

**CANADIAN DENTAL HYGIENISTS' ASSOCIATION/L'ASSOCIATION
CANADIENNE DES HYGIENISTES DENTAIRES**

FINANCIAL STATEMENTS

APRIL 30, 2011

INDEPENDENT AUDITORS' REPORT

To the Members of
Canadian Dental Hygienists' Association/L'Association
Canadienne des Hygienistes Dentaires

Report on the Financial Statements

We have audited the accompanying financial statements of Canadian Dental Hygienists' Association/L'Association Canadienne des Hygienistes Dentaires, which comprise the statement of financial position as at April 30, 2011, the statements of net assets, operations 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.

Auditors' 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 auditors' 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 auditors consider 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.

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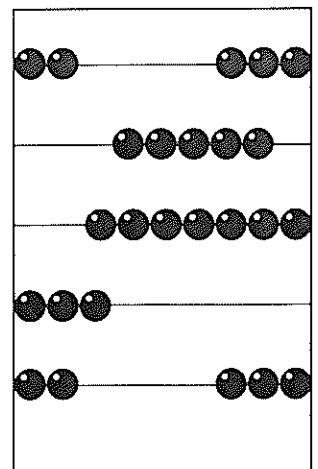
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INDEPENDENT AUDITORS' REPORT

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 Canadian Dental Hygienists' Association/L'Association Canadienne des Hygienistes Dentaires as at April 30, 2011, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Report on Other Legal and Regulatory Requirements

As required by the Canada Corporations Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceeding year.

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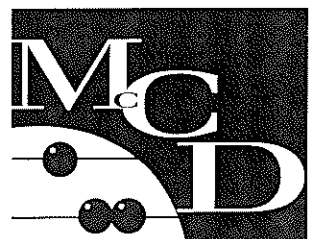
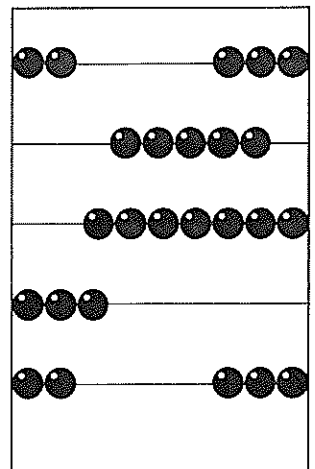
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McCay Duff LLP

McCay Duff LLP,
Licensed Public Accountants.

Ottawa, Ontario,
July 27, 2011.



**CANADIAN DENTAL HYGIENISTS' ASSOCIATION/L'ASSOCIATION
CANADIENNE DES HYGIENISTES DENTAIRES**

STATEMENT OF FINANCIAL POSITION

AS AT APRIL 30, 2011

	ASSETS			
	General Fund	Capital Asset Fund	2011 Total	2010 Total
CURRENT				
Cash	\$ 156,517	\$ -	\$ 156,517	\$ 105,003
Investments (note 6)	719,082	-	719,082	551,659
Accounts receivable	206,082	-	206,082	156,133
Prepaid expenses	<u>31,932</u>	<u>91,226</u>	<u>123,158</u>	<u>195,248</u>
	1,113,613	91,226	1,204,839	1,008,043
CAPITAL (note 7)	<u>-</u>	<u>832,270</u>	<u>832,270</u>	<u>916,524</u>
TOTAL ASSETS	<u>\$ 1,113,613</u>	<u>\$ 923,496</u>	<u>\$ 2,037,109</u>	<u>\$ 1,924,567</u>
	LIABILITIES			
CURRENT				
Accounts payable and accrued liabilities	\$ 160,000	\$ 47,214	\$ 207,214	\$ 485,834
Deferred revenue (note 8)	1,115,809	-	1,115,809	947,704
Current portion of obligations under capital lease (note 9)	<u>-</u>	<u>131,338</u>	<u>131,338</u>	<u>132,699</u>
	1,275,809	178,552	1,454,361	1,566,237
OBLIGATIONS UNDER CAPITAL LEASE (note 9)	<u>-</u>	<u>174,993</u>	<u>174,993</u>	<u>306,300</u>
TOTAL LIABILITIES	1,275,809	353,545	1,629,354	1,872,537
	NET ASSETS (DEFICIT)			
BALANCE - END OF YEAR	<u>(162,196)</u>	<u>569,951</u>	<u>407,755</u>	<u>52,030</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,113,613</u>	<u>\$ 923,496</u>	<u>\$ 2,037,109</u>	<u>\$ 1,924,567</u>

