

ASSOCIATION OF DENTAL TECHNOLOGISTS OF ONTARIO

FINANCIAL STATEMENTS

(Unaudited)

June 30, 2026

ASSOCIATION OF DENTAL TECHNOLOGISTS OF ONTARIO

June 30, 2026

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board of Directors of Association of Dental Technologists of Ontario

We have reviewed the accompanying financial statements of Association of Dental Technologists of Ontario that comprise the statement of financial position as at June 30, 2026, 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 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 Association of Dental Technologists of Ontario as at June 30, 2026, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Markham, Ontario
August 28, 2026


Ronald Kwok, CPA, CGA
Licensed Public Accountant

ASSOCIATION OF DENTAL TECHNOLOGISTS OF ONTARIO

STATEMENT OF FINANCIAL POSITION

(Unaudited)

June 30, 2026

	<u>2026</u>	<u>2025</u>
ASSETS		
CURRENT		
Cash	\$ 69,979	\$ 45,301
Short term investments	653,481	567,525
Accounts receivable	816	15,506
Prepaid expenses	<u>7,296</u>	<u>9,950</u>
	731,572	638,282
Capital assets (Note 2)	<u>3,291</u>	<u>4,302</u>
	<u>\$ 734,863</u>	<u>\$ 642,584</u>

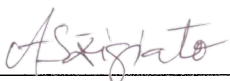
LIABILITIES AND NET ASSETS

CURRENT		
Accounts payable and accrued liabilities	\$ 25,707	\$ 13,359
ADTO beneficiary fund (Note 3)	-	1,423
Deferred revenue (Note 4)	49,592	48,228
Sales tax payable	<u>4,344</u>	<u>5,246</u>
	79,643	68,256
NET ASSETS		
Net assets invested in fixed assets	1,391	2,402
Unrestricted net assets	<u>653,829</u>	<u>571,926</u>
	<u>655,220</u>	<u>574,328</u>
	<u>\$ 734,863</u>	<u>\$ 642,584</u>

Commitment (Note 6)

Approved by the board

 President

 Treasurer

The accompanying notes are an integral part of these financial statements

ASSOCIATION OF DENTAL TECHNOLOGISTS OF ONTARIO

STATEMENT OF CHANGES IN NET ASSETS

(Unaudited)

For the year ended June 30, 2026

NET ASSETS INVESTED IN FIXED ASSETS	<u>2026</u>	<u>2025</u>
Balance, beginning of year	\$ 2,402	\$ 577
Addition in capital assets	-	2,950
Amortization	<u>(1,011)</u>	<u>(1,125)</u>
Balance, end of year	<u>1,391</u>	<u>2,402</u>
UNRESTRICTED NET ASSETS		
Balance, beginning of year	571,926	484,755
Excess revenue (expenditures) for the year	80,892	88,996
Addition in capital assets	-	(2,950)
Amortization	<u>1,011</u>	<u>1,125</u>
Balance, end of year	<u>653,829</u>	<u>571,926</u>
TOTAL NET ASSETS	\$ <u>655,220</u>	\$ <u>574,328</u>

The accompanying notes are an integral part of these financial statements

ASSOCIATION OF DENTAL TECHNOLOGISTS OF ONTARIO

STATEMENT OF REVENUE AND EXPENDITURES

(Unaudited)

For the year ended June 30, 2026

	<u>2026</u> <u>Budget</u> (Note 9)	<u>2026</u> <u>Actual</u>	<u>2025</u> <u>Actual</u>
REVENUE			
Membership fees	\$ 290,059	\$ 296,190	\$ 290,522
Events	4,000	6,325	16,150
Fee guide revenue	-	469	13,250
Interest income	14,000	18,412	33,171
Miscellaneous	<u>2,618</u>	<u>2,840</u>	<u>3,673</u>
	<u>310,677</u>	<u>324,236</u>	<u>356,766</u>
EXPENDITURES			
Advertising and promotion	23,040	8,775	11,640
Amortization	-	1,011	1,125
Annual meeting	500	500	490
Bank charges and interest	9,300	9,465	8,382
Education	10,000	9,900	9,650
Insurance	4,100	3,849	3,606
Events	35,000	27,251	57,496
Rent	23,678	22,913	20,233
Salary and benefits	55,630	54,494	54,522
Honorariums	70,200	59,081	69,203
Fee guide	28,000	24,370	-
Bad debt	-	816	-
Office expenses	500	2,495	4,100
Postage	1,500	389	1,163
Printing and stationery	700	-	949
Professional fees	5,600	3,950	5,600
Sponsorship and donation	2,500	1,077	-
Telephone	2,247	1,991	2,004
Travel and meetings	<u>23,415</u>	<u>11,017</u>	<u>17,607</u>
	<u>295,910</u>	<u>243,344</u>	<u>267,770</u>
Excess revenue (expenditures) for the year	<u>14,767</u>	<u>\$ 80,892</u>	<u>\$ 88,996</u>

