committee reviewed and decided on several applications for Registration Status, Registration Examination and Upgrading/Remediation referred by the Registrar, as follows:

- 4 Membership Status Change Requests
- 2 Internationally Trained Applicants
- 4 Upgrading/Remediation Applicants

The Committee reviewed and approved the examinations for the 2013 Registration Examination session. The Committee also was provided with information regarding examination results, considerations for future examinations, membership updates and kept up to date on Ontario Fairness Commissioner activities.

Fifty-three candidates qualified and sat the 2013 Registration Examination in July 2013. Of these candidates 33 passed all examination components during the 2013 CDTO Registration Examination and became eligible to apply for A General Certificate of Registration.

The Eligibility Examination was offered four times during the year and only one candidate applied and sat the examination.

The total membership at August 31 was 522 General Certificate registrants and 35 Inactive Certificate registrants. Late registrations were accepted into September and October.

The Registration Committee would like to thank all those who assisted the College with the preparation, development and administration of the 2013 examinations. Your contributions to the College's examinations and the profession are invaluable!

Quality Assurance Committee

September – December 2012

Chair: Rekha Lakra
Members: Jason Chai Chun Wei, RDT
Vincent Chan, RDT
Jeff Donnelly
Derrick Ostner

January 2013 – August 2013

Chair: Rekha Lakra (to May 2013)
Members: Jason Chai Chun Wei, RDT
Jeff Donnelly
Derrick Ostner

The Quality Assurance Committee of the College is a statutory committee established by the *Regulated Health Professions Act (RHPA)* to administer a quality assurance program that incorporates standards of practice, advances in technology, changes made to entry to practice competencies, self, peer and practice assessments.

For the period ending, September 1st, 2012 to August 31st, 2013 the Quality Assurance Committee:

1. Ensured that members participated in the Quality Assurance Program;
2. Reviewed the Professional Development Profile (PDP) of members randomly selected;
3. Appointed Peer Assessors to conduct on-site evaluation of members randomly selected;
4. The Quality Assurance Committee began looking at a process for changing the CDTO's Standards of Practice
5. The Quality Assurance Committee approved changes to the Quality Assurance regulations.

The College acknowledges the hard work of the Quality Assurance Committee, and thanks the Peer Assessors for their time, dedication, and continued cooperation.

For the period from September 1, 2012 to August 31, 2013

Inquiries, Complaints and Reports Committee

September – December 2012

Chair: Rekha Lakra

Members: Hsiu Chin Chang, RDT
Devinder Walia

January 2013 – August 2013

Chair: Rekha Lakra (to May 2013)

Members: Hsiu Chin Chang, RDT
Devinder Walia

The Inquiries, Complaints and Reports Committee (ICRC) of the College is mandated by the Regulated Health Professions Act, (RHPA) to screen complaint matters received by the public, health care professionals or other stakeholders concerning registered Dental Technologists. The ICRC panel after reviewing the complaint or considering the report will determine the appropriate action to be taken with regards to the case before them.

The categories of complaints and concerns received include formal complaints, mandatory reports, information reports and information coming to the attention of Registrar). The Committee resolves every matter according to the process provided in the Health Professions Procedural Code, which ensure procedural fairness and consistency for both the complainant and the registrant who is subject of the complaint/report.

All complaints or reports are processed by the College in accordance with Schedule 2, sections 25 through 35 of the Health Professions Procedural Code.

During the reporting period the College received one (1) new complaint. There was one (1) case brought forward from the previous cycle (2011-2012).

Patient Relations Committee

September 2012 – August 2013

Chair: Sean Hanrahan, RDT

Members: Hsiu Chin Chang, RDT
Devinder Walia

The Patient Relations Committee of the College of Dental Technologists of Ontario has an obligation under the Regulated Health Professions Act (RHPA) to develop programs to educate members and staff on sexual abuse and harassment issues, develop guidelines for professional behaviour and administer a program of funding for therapy and counselling of a sexually abused patient as determined by a panel of the Discipline Committee.

