



2011 – 2012 ANNUAL REPORT

This report covers the activities of the College from September 1, 2011 – August 31, 2012.

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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

For the period from September 1, 2011 to August 31, 2012

	<i>September – December 2011</i>	<i>January – August 2012</i>
President	Adela Witko, RDT	Paul Imperius, RDT
Vice-President	Rekha Lakra	Ataul Haq Malick (to March, 2012) Sean Hanrahan, RDT (from March, 2012)
Secretary-Treasurer	Ataul Haq Malick	Rekha Lakra
Members	Mark Behar-Bannelier , RDT Chai Chun Wei, RDT Hsiu Chin Chang, RDT Sean Hanrahan, RDT Paul Imperius, RDT Mike Omokhua Robert Rabah Devinder Walia	Mark Behar-Bannelier, RDT Chai Chun Wei, RDT Vincent Chan, RDT Hsiu Chin Chang, RDT Jeff Donnelly (from August, 2012) Sean Hanrahan, Mike Omokhua J. Derrick Ostner, RDT (from April, 2012) Robert Rabah (to August, 2012) Devinder Walia

Staff

For the period from September 1, 2011 to August 31, 2012

Registrar	J. David McDonald
Deputy Registrar	Dwight Townsend
Coordinator, Corporate Operations	Liza Mohammed-Cadawas (to September, 2011)
Coordinator, QA & ICRC	Bojana Cvetkovic
Coordinator, Examinations	Paola Bona
Coordinator, Registration	Katherine Stern
Coordinator, Finance & Administration	Steven Wang (from November, 2011)

Committees

For the period from September 1, 2011 to August 31, 2012

	<i>September – December 2011</i>	<i>January – August 2012</i>
Executive Committee	Adela Witko, RDT (Chair) Rekha Lakra Ataul Haq Malick Robert Rabah Paul Imperius, RDT	Paul Imperius, RDT (Chair) Ataul Haq Malick (to March, 2012) Sean Hanrahan, RDT Hsiu Chin Chang, RDT (from March, 2012) Rekha Lakra Devinder Walia
Registration Committee	Sean Hanrahan, RDT (Chair) Hsiu Chin Chang, RDT Robert Rabah Devinder Walia	Sean Hanrahan, RDT (Chair) Hsiu Chin Chang, RDT Robert Rabah (to August, 2012) Devinder Walia
Quality Assurance Committee	Paul Imperius, RDT (Chair) Ataul Haq Malick Mike Omokhua Chai Chun Wei, RDT Vincent Chan, RDT (non-Council)	Rekha Lakra (Chair) Chai Chun Wei, RDT Vincent Chan, RDT Mike Omokhua J. Derrick Ostner, RDT (from April, 2012)
Inquiries, Complaints and Reports Committee	Rekha Lakra (Chair) Hsiu Chang, RDT Mark Behar-Bannelier, RDT Alan David, RDT (non-Council)	Rekha Lakra (Chair) Mark Behar-Bannelier, RDT Hsiu Chang, RDT Devinder Walia
Patient Relations Committee	Robert Rabah (Chair) Sean Hanrahan, RDT Ataul Haq Malick Devinder Walia	Devinder Walia (Chair) Robert Rabah (to August, 2012) Chai Chun Wei, RDT
Discipline Committee	Robert Rabah (Chair) Chai Chun Wei, RDT Sean Hanrahan, RDT Paul Imperius, RDT Mike Omokhua Devinder Walia	Panel to be appointed as necessary
Fitness to Practice Committee	Devinder Walia (Chair) Mark Behar-Bannelier, RDT Paul Imperius, RDT	Chai Chun Wei, RDT (Chair) Mark Behar-Bannelier, RDT Vincent Chan, RDT Mike Omokhua

Registrar's Report

For the period from September 1, 2010 to August 31, 2011

The Registrar's Report this year must begin with a bit of a disclaimer of why there has been no official Council activity in the latter half of this fiscal year.

The legislation (Dental Technology Act s5(b)) requires us to have "at least 5 and no more than 6 persons appointed by the Lieutenant Governor in Council." Without this number we are considered "unconstituted" and may not hold official Council meetings or hearings. Until March we had 5 public appointees. When one of our appointee's term finished in March and was not re-appointed we became unconstituted with only 4 public members. Although a new public member was appointed in August we also lost one member when that person's term finished and he decided not to renew. Our total of public members remained at 4. Since then another appointee's term has finished and was not renewed leaving the College with only 3 public appointees.