Approved on behalf of the Board:

Director

Director

**CANADIAN DENTAL HYGIENISTS' ASSOCIATION/L'ASSOCIATION
CANADIENNE DES HYGIENISTES DENTAIRES**

STATEMENT OF NET ASSETS

FOR THE YEAR ENDED APRIL 30, 2011

GENERAL FUND	<u>2011</u>	<u>2010</u>
BALANCE - BEGINNING OF YEAR	\$(547,129)	\$ 144,038
Net revenue (expenditure) for the year	<u>355,725</u>	<u>(468,158)</u>
	(191,404)	(324,120)
Transfer from (to) Capital Asset Fund	<u>29,208</u>	<u>(223,009)</u>
BALANCE - END OF YEAR	<u>\$(162,196)</u>	<u>\$(547,129)</u>
 CAPITAL ASSET FUND	 <u>2011</u>	 <u>2010</u>
BALANCE - BEGINNING OF YEAR	\$ 599,159	\$ 376,150
Amortization	(104,404)	(100,869)
Change in prepaid expense	(30,408)	-
Purchase of capital assets	20,150	404,652
Change in accounts payable and accrued liabilities	(47,214)	2,811
Change in capital leases	<u>132,668</u>	<u>(83,585)</u>
Transfer from (to) General Fund	<u>(29,208)</u>	<u>223,009</u>
BALANCE - END OF YEAR	<u>\$ 569,951</u>	<u>\$ 599,159</u>

**CANADIAN DENTAL HYGIENISTS' ASSOCIATION/L'ASSOCIATION
CANADIENNE DES HYGIENISTES DENTAIRE**

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED APRIL 30, 2011

	<u>2011</u>	<u>2010</u>
REVENUE		
Membership	\$ 2,089,594	\$ 1,896,783
Provincial cost sharing	37,390	35,875
Insurance administration	128,633	110,572
Sponsorships	255,559	178,366
CJDH advertising and subscriptions	296,193	372,685
Conferences	2,780	26,225
Continuing Education	171,688	128,886
Interest	<u>7,773</u>	<u>6,545</u>
TOTAL REVENUE	2,989,610	2,755,937
EXPENDITURE		
Amortization	104,404	100,869
Awards, scholarships and grants	21,815	23,700
Bank and credit card charges	61,514	52,364
Commissions	46,762	32,487
Conference and travel	140,100	227,388
Consultants and outsourcing	246,251	525,617
Graphic design	35,819	43,315
Honoraria and per diems	60,251	47,686
Insurance	306,076	309,621
Interest on capital leases	21,927	27,999
Professional fees	48,365	44,837
Salaries and benefits	1,096,809	1,355,444
Subscriptions and memberships	12,353	14,196
Translation	40,151	17,315
Utilities, printing and office overhead	356,263	374,542
Web Site	<u>35,025</u>	<u>26,715</u>
	<u>2,633,885</u>	<u>3,224,095</u>
NET REVENUE (EXPENDITURE) FOR THE YEAR	<u>\$ 355,725</u>	<u>\$ (468,158)</u>

**CANADIAN DENTAL HYGIENISTS' ASSOCIATION/L'ASSOCIATION
CANADIENNE DES HYGIENISTES DENTAIRES**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED APRIL 30, 2011