The Committee has not met since the last Council meeting held on November 2, 2012.

Discipline Committee

September – December 2011

Chair: Panel to be appointed as necessary.

Members:

January – August 2012

Chair: Panel to be appointed as necessary

Members:

The Discipline Committee is responsible for hearing allegations of professional misconduct and/or incompetence involving dental technologists, as referred by the Inquiries, Complaints and Reports Committee.

During the reporting period, there were no referrals to the Discipline Committee and there were no hearings.

Fitness to Practice Committee

September – December 2011

Chair: Panel to be appointed as necessary.

Members:

January – August 2012

Chair: Panel to be appointed as necessary

Members:

The Fitness to Practice Committee's role is to hear matters referred to it from a Panel of Inquiry in respect to a member's ability to practice.

During the reporting period, there were no referrals to the Fitness to Practice Committee and there were no hearings.

COLLEGE OF DENTAL TECHNOLOGISTS OF ONTARIO

FINANCIAL STATEMENTS

AUGUST 31, 2013

HILBORN_{LLP}

Independent Auditor's Report

To the Council of the
College of Dental Technologists of Ontario

We have audited the accompanying financial statements of the College of Dental Technologists of Ontario, which comprise the statements of financial position as at August 31, 2013, August 31, 2012 and September 1, 2011, and the statements of operations, changes in net assets and cash flows for the years ended August 31, 2013 and August 31, 2012, 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 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.

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 the auditor's 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, the auditor considers internal control relevant to the organization'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 organization'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 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 the College of Dental Technologists of Ontario as at August 31, 2013, August 31, 2012 and September 1, 2011, and the results of its operations and its cash flows for the years ended August 31, 2013 and August 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.



Toronto, Ontario
January 23, 2014

Chartered Professional Accountants
Licensed Public Accountants

COLLEGE OF DENTAL TECHNOLOGISTS OF ONTARIO

Statements of Financial Position

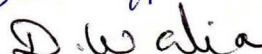
	August 31, 2013 \$	August 31, 2012 \$	September 1, 2011 \$
ASSETS			
Current assets			
Cash and cash equivalents (note 4)	1,175,026	1,436,786	933,804
Prepaid expenses	21,547	18,660	17,906
	<u>1,196,573</u>	<u>1,455,446</u>	<u>951,710</u>
Investments (note 5)	699,507	567,016	517,120
Capital assets (note 6)	15,601	23,348	34,261
	<u>1,911,681</u>	<u>2,045,810</u>	<u>1,503,091</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities (note 7)	37,407	117,769	73,924
Deferred registration and laboratory supervision fees	498,235	628,767	264,288
	<u>535,642</u>	<u>746,536</u>	<u>338,212</u>
Deferred contributions related to capital assets (note 8)	1,194	3,583	5,972
	<u>536,836</u>	<u>750,119</u>	<u>344,184</u>
NET ASSETS			
Invested in capital assets	14,407	19,765	28,289
Internally restricted for complaints and discipline (note 10)	60,000	60,000	60,000
Internally restricted for abuse therapy (note 11)	20,000	20,000	20,000
Unrestricted	1,280,438	1,195,926	1,050,618
	<u>1,374,845</u>	<u>1,295,691</u>	<u>1,158,907</u>
	<u>1,911,681</u>	<u>2,045,810</u>	<u>1,503,091</u>

Approved on behalf of the Council:

President



Vice-President



COLLEGE OF DENTAL TECHNOLOGISTS OF ONTARIO

Statements of Operations

Years ended August 31	2013 \$	2012 \$
Revenues		
Registration	712,168	684,413
Examination	66,641	43,628
Laboratory and supervision fees	35,599	34,553
Investment income (note 9)	45,246	63,839
Administration (note 8)	3,224	3,309
	<u>862,878</u>	<u>829,742</u>
Expenses		
Registration	36,294	7,979
Examination	68,735	39,159
Laboratory supervision fees	30,436	34,762
Administration	156,152	150,751
Human resources	490,753	448,355
Complaints and discipline	404	10,787
Publications	4,700	3,415
	<u>787,474</u>	<u>695,208</u>
Excess of revenues over expenses before the following	75,404	134,534
Recovery of misappropriated funds (note 12)	3,750	2,250
Excess of revenues over expenses for year	<u>79,154</u>	<u>136,784</u>

