

SASKATCHEWAN DENTAL ASSISTANTS ASSOCIATION
FINANCIAL STATEMENTS
DECEMBER 31, 2022

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Saskatchewan Dental Assistants Association have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Saskatchewan Dental Assistants Association's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors has reviewed and approved these financial statements.

The financial statements have been audited on behalf of the shareholders by Virtus Group Chartered Professional Accountants & Business Advisors LLP, in accordance with Canadian generally accepted auditing standards.



Brenda Yungwirth, Executive Director



Jenn Frpich, President

Regina, Saskatchewan
April 22, 2023



INDEPENDENT AUDITOR'S REPORT

To the Members of Saskatchewan Dental Assistants Association

Opinion

We have audited the financial statements of Saskatchewan Dental Assistants Association (the Association), which comprise the statement of financial position as at December 31, 2022, 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, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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 auditor's 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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.

(continues)

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 timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

April 22, 2023
Saskatoon, Saskatchewan

Virtus Group LLP
Chartered Professional Accountants

SASKATCHEWAN DENTAL ASSISTANTS ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	2022	2021
ASSETS		
Current		
Cash	\$ 132,035	\$ 64,210
Short-term investments <i>(Note 3)</i>	775,700	773,000
Interest receivable	8,980	3,166
	916,715	840,376
Tangible capital assets <i>(Note 4)</i>	4,920	6,836
	\$ 921,635	\$ 847,212
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 5,437	\$ 909
Government remittances payable	4,406	3,700
Deferred revenue <i>(Note 5)</i>	36,385	29,348
	46,228	33,957
MEMBERS' EQUITY		
Members' equity	875,407	813,255
	\$ 921,635	\$ 847,212

Commitments *(Note 7)*

APPROVED BY:



 Director



 Director

SASKATCHEWAN DENTAL ASSISTANTS ASSOCIATION
STATEMENT OF MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
Members' equity - beginning of year	\$ 813,255	\$ 897,646
Excess of revenue over expenses	<u>62,152</u>	<u>(84,391)</u>
Members' equity - end of year	<u>\$ 875,407</u>	<u>\$ 813,255</u>

SASKATCHEWAN DENTAL ASSISTANTS ASSOCIATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
Revenue		
Licensure	\$ 334,094	\$ 326,163
Other income	38,019	19,060
	<u>372,113</u>	<u>345,223</u>
Expenses		
Accreditation fees	8,696	8,174
Advertising and promotion	3,748	2,166
Amortization	1,916	3,135
Council development	4,580	3,445
Donations	-	150,000
Executive board meetings	14,574	12,786
Gifts and honorariums	325	1,471
Insurance	28,924	32,738
Interest and bank charges	2,295	2,721
Member professional development	2,537	773
Miscellaneous	300	-
Office and general	23,801	16,602
Practice inspections	1,550	19
Professional fees	13,403	6,398
Rent	6,846	6,426
Repairs and maintenance	4,380	1,618
Staff travel and training	15,261	113
Telephone	2,383	2,375
Wages and benefits	174,442	178,654
	<u>309,961</u>	<u>429,614</u>
Excess (deficiency) of revenue over expenses	<u>\$ 62,152</u>	<u>\$ (84,391)</u>

See accompanying notes to the financial statements

SASKATCHEWAN DENTAL ASSISTANTS ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
Cash flows from operating activities		
Excess (deficiency) of revenue over expenses	\$ 62,152	\$ (84,391)
Item not affecting cash:		
Amortization of tangible capital assets	1,916	3,135
	64,068	(81,256)
Changes in non-cash working capital (<i>Note 6</i>)	3,757	88,882
Cash flows from operating activities	67,825	7,626
Cash flows from investing activity		
Purchase of tangible capital assets	-	(294)
Increase in cash	67,825	7,332
Cash - beginning of year	64,210	56,878
Cash - end of year	\$ 132,035	\$ 64,210

See accompanying notes to the financial statements

SASKATCHEWAN DENTAL ASSISTANTS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

1. Nature of operations

Saskatchewan Dental Assistants Association (the "Association") is a not-for-profit organization of Saskatchewan and is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act. 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 were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) 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 stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates:

Computer equipment	45%
Computer software	30%
Equipment	20%

The Association regularly reviews its tangible capital assets to eliminate obsolete items.

Revenue recognition

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

SASKATCHEWAN DENTAL ASSISTANTS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

3. Investments

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

	2022	2021
Affinity Credit Union GIC #26 due February 2023, interest at 1.5%	\$ 423,000	\$ 423,000
Affinity Credit Union GIC #27 due January 2023, interest at 0.5%	50,000	50,000
Affinity Credit Union GIC #29 due September 2023, interest at 3%	302,700	300,000
	\$ 775,700	\$ 773,000

4. Tangible capital assets

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	\$ 16,875	\$ 15,668	\$ 1,207	\$ 2,195
Computer software	52,892	52,892	-	-
Equipment	21,131	17,418	3,713	4,641
	\$ 90,898	\$ 85,978	\$ 4,920	\$ 6,836

5. Deferred revenue

Deferred revenue consists of membership fees paid in late 2022 relating to the 2023 membership year. The revenue will be recognized as income in 2023.

6. Changes in non-cash working capital

	2022	2021
Short-term investments	\$ (2,700)	\$ 81,900
Interest receivable	(5,814)	8,763
Accounts payable and accrued liabilities	4,528	(1,255)
Government remittances payable	706	(7,539)
Deferred revenue	7,037	7,013
	\$ 3,757	\$ 88,882

SASKATCHEWAN DENTAL ASSISTANTS ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

7. Commitments

During 2020, the Association renewed an agreement to license software for \$1,100 per month. The amount will increase based on the consumer 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. Contractual obligation repayment schedule:

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

8. Financial instruments

The Association 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 Association's risk exposure and concentration as of December 31, 2022.

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.

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.

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