

# **College and Association of Registered Nurses of Alberta**

Financial Statements  
**September 30, 2023**



## Independent auditor's report

To the Members of College and Association of Registered Nurses of Alberta

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### Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of College and Association of Registered Nurses of Alberta (the Entity) as at September 30, 2023 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.

#### What we have audited

The Entity's financial statements comprise:

- the statement of financial position as at September 30, 2023;
- the statement of operations for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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### 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

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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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

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### **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 Entity'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 Entity'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 Entity 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.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants

Edmonton, Alberta  
December 7, 2023

# College and Association of Registered Nurses of Alberta


## Statement of Financial Position

As at September 30, 2023

	2023 \$	2022 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 3)	40,244,155	31,665,764
Investments (note 5)	76,487	-
Accounts receivable	195,901	104,057
Prepaid expenses (note 4)	381,389	1,030,393
	<u>40,897,932</u>	<u>32,800,214</u>
<b>Investments</b> (note 5)	7,714,735	7,410,212
<b>Capital assets</b> (note 6)	9,843,616	10,205,437
<b>Intangible assets</b> (note 7)	1,763,422	675,244
<b>Employee future benefits</b> (note 8)	7,511,800	8,707,400
	<u>67,731,505</u>	<u>59,798,507</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 9)	1,604,949	1,219,006
Accrued vacation payable	1,225,753	1,054,793
Deferred registration fee revenue	21,298,219	18,687,338
Deferred grants	123,638	-
Debt obligations (note 11)	72,578	2,690,229
	<u>24,325,137</u>	<u>23,651,366</u>
<b>Long-term liabilities</b>		
Debt obligations (note 11)	2,542,728	-
Deferred contributions relating to capital assets (note 10)	3,291,338	3,407,300
	<u>30,159,203</u>	<u>27,058,666</u>
<b>Net Assets</b>		
<b>Invested in capital and intangible assets</b>	8,098,623	6,691,285
<b>Internally restricted fund</b> (note 12)	1,505,656	-
<b>Unrestricted fund</b>	27,968,023	26,048,556
	<u>37,572,302</u>	<u>32,739,841</u>
	<u>67,731,505</u>	<u>59,798,507</u>

### Approved by the Council

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The accompanying notes are an integral part of these financial statements.

# College and Association of Registered Nurses of Alberta

## Statement of Operations

For the year ended September 30, 2023

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	2023 \$	2022 \$
<b>Revenue</b>		
Registration fees	20,560,186	24,076,882
CNA affiliate fee	(588,365)	(2,384,589)
CNPS fees	(21,140)	(2,805,964)
Application and other fees	2,786,740	743,962
Investment income (losses) (note 5)	1,603,972	(304,782)
Amortization of deferred capital contributions (note 10)	606,060	649,537
Sundry	64,637	57,709
Grants	76,362	-
	<hr/> 25,088,452	<hr/> 20,032,755
<b>Expenses</b> (schedule)		
Strategy and integrated planning	8,133,939	6,983,225
Registration and conduct	5,573,918	4,732,255
Professional practice support, standards and regulatory programs	2,578,719	2,389,063
Executive office and government relations	1,416,362	1,240,046
Amortization (notes 6 and 7)	814,705	735,883
Human resources	558,480	586,385
Enterprise projects	482,137	602,823
Governance	463,942	421,737
Contribution to ARNET	368,489	388,195
	<hr/> 20,390,691	<hr/> 18,079,612
<b>Excess of revenue over expenses before other item</b>	4,697,761	1,953,143
<b>Other item</b>		
Pension special payment	-	(9,583)
	<hr/> 4,697,761	<hr/> 1,943,560

The accompanying notes are an integral part of these financial statements.

# College and Association of Registered Nurses of Alberta

## Statement of Changes in Net Assets

For the year ended September 30, 2023

				2023	2022
	Invested in capital and intangible assets \$	Internally restricted fund \$ (note 12)	Unrestricted \$	Total \$	Total \$
<b>Net assets – Beginning of year</b>	6,691,285	-	26,048,556	32,739,841	35,227,381
Excess of revenue over expenses for the year	-	-	4,697,761	4,697,761	1,943,560
Internal restriction (note 12)	-	2,900,000	(2,900,000)	-	-
Investment in capital and intangible assets					
Purchase of capital and intangible assets	1,541,060	(1,394,344)	(146,716)	-	-
Amortization (notes 6 and 7)	(814,705)	-	814,705	-	-
Amortization of deferred capital contributions (note 10)	606,060	-	(606,060)	-	-
Repayment of debt obligations	74,923	-	(74,923)	-	-
Remeasurements and other items of employee future benefits (note 8)	-	-	134,700	134,700	(4,431,100)
<b>Net assets – End of year</b>	<b>8,098,623</b>	<b>1,505,656</b>	<b>27,968,023</b>	<b>37,572,302</b>	<b>32,739,841</b>

The accompanying notes are an integral part of these financial statements.