COLLEGE OF DENTAL TECHNOLOGISTS OF ONTARIO

Statements of Changes in Net Assets

Years ended August 31

	Invested in Capital Assets \$	Internally Restricted for Complaints and Discipline \$	Internally Restricted for Abuse Therapy \$	Unrestricted \$	Total 2013 \$
Balance, beginning of year	19,765	60,000	20,000	1,195,926	1,295,691
Excess of revenues over expenses (expenses over revenues) for year	(12,430)	-	-	91,584	79,154
Purchase of capital assets	7,072	-	-	(7,072)	-
Balance, end of year	14,407	60,000	20,000	1,280,438	1,374,845

	Invested in Capital Assets \$	Internally Restricted for Complaints and Discipline \$	Internally Restricted for Abuse Therapy \$	Unrestricted \$	Total 2012 \$
Balance, beginning of year	28,289	60,000	20,000	1,050,618	1,158,907
Excess of revenues over expenses (expenses over revenues) for year	(11,549)	-	-	148,333	136,784
Purchase of capital assets	3,025	-	-	(3,025)	-
Balance, end of year	19,765	60,000	20,000	1,195,926	1,295,691

COLLEGE OF DENTAL TECHNOLOGISTS OF ONTARIO

Statements of Cash Flows

Years ended August 31	2013 \$	2012 \$
Cash flows from operating activities		
Excess of revenues over expenses for year	79,154	136,784
Adjustments to determine net cash provided by (used in) operating activities		
Amortization	14,819	13,938
Recognition of deferred contributions as revenue	(2,389)	(2,389)
Interest capitalized to investments	(20,457)	(19,893)
Gain on sale of investments	(11,004)	(30,003)
	60,123	98,437
Change in non-cash working capital items		
Increase in prepaid expenses	(2,887)	(754)
Increase (decrease) in accounts payable and accrued liabilities	(80,362)	43,845
Increase (decrease) in deferred registration and laboratory supervision fees	(130,532)	364,479
	(153,658)	506,007
Cash flows from investing activities		
Purchase of investments	(451,956)	(549,902)
Proceeds from sale of investments	350,926	549,902
Purchase of capital assets	(7,072)	(3,025)
	(108,102)	(3,025)
Net change in cash and cash equivalents during the year	(261,760)	502,982
Cash and cash equivalents, beginning of year	1,436,786	933,804
Cash and cash equivalents, end of year	1,175,026	1,436,786

COLLEGE OF DENTAL TECHNOLOGISTS OF ONTARIO

Notes to Financial Statements

August 31, 2013 and 2012

Nature and description of the organization

The College of Dental Technologists of Ontario ("College") was incorporated as a non-share capital corporation under the Regulated Health Professions Act, 1991 ("RHPA"). The College was established under the RHPA to:

- regulate the practice of the profession and to govern the members in accordance with the health profession Act, the Health Professions Procedural Code and the Regulated Health Professions Act, 1991 and the regulations and by-laws;
- develop, establish and maintain standards of qualification for persons to be issued certificates of registration;
- develop, establish and maintain programs and standards of practice to assure the quality of the practice of the profession;
- develop, establish and maintain standards of knowledge and skill and programs to promote continuing evaluation, competence and improvement among the members;
 - develop, in collaboration and consultation with other Colleges, standards of knowledge, skill and judgment relating to the performance of controlled acts common among health professions to enhance inter-professional collaboration, while respecting the unique character of individual health professions and their members;
- develop, establish and maintain standards of professional ethics for the members;
- develop, establish and maintain programs to assist individuals to exercise their rights under the Health Professions Procedural Code and the Regulated Health Professions Act, 1991;
- administer the health profession Act, the Health Professions Procedural Code and the Regulated Health Professions Act, 1991 as it relates to the profession and to perform the other duties and exercise the other powers that are imposed or conferred on the College;
- promote and enhance relations between the College and its members, other health profession colleges, key stakeholders, and the public;
- promote inter-professional collaboration with other health profession colleges;
- develop, establish, and maintain standards and programs to promote the ability of members to respond to changes in practice environments, advances in technology and other emerging issues; and
- any other objects relating to human health care that the Council considers desirable.

