

SASKATCHEWAN DENTAL ASSISTANTS ASSOCIATION

FINANCIAL STATEMENTS

DECEMBER 31, 2021

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of **Saskatchewan Dental Assistants Association** have been prepared by the Association's management in accordance with Canadian accounting standards for not-for-profit organizations and necessarily include some amounts based on informed judgement and management estimates.

To assist management in fulfilling its responsibilities, a system of internal controls has been established to provide reasonable assurance that the financial statements are accurate and reliable and that assets are safeguarded.

The board of directors have reviewed and approved these financial statements.

These financial statements have been examined by the independent auditors, **Virtus Group LLP**, and their report is presented separately.



Brenda Yungwirth
Executive Director



Jenn Prpich
President

INDEPENDENT AUDITORS' REPORT



**VIRTUS
GROUP**
Chartered Professional Accountants
& Business Advisors LLP

To the Members Saskatchewan Dental Assistants Association

Opinion

We have audited the financial statements of **Saskatchewan Dental Assistants Association**, which comprise the statement of financial position as at **December 31, 2021**, and the statements of members' equity, operations, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at **December 31, 2021**, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Saskatchewan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Association's financial reporting process.

INDEPENDENT AUDITORS' REPORT continued

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

April 23, 2022
Saskatoon, Saskatchewan

Virtus Group LLP
Chartered Professional Accountants

SASKATCHEWAN DENTAL ASSISTANTS ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021
(with comparative figures for 2020)

ASSETS		2021	2020
Current assets			
Cash	\$	64,210	\$ 56,878
Short-term investments (Note 3)		773,000	854,900
Interest receivable		3,166	11,929
		840,376	923,707
Tangible capital assets (Note 4)		6,836	9,677
	\$	847,212	\$ 933,384
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	\$	909	\$ 2,164
Government remittances payable		3,700	11,239
Deferred revenue (Note 5)		29,348	22,335
		33,957	35,738
MEMBERS' EQUITY			
Members' equity		813,255	897,646
	\$	847,212	\$ 933,384
Commitment (Note 7)			
Significant event (Note 9)			

See accompanying notes to the financial statements.

APPROVED BY:

 Director

 Director

SASKATCHEWAN DENTAL ASSISTANTS ASSOCIATION
STATEMENT OF MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021
(with comparative figures for the year ended December 31, 2020)

	<u>2021</u>	<u>2020</u>
Members' equity - beginning of year	\$ 897,646	\$ 891,167
Excess (deficiency) of revenue over expenses	<u>(84,391)</u>	<u>6,479</u>
Members' equity - end of year	<u>\$ 813,255</u>	<u>\$ 897,646</u>

See accompanying notes to the financial statements.

SASKATCHEWAN DENTAL ASSISTANTS ASSOCIATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021
(with comparative figures for the year ended December 31, 2020)

	<u>2021</u>	<u>2020</u>
Revenue		
Licensure	\$ 326,163	\$ 302,095
Other income	19,060	17,103
Public and professional relations	-	75
	345,223	319,273
Expenses		
Accreditation fees	8,174	10,496
Advertising and promotion	2,166	3,367
Amortization	3,135	13,256
Council development	3,445	-
Donations	150,000	-
Executive board meetings	12,786	9,825
Gifts and honorariums	1,471	8,366
Insurance	32,738	25,996
Interest and bank charges	2,721	2,310
Member professional development	773	2,373
Practice inspections	19	7,262
Office and general	16,602	28,872
Professional fees	6,398	53,105
Rent	6,426	8,483
Repairs and maintenance	1,618	445
Staff travel and training	113	2,828
Telephone	2,375	3,251
Wages and benefits	178,654	132,559
	429,614	312,794
Excess (deficiency) of revenue over expenses	\$ (84,391)	\$ 6,479

See accompanying notes to the financial statements.

SASKATCHEWAN DENTAL ASSISTANTS ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
(with comparative figures for the year ended December 31, 2020)

	<u>2021</u>	<u>2020</u>
Cash provided by (used in) operating activities:		
Excess of revenue over expenses	\$ (84,391)	\$ 6,479
Items not involving cash:		
- Amortization	3,135	13,256
	(81,256)	19,735
Non-cash operating working capital (Note 6)	88,882	(18,939)
	7,626	796
Cash provided by (used in) investing activities:		
Additions to tangible capital assets	(294)	(2,600)
	7,332	(1,804)
Increase (decrease) in cash	7,332	(1,804)
Cash position - beginning of year	56,878	58,682
Cash position - end of year	\$ 64,210	\$ 56,878

See accompanying notes to the financial statements.