# College and Association of Registered Nurses of Alberta

## Statement of Cash Flows

For the year ended September 30, 2023

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	2023 \$	2022 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Registration fees	25,259,903	19,601,875
Investment income	1,487,597	456,106
Other income	870,697	707,246
Cash paid to suppliers and employees	(17,518,476)	(21,401,921)
Interest paid on debt obligations	(144,444)	(158,216)
	<u>9,955,277</u>	<u>(794,910)</u>
<b>Investing activities</b>		
Proceeds on sale of investments	2,918,509	2,419,413
Purchase of investments	(3,169,511)	(2,738,602)
Purchase of intangible assets	(1,394,344)	(668,855)
Purchase of capital assets	(146,716)	-
	<u>(1,792,062)</u>	<u>(988,044)</u>
<b>Financing activities</b>		
Externally restricted contributions for purchase of capital assets (note 10)	490,098	411,661
Repayments of debt obligations	(74,922)	(2,266,144)
	<u>415,176</u>	<u>(1,854,483)</u>
<b>Increase (decrease) in cash and cash equivalents during the year</b>	8,578,391	(3,637,437)
<b>Cash and cash equivalents – Beginning of year</b>	<u>31,665,764</u>	<u>35,303,201</u>
<b>Cash and cash equivalents – End of year (note 3)</b>	<u>40,244,155</u>	<u>31,665,764</u>

The accompanying notes are an integral part of these financial statements.



# College and Association of Registered Nurses of Alberta

## Notes to Financial Statements

September 30, 2023

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### 1 Purpose of organization

College and Association of Registered Nurses of Alberta (CRNA) is responsible for protecting the public through safe, competent and ethical nursing practices. On August 19, 2020, CRNA's Governing Council (the Council) voted unanimously to move to a single mandate regulatory organization with a commitment to develop and grow a new association. CRNA, incorporated under the Health Professions Act (RSA 2000), is a not-for-profit organization within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

### 2 Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). Significant accounting policies observed in the preparation of the financial statements are summarized below.

#### Measurement uncertainty

The precise determination of certain assets and liabilities is dependent on future events, and the preparation of financial statements for a year necessarily involves identification of assets and liabilities that are subject to estimates and approximations. Actual results could differ from those estimates. Significant estimates include providing for amortization of capital assets and employee future benefits.

#### Investments

CRNA's investments consist of fixed income and equity based instruments held primarily for trading purposes. The investment portfolios, managed by a third party investment manager, are subject to an investment policy set by management and reviewed by the Finance and Audit Committee. CRNA's primary investment objective is to maximize returns within a low to medium level of risk, with medium liquidity.

Investments are recorded at fair value on the latest closing bid price. This accounting treatment results in unrealized changes in the market value of the investment portfolio being reported as a component of fair value changes on the statement of operations. The current year includes an unrealized loss of \$112,762 (2022 – loss \$770,557) resulting from net unrealized portfolio gains and losses that have occurred during the year.

The purchase and sale of investments are recognized on the settlement date.

#### Cash and cash equivalents

Cash and cash equivalents comprise interest bearing deposits held with Canadian chartered banks and cash funds with maturities of three months or less from the date of inception.

# College and Association of Registered Nurses of Alberta

## Notes to Financial Statements

September 30, 2023

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### Capital assets

Capital assets are recorded at cost less accumulated amortization and any provision for impairment. The cost of capital assets made up of significant separable component parts is allocated to the component parts when practicable and when estimates can be made of the useful lives of the separate components.

Capital assets are tested for impairment when conditions indicate that a capital asset no longer contributes to CRNA's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount. When conditions indicate that a capital asset is impaired, the net carrying amount of the capital asset is written down to the asset's fair value or replacement cost. The writedowns of capital assets are recognized as expenses in the statement of operations. Writedowns are not subsequently reversed.