The College is a not-for-profit organization, as described in Section 149(1)(l) of the Income Tax Act, and therefore is not subject to either federal or provincial income taxes.

COLLEGE OF DENTAL TECHNOLOGISTS OF ONTARIO

Notes to Financial Statements (continued)

August 31, 2013 and 2012

1. **Significant accounting policies**

The financial statements are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) **Revenue recognition**

The College follows the deferral method of accounting for contributions. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred.

Restricted contributions related to capital assets are deferred and recognized as revenue in the year in which the related assets are disposed of or the year in which the related amortization expense is incurred.

Unrestricted contributions related to the general operations of the College are recognized as revenue of the College when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Registration and laboratory supervision fees are recognized as revenue proportionately over the fiscal year to which they relate. The membership year of the College coincides with that of the fiscal year of the College, being September 1 to August 31. Registration and laboratory supervision fees received in advance of the membership year to which they relate are recorded as deferred registration and laboratory supervision fees.

Examination fees are recognized as revenue when the examinations are held.

Investment income comprises interest from cash and cash equivalents and fixed income instruments and realized gains and losses on the sale of investments.

Revenue is recognized on an accrual basis. Interest on fixed income instruments is recognized over the term of the instruments using the effective interest method.

(b) **Cash and cash equivalents**

Cash and cash equivalents consist of cash and investments which are readily convertible into cash, are not subject to significant risk of changes in value and have a maturity date of twelve months or less from the date of acquisition.

COLLEGE OF DENTAL TECHNOLOGISTS OF ONTARIO

Notes to Financial Statements (continued)

August 31, 2013 and 2012

1. Significant accounting policies (continued)

(c) Capital assets

The costs of capital assets are capitalized upon meeting the criteria for recognition as a capital asset, otherwise, costs are expensed as incurred. The cost of a capital asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

Capital assets are measured at cost less accumulated amortization and accumulated impairment losses.

Amortization is provided for using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Office furniture and equipment	5 years
Registration database	5 years

A capital asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. If any potential impairment is identified, then the amount of the impairment is quantified by comparing the carrying value of the capital asset to its fair value. Any impairment of capital assets is charged to income in the period in which the impairment is determined.

An impairment loss is not reversed if the fair value of the capital asset subsequently increases.

(d) Financial instruments

(i) Measurement of financial instruments

The College initially measures its financial assets and financial liabilities at fair value adjusted for transaction costs where a financial asset or financial liability is subsequently measured at amortized cost.

The College subsequently measures its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and cash equivalents and investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Notes to Financial Statements (continued)

August 31, 2013 and 2012

1. Significant accounting policies (continued)

(ii) Impairment

At the end of each reporting period, the College assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that comes to the attention of the College, including but not limited to the following events: significant financial difficulty of the issuer; a breach of contract, such as a default or delinquency in interest or principal payments; or bankruptcy or other financial reorganization proceedings.

When there is an indication of impairment, the College determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset.

When the College identifies a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it reduces the carrying amount of the asset to the greater of the following:

- the present value of the cash flows expected to be generated by holding the asset discounted using a current market rate of interest appropriate to the asset; and
- the amount that could be realized by selling the asset at the statement of financial position date.

Any impairment of the financial asset is charged to income in the period in which the impairment is determined.

When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent of the improvement, but not in excess of the impairment loss. The amount of the reversal is recognized in income in the period the reversal occurs.