Without these necessary voices on Council it is not possible to hold official Council meetings or to conduct official business of the College including the approval of policies and bylaws or to conduct any hearings. Despite this, the College has continued to operate under the guidance of the Executive Committee for the things that can be done by that Committee. The College has been well served by their dedication and commitment. We anxiously await the appointment of new public representatives so we can continue serving the public interest.

Our Registration Regulation and Quality Assurance Regulation were submitted for approval some time ago and the Registration Regulation received Royal Assent in February, 2012. We are still waiting for the Quality Assurance Regulation.

The Registration Committee and staff have been working through the Registration Practices Review and the Strategy for Continuous Improvement as provided by the Office of the Fairness Commissioner. New information and documents were published on the College website in December 2012.

I am pleased to say that most of our registrants readily comply with all the legislative requirements. However, it is still part of normal regulatory activity to receive a report or complaint about the actions of a member. These are mostly of minor nature and are dealt with swiftly by the Investigations Complaints and Reports Committee. No Disciplinary Hearings took place in this past year.

Other initiatives throughout the year included one week of written and practical examinations, examiner debriefings, candidate information sessions, visits to George Brown College, and regular peer assessments.

With thanks to the members of Staff and the many people who contribute to the activities of the CDTO I respectfully submit my report.



J. David McDonald,
Registrar / CAO

Registration Committee

For the period from September 1, 2011 to August 31, 2012

Chair: Sean Hanrahan, RDT
Members: Hsiu Chin Chang, RDT
Devinder Walia
Robert Rabah (*to August 2012*)

The Registration Committee met five times during the year and reviewed and decided on several applications for Registration Status, Registration Examination and Upgrading/Remediation referred by the Registrar, as follows:

- 1 New Applicant
- 3 Internationally Trained Applicants
- 8 Upgrading/Remediation Applicants

The Committee reviewed and approved the examinations for the 2012 Registration Examination session and the results of those examinations.

A review of examination process/format commenced in August 2012 and the Committee considered the parameters of the review and the resources required to accomplish this very important task.

Two Internationally trained individuals were directed by the Committee to take the Eligibility Examination and if successful proceed to the College's Registration Examination. Thirty-four candidates qualified and sat the 2012 Registration Examination in July 2012. Of these candidates 17 passed all examination components during the 2012 CDTO Registration Examination and became eligible to apply for registration.

The Committee was provided with information regarding the following items:

- changes to the Registration Regulation (Ontario Regulation 874/93) which came into effect February 17, 2012,
- the College's Memorandum of Understanding with ICAS of Canada to assess the education of CDTO Registration Examination applicants, and
- the results of the College's Registration Practices Assessment Report issued by the Ontario Fairness Commissioner.

The total membership at August 31 was 491 General Certificate registrants and 33 Inactive Certificate registrants. Late registrations were accepted into September and October and new applicants continue to apply.

A special thank you!

Thank you to the Examination Task Force, Invigilators and Examiners who assisted with the 2012 CDTO Registration Examination.

To Mr. Robert Rabah, Public Member whose term ended in August 2012, a sincere thanks for your contribution to the Registration Committee's mandate.

Quality Assurance Committee

For the period from September 1, 2011 to August 31, 2012

September – December 2011

Chair: Paul Imperius, RDT

Members: Ataul Haq Malick
Mike Omokhua
Chai Chun Wei, RDT
Vincent Chan, RDT

January – August 2012

Chair: Rekha Lakra

Members: J. Derrick Ostner, RDT (from April, 2012)
Mike Omokhua
Chai Chun Wei, RDT
Vincent Chan, RDT

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, 2011 to August 31st, 2012 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 referred one (1) registrant to the Inquiries, Complaints, and Reports Committee (ICRC)
6. The Quality Assurance Committee received an overview of the QA legislation and regulation by CDTO Registrar, David McDonald, explaining how the Quality Assurance Committee operates.
7. The Quality Assurance Committee submitted 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.

Inquiries, Complaints and Reports Committee

For the period from September 1, 2011 to August 31, 2012

September – December 2011

Chair: Rekha Lakra
Members: Hsiu Chang, RDT
Mark Behar-Bannelier, RDT
Alan David, RDT (Non Council member)

January – August 2012

Chair: Rekha Lakra
Members: Hsiu Chang, RDT
Mark Behar-Bannelier, 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 three (3) new complaints and all three were resolved. There were zero (0) cases brought forward from the previous cycle.