	<u>2011</u>	<u>2010</u>
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Cash from operations		
Net revenue (expenditure) for the year	\$ 355,725	\$(468,158)
Item not involving cash		
- amortization	<u>104,404</u>	<u>100,869</u>
	460,129	(367,289)
Net change in non-cash working capital		
- accounts receivable	(49,949)	21,848
- prepaid expenses	72,090	(52,629)
- accounts payable and accrued liabilities	(278,620)	236,733
- deferred revenue	<u>168,105</u>	<u>113,541</u>
	(88,374)	<u>319,493</u>
	371,755	(47,796)
INVESTING ACTIVITIES		
Change in investments	(167,423)	439,213
Purchase of capital assets	<u>(20,150)</u>	<u>(404,652)</u>
	(187,573)	34,561
FINANCING ACTIVITIES		
Change in obligations under capital lease	<u>(132,668)</u>	<u>83,585</u>
INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	51,514	70,350
Cash and cash equivalents - beginning of year	<u>105,003</u>	<u>34,653</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 156,517</u>	<u>\$ 105,003</u>

**CANADIAN DENTAL HYGIENISTS' ASSOCIATION/L'ASSOCIATION
CANADIENNE DES HYGIENISTES DENTAIRES**

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2011

1. PURPOSE OF THE ASSOCIATION

The Association is a national organization operating programs for the benefit of the dental hygiene profession and the public. The Association serves dental hygienists in supporting their efforts to provide high-quality accessible care to Canadians. As the collective voice of dental hygiene in Canada, the Association contributes to the health of the public by leading the development of national positions and encouraging standards related to dental hygiene practice, education, research and regulation. The Association is a not-for-profit organization incorporated under the Canada Corporations Act and is exempt from tax under the Income Tax Act.

2. FUND ACCOUNTING

The purpose of the General Fund is to account for the current operations and programs of the Association. The purpose of the Capital Asset Fund is to account for the Association's investment in capital assets and the principal repayment thereof.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

Revenue and expenditures are recognized on the accrual basis of accounting whereby they are reflected in the accounts in the period in which they have been earned and incurred respectively, whether or not such transactions have been finally settled by the receipt or payment of money.

(b) Revenue Recognition

(i) Membership Revenue

Memberships received or receivable in advance are deferred and recognized in the year to which they relate.

(ii) Contributions

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

**CANADIAN DENTAL HYGIENISTS' ASSOCIATION/L'ASSOCIATION
CANADIENNE DES HYGIENISTES DENTAIRES**

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2011

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

(c) Controlled and Related Entities

The Board of Directors of the Canadian Dental Hygienists' Association elects the Board of Directors of the Canadian Foundation for Dental Hygiene Research and Education. Therefore, the Association is considered to control the Foundation. The Foundation was established to conduct research into issues relating to dental hygiene and to undertake public education and the publication of information regarding dental hygiene. The Foundation is exempt from income tax and is a registered charity under paragraph 149(1) of the Income Tax Act.

The financial statements of the Canadian Foundation for Dental Hygiene Research and Education have not been consolidated in the financial statements of the Canadian Dental Hygienists' Association. Financial statements of the Foundation are available on request. A summary of the financial information of the unconsolidated Foundation follows in note 10.

(d) Prepaid Expenses

Prepaid expenses of the Capital Asset Fund relate to software updates for the new data-base system for an additional thirty-six months.

(e) Capital Assets and Amortization

Capital assets are stated at cost, less accumulated amortization. Amortization is provided on a straight line basis as follows:

Building	-	40 years
Furniture and equipment	-	5 years
Equipment under capital lease	-	5 and 10 years

(f) Investments

Investments are classified as held for trading and are recorded at market value. Market value is determined as cost plus accrued interest.

(g) Use of 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, liabilities, revenues and expenditures and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

**CANADIAN DENTAL HYGIENISTS' ASSOCIATION/L'ASSOCIATION
CANADIENNE DES HYGIENISTES DENTAIRES**

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2011

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

(h) Volunteer Services

The Association receives the services of many volunteers, the cost of which cannot be reasonably estimated. Therefore, no representation of this expenditure has been included in these financial statements.

4. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash, investments, accounts receivable, accounts payable and accrued liabilities and obligations under capital lease. The fair values of these financial instruments approximate their carrying values, unless otherwise stated. It is management's opinion that the Association is not exposed to significant interest rate or credit risks arising from these financial instruments.