The accompanying notes are an integral part of these financial statements

ASSOCIATION OF DENTAL TECHNOLOGISTS OF ONTARIO

STATEMENT OF CASH FLOWS

(Unaudited)

For the year ended June 30, 2026

	<u>2026</u>	<u>2025</u>
Operating activities		
Excess of revenue over expenditures		
Operating fund	\$ 80,892	\$ 88,996
Adjustment for item not requiring cash:		
Amortization	<u>1,011</u>	<u>1,125</u>
	<u>81,903</u>	<u>90,121</u>
Changes in working capital		
Accounts receivable	14,690	(15,506)
Sales tax receivable	(902)	7,398
Prepaid expenses	2,654	3,976
Deferred revenue	1,365	(1,157)
Contributions (disbursement) in ADTO beneficiary fund	(1,423)	(2,500)
Accounts payable and accrued liabilities	<u>12,347</u>	<u>(7,434)</u>
	<u>28,731</u>	<u>(15,223)</u>
Cash flows from investing activities		
Purchase of capital assets	<u>-</u>	<u>(2,950)</u>
Increase (decrease) in cash	110,634	71,948
Cash, beginning	<u>612,826</u>	<u>540,878</u>
Cash, ending	<u>\$ 723,460</u>	<u>\$ 612,826</u>
 Cash is comprised of:		
	<u>2026</u>	<u>2025</u>
Cash	\$ 69,979	\$ 45,301
Short term investments	<u>653,481</u>	<u>567,525</u>
Cash, ending	<u>\$ 723,460</u>	<u>\$ 612,826</u>

The accompanying notes are an integral part of these financial statements

ASSOCIATION OF DENTAL TECHNOLOGISTS OF ONTARIO

(Unaudited)

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2026

The Association was incorporated on June 26, 1987 as a Not-for-Profit Corporation under the Corporations Act in the Province of Ontario. The purpose of the Association of Dental Technologists of Ontario is to advance the science and business of dental technology, to provide a source of knowledge to members of the dental profession for the benefits of their clients and to raise the general standards of dental technology practice. As a not-for-profit organization, the Association is exempt from income tax.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The Association prepares its financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and included the following significant accounting policies:

Short term investments

Short term investments are comprised of highly liquid term deposits that are readily convertible to cash with maturities that are less than three months from the date of acquisition.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided annually at the following rates and methods over the estimated useful lives of the assets as follows, except in the year of acquisition when one-half of the rate is used:

Equipment	20% declining balance
Furniture	20% declining balance
Computer	55% declining balance

The organization reviews for impairment of capital assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flow is less than the carrying value of the assets, an impairment loss is recognized for the excess of carrying value over the fair value of the asset during the year impairment occurs.

Revenue recognition

The organization follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be recorded can be reasonably estimated and collection is reasonably assured. Restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred. Other investment income is recognized as revenue when earned. Membership fees are recognized as revenue in the period in which the related expenses are incurred.

ASSOCIATION OF DENTAL TECHNOLOGISTS OF ONTARIO

(Unaudited)

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2026

Contributed services

The work of the organization is dependent on voluntary services of many members. Because these services are not normally purchased by the organization and because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements

Use of estimates

When preparing financial statements according to ASNPO, the Association makes estimates and assumptions relating to:

- Reported amounts of revenue and expenses;
- Reported amounts of assets and liabilities; and
- Disclosure of contingent assets and liabilities.

Assumptions are based on a number of factors, including historical experience, current events and actions that the organization may undertake in the future, and other assumptions believed reasonable under the circumstances. These estimates are periodically reviewed and, accordingly, adjustments made to these estimates are taken into income in the year in which it is determined. These estimates are subjected to measurement uncertainty, and actual results may therefore differ from those estimates. Estimates are used when accounting for certain items, such as useful lives of capital assets and allowance for doubtful accounts.