Amortization is provided on a straight-line basis at the following annual rates:

Buildings	3 1/3%
Building improvements	10% – 20%
Furniture and equipment	10% – 33 1/3%

Capital assets acquired during the year are not amortized until they are placed into use. The cost and accumulated amortization for fully amortized capital assets are removed from the movement schedule (note 6), though the assets remain in use.

### Intangible assets

Expenditures on research are recognized as an expense as incurred.

Costs incurred on custom developed software applications, etc. are capitalized as an intangible asset when they are evaluated as being technically feasible, have an intention to complete the asset, an ability to use the asset to generate probable future economic benefit, have the availability of adequate technical, financial and other resources to complete the asset's development and costs can be reliably measured. The expenditures capitalized include cost of materials, direct labour and overhead costs that are directly attributable to the asset in order for it to be capable of operating in the manner intended by management. Subsequent to initial recognition, development expenditures are measured at cost less accumulated amortization and any provisions for impairment.

Amortization is provided on a straight-line basis for finite useful lived intangibles at the following annual rate:

Software & IT programming	20%
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Intangible assets acquired or developed during the year are not amortized until they are placed into use. The cost and accumulated amortization for fully amortized intangible assets are removed from the movement schedule (note 7), though the assets remain in use.

# College and Association of Registered Nurses of Alberta

## Notes to Financial Statements

September 30, 2023

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### **Employee future benefits**

CRNA has a defined benefit pension plan (the plan) for all permanent employees.

CRNA recognizes its defined benefit obligation as the employees render services giving them the right to earn the pension benefit. The defined benefit obligation at the statement of financial position date is determined using the most recent actuarial valuation report prepared for funding purposes. The measurement date of the plan assets and the defined benefit obligation is CRNA's statement of financial position date.

In its year-end statement of financial position, CRNA recognizes the defined benefit obligation, less the fair value of the plan assets, adjusted for any valuation allowance in the case of a net defined benefit asset. The plan cost for the year is recognized in the statement of operations.

Remeasurements and other items comprise the aggregate of the following: the difference between the actual return on plan assets and the return calculated using the discount rate; actuarial gains and losses; the effect of any valuation in the case of a net defined benefit asset; past service costs; and gains and losses arising from settlements and curtailments. The remeasurement costs are reflected in the statement of changes in net assets.

### **Deferred registration fee revenue**

Deferred registration fees arise from timing differences between the collection of registration fees and the practice year. The registration revenues are collected in advance for the period from October through September.

### **Deferred contributions**

Externally restricted contributions relating to capital assets are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets. The cash is held as restricted cash until it is spent.

Externally restricted grants are deferred and recognized as revenue when the related expenses are incurred.

### **Foreign exchange**

A portion of CRNA's investments are denominated in foreign currencies and are translated into Canadian dollars at exchange rates in effect at the statement of financial position date. Income and losses earned on the investments are translated at average rates during the period and are included in investment income (losses).

### **Revenue recognition**

Revenue is recognized when received, receivable, or in the year to which it relates, if amounts can be reasonably estimated and collection is reasonably assured.

# College and Association of Registered Nurses of Alberta

## Notes to Financial Statements

September 30, 2023

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Where CRNA's role in the transaction is that of principal, revenue is recognized on a gross basis. This requires revenue to comprise the gross value of the transactions with any related expenditures charged to expenses.

Where CRNA's role in a transaction is that of an agent, revenue is recognized on a net basis with revenue representing the margin earned.

- Registration fees

Fees are set by the Council of CRNA. The revenue generated on an annual basis is deferred and recognized proportionally over the fiscal year.

Canadian Nurses Protective Society (CNPS) and Canadian Nurses Association (CNA) fees were last collected by CRNA through the annual registration fee process in 2022. Remittances of these affiliate fees to CNPS and CNA were based on the number of registered nurses and registered nurse practitioners (including those with temporary permits) multiplied by the applicable CNPS and CNA fee category rates. The CNPS fiscal period was in alignment with CRNA whereas the CNA fiscal period was on a calendar year basis.

As of the annual registration fee process for 2023, CNPS and CNA fees are no longer collected by CRNA.

- Application and other fees

Other fees comprise the following:

- a) Application and other fees: These fees are determined by the Chief Executive Officer of CRNA as delegated by the Council. The revenue generated is recognized in the fiscal year to which it relates.
- b) Temporary, courtesy and limited permits: These fees are set by the Council of CRNA. The revenue generated is recognized in the fiscal year to which it relates.

