

THE BRITISH COLUMBIA DENTAL HYGIENISTS' ASSOCIATION

Financial Statements

Year Ended February 28, 2022

(Unaudited)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board of BC Dental Hygienists' Association

We have reviewed the accompanying financial statements of The British Columbia Dental Hygienists' Association (the organization) that comprise the statement of financial position as at February 28, 2022, and the statements of revenues and expenses, 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 accounting standards for not-for-profit organizations (ASNPO), 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of The British Columbia Dental Hygienists' Association as at February 28, 2022, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Other Matters

The financial statements of the Company for the year ended February 28, 2021, were reviewed by another accountant who expressed an unmodified conclusion on those statements on June 3, 2021.

DMCL

Port Coquitlam, BC
May 26, 2022

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

THE BRITISH COLUMBIA DENTAL HYGIENISTS' ASSOCIATION
Statement of Financial Position
February 28, 2022
(Unaudited)

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 216,906	\$ 181,807
Accounts receivable	2,520	-
Short-term deposits <i>(Note 3)</i>	-	103,302
Prepaid expenses	2,958	2,394
Goods and services tax receivable	4,167	381
	226,551	287,884
LONG-TERM DEPOSIT <i>(Note 4)</i>	104,851	-
CAPITAL ASSETS <i>(Note 5)</i>	10,687	16,053
INTANGIBLE ASSETS <i>(Note 6)</i>	28,156	18,504
INTERNALLY RESTRICTED DEPOSIT <i>(Note 7)</i>	163,816	162,512
	\$ 534,061	\$ 484,953
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 12,888	\$ 21,445
Government remittances payable	12,361	7,634
	25,249	29,079
LEASE COMMITMENT <i>(Note 8)</i>		
NET ASSETS		
General fund	306,154	258,805
Invested in capital and intangible assets	38,842	34,557
Internally restricted <i>(Note 10)</i>	163,816	162,512
	508,812	455,874
	\$ 534,061	\$ 484,953

ON BEHALF OF THE BOARD

_____ *Chair*

_____ *Vice-Chair*

See notes to financial statements

THE BRITISH COLUMBIA DENTAL HYGIENISTS' ASSOCIATION
Statement of Revenues and Expenses
Year Ended February 28, 2022
(Unaudited)

	2022	2021
REVENUES		
Membership dues	\$ 672,306	\$ 648,028
Anti-Stigma	16,500	15,000
Service income	19,207	13,474
Program fees	500	5,130
Interest	3,215	4,228
Miscellaneous	8,613	80
	<u>720,341</u>	<u>685,940</u>
EXPENSES		
Amortization	15,702	24,916
Anti-Stigma advocacy and outreach	3,360	12,350
Bank and merchant fees	4,814	308
Communications and newsletter	5,071	1,515
Conferences and meetings	-	4,872
Courses	1,200	30,686
Education	11,995	25,504
Governance	39,475	35,241
Insurance	8,589	1,764
Office	30,219	25,960
Professional fees	41,365	11,578
Public relations	11,167	4,011
Rent	57,003	58,436
Salaries and benefits	426,429	338,365
Scholarships	4,761	4,060
Telephone	3,551	1,703
Travel	2,323	1,030
Website	379	398
	<u>667,403</u>	<u>582,697</u>
EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER ITEM	52,938	103,243
OTHER ITEM		
Loss on disposal of capital and intangible assets	-	14,957
EXCESS OF REVENUES OVER EXPENSES	\$ 52,938	\$ 88,286

See notes to financial statements

THE BRITISH COLUMBIA DENTAL HYGIENISTS' ASSOCIATION
Statement of Changes in Net Assets
Year Ended February 28, 2022
(Unaudited)

	General Fund	Invested in Capital and Intangible Assets	Internally Restricted	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 258,805	\$ 34,557	\$ 162,512	\$ 455,874	\$ 367,588
Excess (deficiency) of revenues over expenses	67,336	(15,702)	1,304	52,938	88,286
Transfer to fund acquisition of capital and intangible assets	(19,987)	19,987	-	-	-
NET ASSETS - END OF YEAR	\$ 306,154	\$ 38,842	\$ 163,816	\$ 508,812	\$ 455,874