Patient Relations Committee

For the period from September 1, 2011 to August 31, 2012

September – December 2011

Chair: Robert Rabah
Members: Sean Hanrahan, RDT
Devinder Walia
Ataul Haq Malick

January – August 2012

Chair: Devinder Walia
Members: Robert Rabah
Chai Chun Wei, RDT

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 January 20, 2012.

Discipline Committee

For the period from September 1, 2011 to August 31, 2012

September – December 2011

Chair: Robert Rabah

Members: Paul Imperius, RDT
Chai Chun Wei, RDT
Sean Hanrahan, RDT
Mike Omukhua
Devinder Walia

January – August 2012

Members: Panel to be appointed as necessary

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

For the period from September 1, 2011 to August 31, 2012

September – December 2011

Chair: Devinder Walia

Members: Mark Behar-Bannelier, RDT
Paul Imperius, RDT

January – August 2012

Chair: Chai Chun Wei, RDT

Members: Mark Behar-Bannelier, RDT
Vincent Chan, RDT
Mike Omokhua

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, 2012

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 statement of financial position as at August 31, 2012, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained 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, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Toronto, Ontario
December 14, 2012

Chartered Accountants
Licensed Public Accountants

COLLEGE OF DENTAL TECHNOLOGISTS OF ONTARIO

Statement of Financial Position

August 31	2012 \$	2011 \$
ASSETS		
Current assets		
Cash and cash equivalents	1,436,786	933,804
Prepaid expenses	18,660	17,906
	<u>1,455,446</u>	<u>951,710</u>
Investments (note 4)	572,820	546,347
Capital assets (note 5)	23,348	34,261
	<u>596,168</u>	<u>580,608</u>
	<u>2,051,614</u>	<u>1,532,318</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	117,769	73,924
Deferred registration and laboratory supervision fees	628,767	264,288
	<u>746,536</u>	<u>338,212</u>
Deferred contributions related to capital assets (notes 2(f) and 6)	3,583	5,972
	<u>750,119</u>	<u>344,184</u>
NET ASSETS		
Net assets invested in capital assets (note 2(f))	19,765	28,289
Net assets internally restricted for complaints and discipline (note 8)	60,000	60,000
Net assets internally restricted for abuse therapy (note 9)	20,000	20,000
Unrestricted - cumulative excess of revenues over expenses	1,195,926	1,050,618
Unrestricted - cumulative net unrealized gains on available for sale financial assets	5,804	29,227
	<u>1,301,495</u>	<u>1,188,134</u>
	<u>2,051,614</u>	<u>1,532,318</u>

Approved on behalf of the Council:

President



Vice-President

COLLEGE OF DENTAL TECHNOLOGISTS OF ONTARIO

Statement of Operations

Year ended August 31	2012 \$	2011 \$
Revenues		
Registration	684,413	638,653
Examination	43,628	81,690
Quality assurance	34,553	33,840
Investment income (note 7)	63,839	34,494
Administration (note 6)	3,309	4,794
	<u>829,742</u>	<u>793,471</u>
Expenses		
Registration	7,979	9,902
Examination	39,159	64,393
Quality assurance	34,762	31,152
Administration	150,751	171,630
Human resources	448,355	390,731
Complaints and discipline	10,787	4,880
Patient relations	-	705
Publications	3,415	5,244
	<u>695,208</u>	<u>678,637</u>
Excess of revenues over expenses before the following	134,534	114,834
Recovery of misappropriated funds (note 10)	2,250	332,372
Excess of revenues over expenses for year	<u>136,784</u>	<u>447,206</u>

COLLEGE OF DENTAL TECHNOLOGISTS OF ONTARIO

Statement of Changes in Net Assets

Year ended August 31

	Invested in Capital Assets \$	Restricted for Complaints and Discipline \$	Restricted for Abuse Therapy \$	Unrestricted Excess of Revenues over Expenses \$	Unrestricted Net Unrealized Gains on Available for Sale Financial Assets \$	Total 2012 \$	Total 2011 \$
Balance, beginning of year	28,289	60,000	20,000	1,050,618	29,227	1,188,134	729,765
Excess of revenues over expenses (expenses over revenues)	(11,549)	-	-	148,333	-	136,784	447,206
Purchase of capital assets	3,025	-	-	(3,025)	-	-	-
	19,765	60,000	20,000	1,195,926	29,227	1,324,918	1,176,971
Accumulated gains included directly in the statement of changes in net assets:							
Unrealized gains on available for sale financial assets arising during the year	-	-	-	-	6,580	6,580	20,721
Reclassification adjustment for gains included in excess of revenues over expenses	-	-	-	-	(30,003)	(30,003)	(9,558)
	-	-	-	-	(23,423)	(23,423)	11,163
Balance, end of year	19,765	60,000	20,000	1,195,926	5,804	1,301,495	1,188,134