- Investment income (losses)

Investment income (losses) includes dividends, interest income and realized and unrealized investment gains and losses. CRNA's investment income (losses) is not subject to any restrictions, either internally or externally.

- Grants

Grants are recorded when there is a reasonable assurance CRNA has complied with and will continue to comply with all the necessary conditions to obtain the grants.

# College and Association of Registered Nurses of Alberta

## Notes to Financial Statements

September 30, 2023

- Sundry

Sundry revenue is recognized in the year in which the revenue is earned, specifically when the following conditions are met:

- services are provided or products are delivered to registrants;
- there is clear evidence that an arrangement exists;
- amounts are fixed or can be determined; and
- the ability to collect is reasonably assured.

### 3 Cash and cash equivalents

	<b>2023</b>	<b>2022</b>
	\$	\$
Cash	4,610,322	1,437,840
Canadian Money Market Funds Series O through Phillips, Hager & North Investment Management. The funds' one-year gross rate of return was 4.78% from October 1, 2022 to September 30, 2023 (2022 – 1.10%)	35,633,833	30,227,924
	<u>40,244,155</u>	<u>31,665,764</u>

### 4 Prepaid expenses

	<b>2023</b>	<b>2022</b>
	\$	\$
CNA affiliation fees	-	588,365
Other	381,389	442,028
	<u>381,389</u>	<u>1,030,393</u>

# College and Association of Registered Nurses of Alberta

## Notes to Financial Statements

September 30, 2023

### 5 Investments

	2023 \$	2022 \$
Fixed income measured at fair value with maturities ranging between 2023 and 2045 with a weighted average time to maturity of 9.81 years and weighted average yield to maturity of 5.11% per annum	5,200,535	4,954,889
Common equities measured at fair value	2,514,200	2,455,323
Cash equivalents maturing in excess of three months	76,487	-
	<u>7,791,222</u>	<u>7,410,212</u>
Less: Current portion	76,487	-
	<u>7,714,735</u>	<u>7,410,212</u>

Investments include United States dollar denominated investments and equivalents of \$1,055,028 (2022 – \$1,004,439). These assets have been translated and presented in Canadian dollars at the year-end exchange rate.

Investment income (losses) and cash and cash equivalents comprise the following:

	2023 \$	2022 \$
Interest	1,418,011	409,345
Unrealized gain (loss) on investments	113,122	(770,557)
Dividends	55,593	58,871
Realized gain (loss) on investments	17,246	(2,441)
	<u>1,603,972</u>	<u>(304,782)</u>

### 6 Capital assets

	<u>2023</u>		<u>2022</u>	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Land	3,873,887	-	3,873,887	3,873,887
Building and building improvements	6,475,778	1,059,812	5,415,966	5,579,815
Furniture and equipment	2,523,662	1,969,899	553,763	751,735
	<u>12,873,327</u>	<u>3,029,711</u>	<u>9,843,616</u>	<u>10,205,437</u>

In the current year, amortization was recognized in the statement of operations for a total expense of \$508,537 (2022 – \$735,883).

# College and Association of Registered Nurses of Alberta

## Notes to Financial Statements

September 30, 2023

### 7 Intangible assets

			2023	2022
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Software & IT programming	2,210,213	446,791	1,763,422	675,244

In the current year, amortization was recognized in the statement of operations for a total expense of \$306,168 (2022 – \$nil).

### 8 Employee future benefits

CRNA has a defined benefit pension plan for all permanent employees. The benefits are based on years of service and the employees' final average earnings.

CRNA accrues its obligations under the employee defined benefit plan as the employees render the services necessary to earn the pension.

CRNA measures its accrued employee future benefit obligation and the fair value of plan assets using the valuation for funding as at June 30 each year. The most recent actuarial valuation of the pension plan for funding purposes was as at June 30, 2022 and the next required valuation will be as at June 30, 2025.

	2023 \$	2022 \$
Fair value of plan assets	49,735,000	48,577,200
Accrued benefit obligation	(42,223,200)	(39,869,800)
Plan surplus	7,511,800	8,707,400

The net accrued benefit asset is included in CRNA's statement of financial position.