(e) Management estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. Actual results may differ from these estimates, the impact of which would be recorded in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

COLLEGE OF DENTAL TECHNOLOGISTS OF ONTARIO

Notes to Financial Statements (continued)

August 31, 2013 and 2012

1. **Significant accounting policies (continued)**

(f) **Net assets invested in capital assets**

Net assets invested in capital assets comprises the net book value of capital assets less the balance of deferred contributions related to capital assets.

2. **Adoption of accounting standards for not-for-profit organizations**

These financial statements were prepared in accordance with Part III of the CPA Canada Handbook - Accounting ("Part III").

The College's first reporting period using Part III is for the year ended August 31, 2013. As a result, the date of transition to Part III is September 1, 2011. The College presented financial statements under its previous Canadian generally accepted accounting principles ("CGAAP") annually to August 31st of each fiscal year up to, and including, August 31, 2012.

As these financial statements are the first financial statements for which the College has applied Part III, the financial statements have been prepared in accordance with the provisions set out in Section 1501 of Part III, First-time Adoption by Not-for-profit Organizations.

The College is required to apply Part III effective for periods ending on or after August 31, 2013 in:

- a) preparing and presenting its opening statement of financial position at September 1, 2011; and
- b) preparing and presenting its statement of financial position for August 31, 2013 (including comparative amounts for 2012), statement of operations, statement of changes in net assets, and statement of cash flows for the year ended August 31, 2013 (including comparative amounts for 2012) and disclosures (including comparative information for 2012).

Adjustments resulting from adopting Part III, including the use of exemptions under Section 1501, have been recognized directly in net assets at September 1, 2011.

COLLEGE OF DENTAL TECHNOLOGISTS OF ONTARIO

Notes to Financial Statements (continued)

August 31, 2013 and 2012

2. Adoption of accounting standards for not-for-profit organizations (continued)

Reconciliation of Statement of Financial Position at September 1, 2011:

	Reported under previous CGAAP September 1, 2011 \$	Adjustments \$	Reported under Part III September 1, 2011 \$
ASSETS			
Current assets			
Cash and cash equivalents	933,804	-	933,804
Prepaid expenses	17,906	-	17,906
	951,710	-	951,710
Investments	546,347	(29,227)	517,120
Capital assets	34,261	-	34,261
	1,532,318	(29,227)	1,503,091
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	73,924	-	73,924
Deferred registration and laboratory supervision fees	264,288	-	264,288
	338,212	-	338,212
Deferred contributions related to capital assets	5,972	-	5,972
	344,184	-	344,184
NET ASSETS			
Invested in capital assets	28,289	-	28,289
Internally restricted for complaints and discipline	60,000	-	60,000
Internally restricted for abuse therapy	20,000	-	20,000
Unrestricted	1,050,618	-	1,050,618
Unrestricted cumulative net unrealized gains on available for sale financial assets	29,227	(29,227)	-
	1,188,134	(29,227)	1,158,907
	1,532,318	(29,227)	1,503,091

The adjustments to investments and unrestricted cumulative net unrealized gains on available for sale financial assets relate to the adjustment of the carrying amount of fixed income instruments from their fair value to amortized cost.

COLLEGE OF DENTAL TECHNOLOGISTS OF ONTARIO

Notes to Financial Statements (continued)

August 31, 2013 and 2012

2. Adoption of accounting standards for not-for-profit organizations (continued)

There were no material adjustments required to the presentation of the income statement or statement of cash flows presented for the year ended August 31, 2012.

3. Risk management

The College is exposed to various risks through its financial instruments. The following analysis provides a measure of the College's risk exposure and concentrations.

The financial instruments of the the College and the nature of the risks to which it may be subject are as follows:

Financial instrument	Risks				
	Credit	Liquidity	Market risk		
Currency			Interest rate	Other price	
Cash and cash equivalents	X			X	
Investments	X			X	
Accounts payable and accrued liabilities		X			

Credit risk

The College is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the College could incur a financial loss. The College does not hold directly any collateral as security for financial obligations of counterparties.