COLLEGE OF DENTAL TECHNOLOGISTS OF ONTARIO

Statement of Cash Flows

Year ended August 31	2012 \$	2011 \$
Cash flows from operating activities		
Excess of revenues over expenses for year	136,784	447,206
Items not requiring a current cash payment		
Amortization	13,938	15,920
Recognition of deferred contributions as revenue	(2,389)	(2,389)
Interest capitalized to investments	(19,893)	(20,025)
Gain on sale of investments	(30,003)	(9,558)
	98,437	431,154
Change in non-cash working capital		
Decrease (increase) in prepaid expenses	(754)	665
Increase in accounts payable and accrued liabilities	43,845	5,406
Increase (decrease) in deferred registration and laboratory supervision fees	364,479	(132,294)
	506,007	304,931
Cash flows from investing activities		
Purchase of investments	(549,902)	(207,841)
Proceeds from disposal of investments	549,902	207,841
Purchase of capital assets	(3,025)	(7,720)
	(3,025)	(7,720)
Net increase in cash during year	502,982	297,211
Cash and cash equivalents, beginning of year	933,804	636,593
Cash and cash equivalents, end of year	1,436,786	933,804
	2012 \$	2011 \$
Cash and cash equivalents consists of:		
Cash	720,868	331,045
Cashable guaranteed investment certificates	715,918	602,759
	1,436,786	933,804

COLLEGE OF DENTAL TECHNOLOGISTS OF ONTARIO

Notes to Financial Statements

August 31, 2012

1. Description of 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; and
- 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.

As a not-for-profit professional membership corporation, the College is not liable for income taxes.

Notes to Financial Statements (continued)

August 31, 2012

2. Significant accounting policies

(a) Cash and cash equivalents

Cash and cash equivalents consists 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 one year or less from the date of acquisition.

(b) Investments

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

The investments are classified as available for sale and are recorded at fair value as it is not management's primary objective to generate trading profits from short term fluctuations in price or to hold investments to maturity.

Transaction costs associated with the acquisition and disposal of investments are capitalized and included in the acquisition costs or reduce proceeds on disposal.

The purchase and sale of investments are accounted for using trade-date accounting.

(c) Capital assets

Capital assets are recorded at acquisition cost. Amortization is provided for based on the estimated useful lives of the assets over a period of five years using the straight-line method.

(d) Revenue recognition

- i) The College follows the deferral method of accounting for contributions.
- ii) Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred.
- iii) 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.
- iv) 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.
- v) Registration and Laboratory Supervision Fees

Registration and laboratory supervision fees are recognized as revenue proportionately over the fiscal year to which they relate. The registration 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 registration year to which they relate are recorded as deferred registration and laboratory supervision fees.

Notes to Financial Statements (continued)

August 31, 2012

2. Significant accounting policies (continued)

vi) Examination Fees

Examination fees are recognized as revenue when the exam is held. Examination fees received in advance of the date the examination is held are recorded as deferred examination fees.

vii) Investment Income

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

Revenue is recognized on an accrual basis. Interest on fixed income investments is recognized over the terms of these investments using the effective interest method.

Unrealized gains and losses on available for sale financial assets are included in net assets, until the assets are disposed of.

(e) **Management estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 revenue and expenses during the reporting period.

Key areas where management has made complex or subjective judgments (often as a result of matters that are inherently uncertain) include, among others, amortization and accruals related to complaints and discipline. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

(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.

COLLEGE OF DENTAL TECHNOLOGISTS OF ONTARIO

Notes to Financial Statements (continued)

August 31, 2012

3. Financial instruments

In accordance with Section 3855, financial instruments are classified into one of the following five categories: held for trading, held to maturity, loans and receivables, available for sale, or other financial liabilities. The classification determines the accounting treatment of the instrument. The classification is determined by the College when the financial instrument is initially recorded, based on the underlying purpose of the instrument.

The financial assets and financial liabilities of the College are classified and measured as follows:

<u>Financial Asset/Liability</u>	<u>Category</u>	<u>Measurement</u>
Cash and cash equivalents	Held for trading	Fair value
Investments	Available for sale	Fair value
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

Financial instruments measured at amortized cost are initially recognized at fair value and then subsequently at amortized cost with gains and losses recognized in the statements of operations in the period in which the gain or loss occurs. Changes in fair value of financial instruments classified as available for sale are recorded in the statements of changes in net assets until realized, at which time they are recorded in the statements of operations.