The significant actuarial assumptions adopted in measuring CRNA's employee future benefit determination are as follows:

	2023 %	2022 %
Discount rate	4.80	4.80
Salary increases	3.50	3.50
Inflation	2.00	2.00

Total cash payments for employee future benefits for 2023, consisting of cash contributed by CRNA to the registered pension plan, were \$nil (2022 – \$92,000).

# College and Association of Registered Nurses of Alberta

## Notes to Financial Statements

September 30, 2023

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Employee future benefits as reported on the statement of financial position includes the following:

	2023 \$	2022 \$
Employee future benefits – Opening balance	8,707,400	14,209,800
Net benefit plan expense	(1,330,300)	(1,163,300)
Remeasurement of employee future benefits	134,700	(4,431,100)
Gross employer contributions	-	92,000
	<hr/>	<hr/>
Employee future benefits – Ending balance	7,511,800	8,707,400

The net benefit plan expense amount above has been allocated through staff cost expenses within the schedule of expenses and the statement of operations.

### 9 Government remittances

Included in accounts payable and accrued liabilities are government remittances required to be paid to government authorities, which are recognized when the amounts come due. Included in accounts payable and accrued liabilities was \$574,034 (2022 – \$582,462) of government remittances payable as at September 30, 2023.

### 10 Deferred contributions relating to capital assets

Deferred contributions relating to capital assets represent externally restricted contributions collected from the registrants of CRNA for the purpose of capital acquisitions as approved by the Council. As at September 30, 2023, \$2,251,514 (2022 – \$1,908,132) of the funds had not been expended. The change in the deferred capital contribution balance is as follows:

	2023 \$	2022 \$
Balance – Beginning of year	3,407,300	3,645,176
Contributions received	490,098	411,661
Amounts amortized to revenue	(606,060)	(649,537)
	<hr/>	<hr/>
Balance – End of year	3,291,338	3,407,300

### 11 Debt obligations

	2023 \$	2022 \$
Debt obligation under fixed rate loan	2,615,306	2,690,229
Less: Current portion	72,578	2,690,229
	<hr/>	<hr/>
	2,542,728	-



# College and Association of Registered Nurses of Alberta

## Notes to Financial Statements

September 30, 2023

The debt obligations are secured by a general security agreement constituting a first ranking security interest in all personal property of CRNA; a collateral mortgage in the amount borrowed including an assignment of rents, constituting a first fixed charge on the lands and improvements located at 11120 – 178 Street, Edmonton, Alberta (the 178 Street Property); and a certificate of insurance evidencing fire and other perils coverage on the 178 Street Property, showing the bank as first mortgage.

On March 29, 2022, CRNA repaid the outstanding balance under the 3.2% non-revolving term loan facility with RBC – facility 3. Interest expense incurred with respect to this facility during the year was \$nil (2022 – \$45,185).

As at September 30, 2023, CRNA was in compliance with all of the covenants required under these debt obligations.

### Debt obligation under a fixed rate loan

On January 3, 2023, CRNA renewed the fixed rate loan from Royal Bank of Canada (RBC) for a two-year term at 6.13% per annum, repayable in monthly blended payments of \$19,725. The loan is being amortized over 25 years with its next renewal date on January 3, 2025. Interest expense incurred with respect to the fixed rate loan referenced above during the year was \$144,444 (2022 – \$113,031).

Principal repayments required under the fixed rate loan under the current obligation terms are as follows:

	\$
2024	72,578
2025	2,542,728
	2,615,306

## 12 Internally restricted fund

	2023	2022
IM Program	Total	Total
\$	\$	\$
Balance – Beginning of year	-	-
Internal restriction	2,900,000	2,900,000
Current year expenditures	(1,394,344)	-
	1,505,656	-
Balance – End of year	1,505,656	-

During the year, the Council approved an internal restriction of \$2,900,000 to fund the capital requirements of CRNA’s Information Management Program within the 2023 and 2024 capital plans.

# College and Association of Registered Nurses of Alberta

## Notes to Financial Statements

September 30, 2023

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### 13 Financial instruments

CRNA's financial instruments include cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities (including accrued vacation payable) and debt obligations. Cash and cash equivalents and accounts receivable are classified as loans and receivables and are accounted for at amortized cost using the effective interest rate method. Loans and receivables are initially recorded at fair value. Accounts payable and accrued liabilities and debt obligations are classified as other liabilities and are accounted for at amortized cost using the effective interest rate method. Financial liabilities are initially recorded at fair value.