See notes to financial statements

THE BRITISH COLUMBIA DENTAL HYGIENISTS' ASSOCIATION

Statement of Cash Flows

Year Ended February 28, 2022

(Unaudited)

	2022	2021
Cash provided by (used for) the following activities		
OPERATING ACTIVITIES		
Cash received from membership dues and contributions	\$ 662,966	\$ 682,887
Cash receipts from investment income	3,216	4,228
Cash paid for program service expenses	(183,361)	(215,564)
Cash paid for salaries and benefits	(426,429)	(338,365)
	<u>56,392</u>	<u>133,186</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(3,297)	(8,566)
Purchase of intangible assets	(16,691)	(18,504)
Transfer to internally restricted deposits	(1,305)	(37,462)
Increase in internally restricted deposit	-	(63,302)
	<u>(21,293)</u>	<u>(127,834)</u>
INCREASE IN CASH RESOURCES	35,099	5,352
CASH RESOURCES, BEGINNING OF YEAR	181,807	176,455
CASH RESOURCES, END OF YEAR	\$ 216,906	\$ 181,807

See notes to financial statements

THE BRITISH COLUMBIA DENTAL HYGIENISTS' ASSOCIATION

Notes to Financial Statements

Year Ended February 28, 2022

(Unaudited)

1. INCORPORATION AND NATURE OF THE ORGANIZATION

BC Dental Hygienists' Association (the "Association") is incorporated under the authority of the Societies Act of British Columbia and is a not-for-profit organization and thus is exempt from income taxes. In order to maintain its status as a not-for-profit organization under the Income Tax Act (the "Act") the Association must meet certain requirements within the Act. In the opinion of management these requirements have been met.

The purpose of the Association is to effectively serve members of the province of British Columbia and to promote the professional growth of its members, advocate for the profession of dental hygiene, and support its members in improving the health of the public through oral health promotion.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada using the following significant accounting policies.

Revenue recognition

The Association follows the deferral method of accounting for contributions. Revenues with external restrictions are recognized as revenue in the year in which the related expenses are incurred. Revenues from membership dues are recognized in the period that the membership covers and when the amount can be reasonably estimated and collection is reasonably assured. Operational grants are recognized as revenue when the related expenses are incurred. Program fees are recognized as revenue when collection is reasonably assured and the program is delivered. Revenues restricted for the purchase of capital assets and intangible assets subject to amortization are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets. All other revenues are recognized when received or when the amount can be reasonably estimated and collection is reasonably assured.

Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Association's operations and would otherwise have been purchased. Contributed materials and services in the year were \$nil (2021 - \$nil)..

Internally restricted net assets

The Association has internally restricted net assets for Special Projects and Contingency Fund. Net assets restricted for Special Projects are to be used to fund projects which are over \$10,000. Net assets restricted for Contingency Fund are to be used for unforeseen events or circumstances which directly affect the Association. These resources are not available for other purposes without the approval of the Board of Directors.

(continues)

THE BRITISH COLUMBIA DENTAL HYGIENISTS' ASSOCIATION

Notes to Financial Statements

Year Ended February 28, 2022

(Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

The Association recognizes its financial instruments when the Association becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with CPA Canada Handbook - Accounting Section 3840 Related Party Transactions.

At initial recognition, the Association may irrevocably elect to subsequently measure any financial instrument at fair value. The Association has not made such an election during the year, or in a prior year.

The Association subsequently measures investments in equity instruments quoted in an active market at fair value. 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 the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Association assesses impairment of all of its financial assets measured at cost or amortized cost. The Association groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; or no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Association determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Association 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; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Association 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 the excess of excess in the year the reversal occurs.

(continues)

THE BRITISH COLUMBIA DENTAL HYGIENISTS' ASSOCIATION

Notes to Financial Statements

Year Ended February 28, 2022

(Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets

Capital assets are stated at cost.