The maximum exposures of the College to credit risk are as follows:

	August 31, 2013 \$	August 31, 2012 \$
Cash and cash equivalents	1,175,026	1,436,786
Investments	699,507	567,016
	<u>1,874,533</u>	<u>2,003,802</u>

Notes to Financial Statements (continued)

August 31, 2013 and 2012

3. Risk management (continued)

Credit risk (continued)

The College reduces its exposure to the credit risk of cash by maintaining balances with Canadian financial institutions.

The College manages its exposure to credit risk associated with investments through their investment policy which restricts the types of eligible investments. The policy permits the College to invest or reinvest funds of the College in such manner as the Council may, from time to time, by resolution direct, and, in order to implement such investment or reinvestment, Council may authorize by resolution an officer or officers of the College to carry out such direction.

Without limiting the generality of the foregoing, the funds of the College to be invested as referred to above in this section, may be invested in securities issued or guaranteed by:

- a) the Government of Canada;
- b) the Province of Ontario;
- c) the government of another province of Canada, provided that such province, at the time of the investment, was rated by the Dominion Bond Rating Service as one of the three best rated provinces of Canada; or
- d) a Schedule 1 Canadian chartered bank.

Liquidity risk

Liquidity risk is the risk that the College will not be able to meet a demand for cash or fund its obligations as they come due.

The College meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations and anticipated investing and financing activities and holding assets that can be readily converted into cash.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

Currency risk

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in foreign exchange rates.

The College is not exposed to currency risk.

Notes to Financial Statements (continued)

August 31, 2013 and 2012

3. Risk management (continued)

Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

The College is exposed to interest rate risk on its cash and cash equivalents and fixed income investments.

The College's cash includes amounts on deposit with financial institutions that earn interest at market rates.

The College manages the interest rate risk exposure of its fixed income instruments by using a laddered portfolio with varying terms to maturity. The laddered structure of maturities helps to enhance the average portfolio yield while reducing the sensitivity of the portfolio to the impact of interest rate fluctuations.

The primary objective of the College with respect to its investment in fixed income investments is to ensure the security of principal amounts invested and provide for a high degree of liquidity, while achieving a satisfactory investment return.

Fluctuations in market rates of interest on cash and cash equivalents and fixed income investments do not have a significant impact on the College's results of operations.

The College does not use derivative financial instruments to manage its exposure to interest rate risk.

Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

The College is not exposed to other price risk.

Changes in risk

There have been no significant changes in the College's risk exposures from the prior year.

COLLEGE OF DENTAL TECHNOLOGISTS OF ONTARIO

Notes to Financial Statements (continued)

August 31, 2013 and 2012

4. Cash and cash equivalents

	August 31, 2013 \$	August 31, 2012 \$	September 1, 2011 \$
Cash	455,980	721,568	327,083
Guaranteed investment certificates and term deposits	719,046	715,218	606,721
	<u>1,175,026</u>	<u>1,436,786</u>	<u>933,804</u>

Guaranteed investment certificates have interest rates ranging from 0.90% to 1.40% (2012 - 1.15% to 1.55%, 2011 - 0.90% to 1.25%) and mature October 2013 (2012 - February 2012 to August 2012; 2011 - August 2011).

5. Investments

Investments consist of Canadian fixed income instruments whose term to maturity is greater than twelve months from the date of acquisition. Fixed income instruments that mature within twelve months from the year-end date are classified as current.