SASKATCHEWAN DENTAL ASSISTANTS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(with comparative figures for the year ended December 31, 2020)

1. Description of operations

The Saskatchewan Dental Assistants Association (the "Association") is incorporated under the Non-Profit Corporations Act and is exempt from income taxes. It is located in Regina, Saskatchewan and has a mandate to provide excellence in dental health care through an ethical professional membership, advocates for the health and safety of dental assistants and elevates public protection through enforcement of regulations, education and standardization.

2. Summary of significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations which required 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 period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. The financial statements reflect the following policies:

Financial instruments

Financial assets and liabilities are recorded on the statement of financial position when the Association becomes party to the contractual provisions of the financial instrument. All financial instruments are required to be recognized at fair value upon initial recognition, except for certain related party transactions. Measurement in subsequent periods of equity instruments is at fair value. All other financial assets and financial liabilities are subsequently measured at amortized cost adjusted by transactions costs, which are amortized over the expected life of the instrument.

Fair value is the amount at which a financial instrument could be exchanged at arm's length between willing, unrelated parties in an open market. Changes in fair values of financial assets and financial liabilities measured at fair value are recognized in excess of revenue over expenses. When there is an indication of impairment the carrying amount of financial assets measured at amortized cost may be reduced. Such impairments can be subsequently reversed if the value improves.

Financial instruments include cash, investments, interest receivable, and accounts payable and accrued liabilities.

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Amortization is provided on the diminishing balance basis over the estimated useful life of the assets at the following annual rates:

Computer equipment	45 %
Computer software	30 %
Equipment	20 %

SASKATCHEWAN DENTAL ASSISTANTS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(with comparative figures for the year ended December 31, 2020)

2. Summary of significant accounting policies (continued)

Revenue recognition

Licensure revenue is recognized when received or receivable. Other revenue is recognized when services are provided.

3. Investments

Investments consist of GIC term deposits recorded at cost. Interest earned to year end has been accrued.

	<u>2021</u>	<u>2020</u>
Affinity Credit Union GIC #26 due February 2022, interest at 0.55%	\$ 423,000	\$ 423,000
Affinity Credit Union GIC #27 due January 2022, interest at 0.35%	50,000	50,000
Affinity Credit Union GIC #29 due September 2022, interest at 0.90%	300,000	381,900
	\$ 773,000	\$ 854,900

4. Tangible capital assets

	<u>2021</u>		<u>2020</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer equipment	\$ 16,875	\$ 14,680	\$ 2,195	\$ 3,991
Computer software	52,892	52,892	-	216
Equipment	21,131	16,490	4,641	5,470
	\$ 90,898	\$ 84,062	\$ 6,836	\$ 9,677

5. Deferred revenue

Deferred revenue consists of membership fees paid in late 2021 relating to the 2022 membership year. The revenue will be recognized as income in 2022.

SASKATCHEWAN DENTAL ASSISTANTS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(with comparative figures for the year ended December 31, 2020)

6. Non-cash operating working capital

Details of net change in each element of working capital relating to operations excluding cash are as follows:

	<u>2021</u>	<u>2020</u>
(Increase) decrease in current assets:		
Short-term investments	\$ 81,900	\$ (50,000)
Interest receivable	8,763	(1,672)
	90,663	(51,672)
Increase (decrease) in current liabilities:		
Accounts payable and accrued liabilities	(1,255)	2,164
Bonus payable	(7,539)	11,239
Deferred revenue	7,013	19,330
	(1,781)	32,733
	\$ 88,882	\$ (18,939)

7. Commitment

During 2020, the Association renewed an agreement to license software for \$1,100 per year. The amount will increase based on the consumer price index in years 2 and 3. The contract terminates June 1, 2023.

On November 2, 2020, the Association entered into a lease agreement with Four M Real Estate Corporation for office space in Regina, Saskatchewan for a five-year term. \$475 will be paid by the Association on the first day of each month for the duration of the lease, effective November 1, 2020.

2022	\$	5,700
2023		5,700
2024		5,700
2025		4,750

SASKATCHEWAN DENTAL ASSISTANTS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(with comparative figures for the year ended December 31, 2020)

8. Financial risk management

The Association has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The significant financial risks to which the Association is exposed are:

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association's exposure to interest rate risk is limited to investments. The Association has reduced this risk by investing in guaranteed investment certificates with fixed interest rates.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association's exposure to liquidity risk is dependent on the receipt of funds from its operations, external borrowings and other related sources. Funds from these sources are primarily used to finance working capital and capital expenditure requirements, and are considered adequate to meet the Association's financial obligations.

9. Significant event

On March 11, 2020, the World Health Organization declared a global pandemic for the COVID-19 virus. The Association is following health advisories and mandatory requirements from local, provincial and national health and government organizations. The financial impact on the Association is unknown, but may be significant.