5. CAPITAL MANAGEMENT

The Association considers its capital to be the balance maintained in its Net Assets. The primary objective of the Association is to invest its capital in a manner that will allow it to continue as a going concern and comply with its stated objectives. Capital is invested under the direction of the Board of Directors of the Association with the objective of providing a reasonable rate of return, minimizing risk and ensuring adequate liquid investments are on hand for current cash flow requirements. The Association is not subject to any externally imposed requirements of its capital.

6. INVESTMENTS

	<u>2011</u>	<u>2010</u>
Guaranteed Investment Certificates	\$ 562,218	\$ 300,229
GTD Investment Certificate	120,698	120,698
Mutual Fund	<u>36,166</u>	<u>130,732</u>
	<u>\$ 719,082</u>	<u>\$ 551,659</u>

7. CAPITAL ASSETS

	<u>2011</u>			<u>2010</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Building	\$ 496,546	\$ 185,547	\$ 310,999	\$ 323,413
Furniture and equipment	<u>323,401</u>	<u>271,382</u>	<u>52,019</u>	<u>57,737</u>
	819,947	456,929	363,018	381,150
Equipment under capital lease	<u>623,983</u>	<u>154,731</u>	<u>469,252</u>	<u>535,374</u>
	<u>\$ 1,443,930</u>	<u>\$ 611,660</u>	<u>\$ 832,270</u>	<u>\$ 916,524</u>

**CANADIAN DENTAL HYGIENISTS' ASSOCIATION/L'ASSOCIATION
CANADIENNE DES HYGIENISTES DENTAIRES**

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2011

8. DEFERRED REVENUE

Deferred revenue represents funding received or receivable in the current year that is related to subsequent periods. Changes in deferred revenue balances are as follows:

	<u>2011</u>	<u>2010</u>
Balance - beginning of year	\$ 947,704	\$ 834,163
Less: Amounts recognized as revenue in the year	(947,704)	(834,163)
Add: Amounts received related to future years	<u>1,115,809</u>	<u>947,704</u>
Balance - end of year	<u>\$ 1,115,809</u>	<u>\$ 947,704</u>

9. OBLIGATIONS UNDER CAPITAL LEASE

	<u>2011</u>	<u>2010</u>
Obligation under capital lease, repayable at \$932 monthly, including interest at 19.75%, maturing February, 2011, secured by equipment		
Total obligation	\$ -	\$ 9,321
Obligation under capital lease, repayable at \$12,106 monthly, including interest at 5.66%, maturing July, 2013, secured by a general security agreement		
Total obligation	<u>326,966</u>	<u>472,240</u>
	326,966	481,561
Less: deferred interest	<u>20,635</u>	<u>42,562</u>
	306,331	438,999
Current portion	<u>131,338</u>	<u>132,699</u>
	<u>\$ 174,993</u>	<u>\$ 306,300</u>

Future minimum lease payments under capital lease expiring July 2013 are as follows:

2012	\$ 145,274
2013	145,274
2014	<u>36,418</u>
	<u>\$ 326,966</u>

**CANADIAN DENTAL HYGIENISTS' ASSOCIATION/L'ASSOCIATION
CANADIENNE DES HYGIENISTES DENTAIRE**

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2011

10. CONTROLLED AND RELATED ENTITIES

Canadian Foundation for Dental Hygiene Research and Education

Financial Position as at April 30, 2011

	<u>2011</u>	<u>2010</u>
Assets		
Unrestricted	\$ 125,749	\$ 134,292
Restricted	<u>51,584</u>	<u>51,826</u>
Total assets	<u>\$ 177,333</u>	<u>\$ 186,118</u>
Total liabilities	\$ 51,584	\$ 60,598
Total net assets	<u>125,749</u>	<u>125,520</u>
	<u>\$ 177,333</u>	<u>\$ 186,118</u>

Results of Operations for the year ended April 30, 2011

	<u>2011</u>	<u>2010</u>
Total revenue	\$ 8,294	\$ 94,413
Total expenditure	<u>8,065</u>	<u>13,040</u>
Net revenue for the year	<u>\$ 229</u>	<u>\$ 81,373</u>