	August 31, 2013 \$	August 31, 2012 \$	September 1, 2011 \$
Quebec Hydro - 4.20% - 02/15/19	-	-	301,471
Province of Ontario - 3.95% - 12/02/19	-	-	215,649
Province of Quebec - 3.62% - 12/01/22	-	332,553	-
Guaranteed investment certificates - 1.15% - 10/09/15	101,030	-	-
Province of Quebec - 3.49% - 01/16/23	242,660	234,463	-
Province of Quebec - 3.52% - 06/01/28	355,816	-	-
	<u>699,506</u>	<u>567,016</u>	<u>517,120</u>

COLLEGE OF DENTAL TECHNOLOGISTS OF ONTARIO

Notes to Financial Statements (continued)

August 31, 2013 and 2012

6. Capital assets

	Office furniture and equipment \$	Registration database \$	Total \$
Cost			
Balance, September 1, 2011	123,575	23,580	147,155
Additions	3,025	-	3,025
Balance, August 31, 2012	126,600	23,580	150,180
Additions	7,072	-	7,072
Balance, August 31, 2013	133,672	23,580	157,252

Amortization and impairment losses

Balance, September 1, 2011	101,104	11,790	112,894
Amortization	9,222	4,716	13,938
Impairment	-	-	-
Balance, August 31, 2012	110,326	16,506	126,832
Amortization	10,103	4,716	14,819
Impairment	-	-	-
Balance, August 31, 2013	120,429	21,222	141,651

Carrying amount

At September 1, 2011	22,471	11,790	34,261
At August 31, 2012	16,274	7,074	23,348
At August 31, 2013	13,243	2,358	15,601

7. Accounts payable and accrued liabilities

	August 31, 2013 \$	August 31, 2012 \$	September 1, 2011 \$
Trade payables and accrued liabilities	37,407	41,185	46,172
Government remittances	-	76,584	27,752
	37,407	117,769	73,924

COLLEGE OF DENTAL TECHNOLOGISTS OF ONTARIO

Notes to Financial Statements (continued)

August 31, 2013 and 2012

8. Deferred contributions related to capital assets

During fiscal 2009, the College received a government grant in the amount of \$11,945 from the Ontario Ministry of Health and Long-Term Care to fund the costs of a Health Professions Database Project, also known as the Allied Health Human Resources Database.

	August 31, 2013 \$	August 31, 2012 \$	September 1, 2011 \$
Balance, beginning of year	3,583	5,972	8,361
Less: deferred contributions recognized as revenue in the year	(2,389)	(2,389)	(2,389)
Balance, end of year	1,194	3,583	5,972

The amount recognized as revenue is included in administration revenue.

9. Investment income

	August 31, 2013 \$	August 31, 2012 \$	September 1, 2011 \$
Interest from cash and cash equivalents	10,414	13,943	4,911
Interest from fixed income instruments	23,828	19,893	20,025
Gain on sale of investments	11,004	30,003	9,558
	45,246	63,839	34,494

10. Net assets internally restricted for complaints and discipline

The College makes best efforts to anticipate the costs associated with complaints, investigations and hearings based on past experience and current caseload. The College has internally restricted monies to fund expenses related to complaints, investigations and hearings beyond normal expenses.

11. Net assets internally restricted for abuse therapy

The College has internally restricted monies to provide funding for therapy and counselling for persons who, while patients, were sexually abused by members.

COLLEGE OF DENTAL TECHNOLOGISTS OF ONTARIO

Notes to Financial Statements (continued)

August 31, 2013 and 2012

12. Recovery of misappropriated funds

Previously, it was discovered that a former employee had misappropriated funds from the College. The College subsequently initiated legal proceedings against three parties.

The College, in the fiscal year ended August 31, 2011, reached a full and final settlement of the legal proceedings with two parties in the amount of \$335,000 and with the third party which provided for a restitution order in the amount of \$100,000 from the third party. In the current year the College received \$3,750 (2012 - \$2,250) and to date has received \$61,000 in respect of this restitution order.

13. Commitments

Effective September 1, 2013, the College renewed its lease for office premises for an additional period of five years. Annual lease payments, including the College's proportionate share of operating expenses and taxes, are estimated as follows:

	<u>\$</u>
2014	70,236
2015	70,236
2016	70,236
2017	70,929
2018	<u>70,929</u>
	<u><u>352,566</u></u>

HILBORN

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