Measurement of financial instruments

The organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for the investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in statement of revenue and expenditures.

Financial assets measured at amortized cost include cash, short term investments and prepaid expenses.

Financial liabilities measured at amortized cost include accounts payable and ADTO beneficiary fund.

The organization has not designated any financial assets or financial liability to be measured at fair value.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in statement of revenue and expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of revenue and expenditures.

ASSOCIATION OF DENTAL TECHNOLOGISTS OF ONTARIO

(Unaudited)

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2026

2. CAPITAL ASSETS

	<u>Cost</u>		<u>Accumulated Amortization</u>		<u>Net Book Value</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Furniture	\$ 8,020	\$ 8,020	\$ 5,790	\$ 5,232	\$ 2,230	\$ 2,788
Equipment	14,109	14,109	13,242	13,025	867	1,084
Computer	8,254	8,254	8,060	7,824	194	430
	<u>\$ 30,383</u>	<u>\$ 30,383</u>	<u>\$ 27,092</u>	<u>\$ 26,081</u>	<u>\$ 3,291</u>	<u>\$ 4,302</u>

3. ADTO BENEFICIARY FUND (FORMERLY KNOWN AS WALTER WOOD MEMORIAL FUND)

The Association disburses on behalf of its members and accepts contribution for the ADTO Beneficiary Fund (formerly known as Walter Wood Memorial Fund). This fund, which is not a registered trust, is used to provide emergency financial assistance for George Brown College Dental Technology students in financial distress.

	<u>2026</u>	<u>2025</u>
Balance, beginning of year	\$ 1,423	\$ 3,923
Disbursement	(1,423)	(2,500)
Balance, end of year	<u>\$ -</u>	<u>\$ 1,423</u>

4. DEFERRED REVENUE

Annual dues to the Association are levied to the members for the twelve month period ending August 31, whereas fiscal year ended June 30 and annual membership fees are prorated over the fiscal year. This results in deferred revenue since the fiscal year end and the membership period are not coterminous. Deferred revenue for each category is as follow:

	<u>2026</u>	<u>2025</u>
2025 / 2026 annual fees	\$ 49,592	\$ -
2024 / 2025 annual fees	-	48,228
	<u>\$ 49,592</u>	<u>\$ 48,228</u>

5. HONORARIUMS

	<u>2026</u>	<u>2025</u>
Payments made to directors	<u>\$ 59,081</u>	<u>\$ 69,203</u>

ASSOCIATION OF DENTAL TECHNOLOGISTS OF ONTARIO

(Unaudited)

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2026

6. COMMITMENT

The association's previous lease agreement expired on July 31, 2024. The association has entered into a new rental lease agreement to rent another location. The new lease agreement starts on August 1, 2024 for five years and will be expired on July 31, 2029. The association is obligated to pay for property tax and maintenance costs. Minimum rent payable for the premises for the next five years are as follows:

	<u>Premise</u>
2027	\$ 11,363
2028	11,779
2029	12,234
2030	<u>1,023</u>
	<u>\$ 36,399</u>

7. FINANCIAL INSTRUMENTS

The organization uses comprehensive risk management procedures to limit the risk inherent in the use of financial instruments. Risks may include credit, currency, interest rate, market and liquidity risk. The significant risks that the organization is exposed to are noted below:

Credit risk

The organization's exposure to credit risk is principally derived from cash and cash equivalents and short-term investments.

The organization maintains cash and cash equivalents with major financial institutions. The short-term investment includes term deposit that is not exposed to changes in market values and is readily convertible to cash. Management considers the risk of non-performance of these investments to be remote.

Interest rate risk

The organization is exposed to interest rate risk with respect to the following financial instruments: cash and short term investments in interest bearing securities. Changes in interests rates can affect the fair value of investments and the cash flows related to interest income.

Liquidity risk

Liquidity risk is dependent on receipt of funds from membership fees and other sources to enable the organization to pay its liabilities as they become due. The organization manages its liquidity risk by monitoring its operating requirements to ensure financial resources are available.

ASSOCIATION OF DENTAL TECHNOLOGISTS OF ONTARIO

(Unaudited)

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2026

8. BUDGET AMOUNTS

The 2026 budget amounts on the Statement of Revenue and Expenditures are presented for information purposes only, are unaudited, not reviewed and not covered by the report of Kwok and Associate dated August 28, 2026.