The fair value of a financial instrument is the estimated amount that the College would receive or pay to settle a financial asset or financial liability as at the reporting date.

The College manages credit risk associated with cash and cash equivalents by ensuring that the assets are invested in financial obligations of major financial institutions. Management believes cash flow risk associated with cash and cash equivalents is minimal due to the short-term nature of these financial instruments.

The fair values of accounts payable and accrued liabilities approximate their carrying values due to their nature or capacity for prompt liquidation. It is management's opinion that the College is not exposed to significant interest rate, currency or credit risks arising from these financial instruments.

Disclosure related to other financial instruments is found in note 4 Investments.

COLLEGE OF DENTAL TECHNOLOGISTS OF ONTARIO

Notes to Financial Statements (continued)

August 31, 2012

4. Investments

	Par Value \$	Amortized Cost \$	Fair Value \$
Province of Quebec - 3.62% - 12/01/22	478,494	332,553	336,477
Province of Quebec - 3.49% - 01/16/23	334,810	234,463	236,343
	<u>813,304</u>	<u>567,016</u>	<u>572,820</u>

Investments at amortized cost and fair value were \$517,120 and \$546,347 respectively, as at August 31, 2011.

Fair values are determined by reference to published bid quotations in an active market at year end.

i) Interest Rate Risk

The College manages the interest rate risk exposure of its fixed income investments by using a laddered portfolio with varying terms of 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.

ii) Credit and Market Risk

The College has an 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.

COLLEGE OF DENTAL TECHNOLOGISTS OF ONTARIO

Notes to Financial Statements (continued)

August 31, 2012

5. Capital assets

	Cost \$	Accumulated Amortization \$	2012 Net \$	2011 Net \$
Office furniture and equipment	126,599	110,325	16,274	22,471
Registration database	23,580	16,506	7,074	11,790
	150,179	126,831	23,348	34,261

6. 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.

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

The amount recognized as revenue is included in administration revenue.

7. Investment income

	2012 \$	2011 \$
Interest from cash and cash equivalents	13,943	4,911
Interest from fixed income investments	19,893	20,025
Realized gain on sale of investments	30,003	9,558
	63,839	34,494

8. 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.

COLLEGE OF DENTAL TECHNOLOGISTS OF ONTARIO

Notes to Financial Statements (continued)

August 31, 2012

9. **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.

10. **Recovery of misappropriated funds**

In the fiscal year ended August 31, 2006, it was discovered that a former employee had misappropriated funds from the College. The College 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. The College issued final releases related to these settlements. The College also reached a full and final settlement with the third party which provides for a restitution order in the amount of \$100,000. In the current year the College received \$2,250 (2011 - \$2,750) in respect of this restitution order and to date has received \$57,250.

	2012 \$	2011 \$
Funds recovered	2,250	337,750
Expenses related to misappropriated funds	-	(5,378)
	<u>2,250</u>	<u>332,372</u>

11. **Commitment**

Effective September 1, 2008 the College entered into a five year lease for its office premises. Annual lease payments, including the College's proportionate share of operating expenses and taxes, are estimated as \$63,705.

12. **Capital disclosures**

For its own purposes, the College defines capital as the sum of net assets invested in capital assets, net assets internally restricted for complaints and discipline, net assets internally restricted for abuse therapy, unrestricted cumulative excess of revenues over expenses and unrestricted cumulative net unrealized gains on available for sale financial assets. The College is not subject to externally imposed requirements on capital.

The College's objectives when managing capital are to hold sufficient unrestricted net assets to provide for normal operational requirements on an ongoing basis and to enable it to withstand negative unexpected financial events in order to maintain stability in the financial structure. The College holds fixed income investments which may provide liquidity if required.

Notes to Financial Statements (continued)

August 31, 2012

13. **Future accounting changes**

In December 2010 the Accounting Standards Board (“AcSB”) issued Part III of the CICA Handbook - Accounting to provide Canadian private sector not-for-profit organizations with a new financial reporting framework for fiscal years beginning on or after January 1, 2012. Early adoption is permitted.

Until Part III of the Handbook is adopted, the College will continue to follow the pre-changeover accounting standards in Part V of the Handbook.

Management is currently evaluating the implications of Part III of the Handbook and is developing a plan to meet the timetable published by the AcSB for adoption.

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