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

Computer equipment	2 years
Furniture and fixtures	5 years
Library	5 years
IT infrastructure	5 years

Intangible assets

The specified intangible asset is recognized at cost and reported apart from goodwill and consists of website development costs. Amortization is provided using the straight-line method over a five year period. When an intangible asset no longer contributes to the Association's ability to provide services, its carrying amount is written down to residual value, if any.

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 useful life of capital assets and intangible asset.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

3. SHORT-TERM DEPOSITS

	<u>2022</u>	<u>2021</u>
Short-term deposit, matured April 21, 2021 with interest at 1.5%	\$ -	\$ 40,000
Short-term deposit, matured April 24, 2021 with interest at 1.5%	-	63,302
	<u>\$ -</u>	<u>\$ 103,302</u>

4. LONG-TERM DEPOSIT

	<u>2022</u>	<u>2021</u>
Long-term deposit, maturing April 24, 2023 with interest at 0.90%	<u>\$ 104,851</u>	<u>\$ -</u>

THE BRITISH COLUMBIA DENTAL HYGIENISTS' ASSOCIATION

Notes to Financial Statements

Year Ended February 28, 2022

(Unaudited)

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	\$ 42,543	\$ 40,071	\$ 2,472	\$ 743
Furniture and fixtures	12,657	12,657	-	-
Library	25,208	25,208	-	-
IT Infrastructure	35,479	27,264	8,215	15,310
	\$ 115,887	\$ 105,200	\$ 10,687	\$ 16,053

6. INTANGIBLE ASSETS

	2022	2021
Website	\$ 35,195	\$ 18,504
Accumulated amortization	(7,039)	-
	\$ 28,156	\$ 18,504

7. INTERNALLY RESTRICTED DEPOSIT

	2022	2021
<u>Special projects deposits</u>		
Term deposit, maturing January 18, 2023 with interest at 0.65%	\$ 163,817	\$ -
Term deposit, matured January 18, 2022 with interest at 0.80%	-	162,512
	\$ 163,817	\$ 162,512

8. LEASE COMMITMENTS

The Association is committed to lease payments for a photocopier until August 2024. Future minimum payments total \$4,830 (2021 - \$6,762)

The Association is committed to lease payments for its premises in Burnaby, BC, until May 2023. Future minimum lease payments total \$71,249 (2021 - \$128,248).

The Association is also responsible for its proportionate share of its operating costs.

Total future annual minimum lease payments related to the obligations under lease, are as follows:

2023	\$ 58,931
2024	16,182
2025	966
	\$ 76,079

THE BRITISH COLUMBIA DENTAL HYGIENISTS' ASSOCIATION

Notes to Financial Statements

Year Ended February 28, 2022

(Unaudited)

9. COVID-19

The recent outbreak of coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activities. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures will have an adverse impact on global economic conditions as well as on the Company's operations. The extent to which the coronavirus may impact the Company's operations will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine the financial impact at this time.

10. INTERNALLY RESTRICTED NET ASSETS

	Special Projects	Contingency	2022	2021
Balance, beginning of year	\$ 162,512	\$ -	\$ 162,512	\$ 125,050
Transfers	1,305	-	1,305	37,462
Balance, end of year	\$ 163,817	\$ -	\$ 163,817	\$ 162,512

11. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of February 28, 2022.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association is exposed to credit risk mainly in respect to term deposits. All of the association's cash and term deposits are held by one credit union, consequently there is a concentration of credit risk. This risk is managed by using a major credit union that is a high credit quality financial institution as determined by rating agencies. Credit risk is assessed as low.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Association is exposed to interest rate price risk on its investments as they are at fixed rates. The Association's investments have interest rates that vary from 0.90% to 1.5% (2021 - 1.25% to 2.65%).

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

THE BRITISH COLUMBIA DENTAL HYGIENISTS' ASSOCIATION

Notes to Financial Statements

Year Ended February 28, 2022

(Unaudited)

12. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.