With the exception of investments which are recorded at fair value, the fair values of financial instruments approximate their carrying amounts due to the short-term maturity of these instruments.

CRNA is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks as at September 30, 2023.

#### Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations, resulting in a financial loss. CRNA's investment in bonds and interest accrued thereon is primarily with federal and provincial governments with a portion allocated to investment-grade corporate bonds concentrated in Canada. Accounts receivable are of a short-term nature and no individual account receivable is significant to CRNA's financial position.

A portion of the assets held in the pension plan is exposed to credit risk, similar to the risks on CRNA's bond portfolio. In the event of loss in the pension plan, CRNA would be obligated to fund any deficiency that may arise. The investment fund invests in a mix of government and investment-grade corporate bonds.

Cash and cash equivalents and term deposits are maintained with a Schedule I financial institution. There has been no change to credit risk from the prior year.

#### Market and other price risk

CRNA's equity interests are primarily focused on the Canadian public market and are subject to fluctuations due to changes in market prices of individual securities, general market and industry trends, changes in interest rates, creditworthiness and foreign exchange rates. CRNA is also exposed to interest rate risk through its holdings of bonds and variable rate debt obligations. Market and other price risk is directly influenced by the volatility and liquidity in the markets in which the related underlying assets are traded. All investments are of large market entities regularly traded on the exchanges.

A portion of the assets held in the pension plan is exposed to market and other price risk, similar to the risks on CRNA's investment portfolio. In the event of loss in the pension plan, CRNA would be obligated to fund any deficiency that may arise. The investment fund invests in a mix of large market entities or funds regularly traded on the exchanges.

# College and Association of Registered Nurses of Alberta

## Notes to Financial Statements

September 30, 2023

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### **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. Management monitors cash flow to ensure it is able to pay debt obligations and liabilities as they come due. Refer to note 11 for further details on aggregate minimum payments. The investments may create liquidity risk if CRNA is required to sell at a time when the market for the investments is unfavourable.

These risks have been updated to reflect the impact of debt obligations drawn during the year.

### **Currency risk**

Currency risk is the risk to CRNA's earnings that arises from fluctuations in foreign exchange rates and the degree of volatility of those exchange rates. CRNA holds US dollar denominated securities in its investment portfolio. CRNA does not use derivative instruments to reduce its exposure associated with foreign currency risk.

# College and Association of Registered Nurses of Alberta

## Schedule of Expenses

For the year ended September 30, 2023

	2023 \$	2022 \$
<b>Strategy and integrated planning</b>		
Operations		
Staff costs	2,298,992	2,201,113
Facilities and equipment costs	2,539,624	1,966,085
Administration	1,198,037	955,734
Business process improvement		
Staff costs	1,231,558	900,326
Communications		
Staff costs	461,696	437,574
External communications	56,608	60,730
Information management		
Staff costs	285,186	367,579
Library and records	62,238	64,087
Record retention and destruction	-	29,997
	<hr/> 8,133,939	<hr/> 6,983,225
<b>Registration and conduct</b>		
Registration services		
Staff costs	2,322,016	1,980,491
Grant-related costs	76,362	-
Legal fees and support	13,450	55,379
Registration resources and operations		
NP exam and NP SEC assessment	23,371	26,430
Regulatory committees	16,383	52,991
Legal fees and support	13,489	9,902
Annual registration renewal process	1,051	18,439
Professional conduct and complaints		
Staff and contracted investigation costs	2,780,700	2,375,951
Legal fees and support	280,975	167,320
Regulatory committees	46,121	45,352
	<hr/> 5,573,918	<hr/> 4,732,255
<b>Professional practice support</b>		
Regulatory and competence		
Staff costs	1,775,312	1,594,215
Regulatory committee	34,194	30,146
Professional development and knowledge		
Staff costs	425,364	460,660
Resources and support	5,242	3,589
Practice support		
Staff costs	338,341	300,196
Legal fees and support	266	257
	<hr/> 2,578,719	<hr/> 2,389,063

# College and Association of Registered Nurses of Alberta

Schedule of Expenses...*continued*

For the year ended September 30, 2023

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	2023 \$	2022 \$
<b>Executive office and government relations</b>		
Staff costs	1,331,122	1,139,354
Public and government relations	46,005	34,690
External relations	33,737	58,924
Government relations	5,498	7,078
	<hr/> 1,416,362	<hr/> 1,240,046
<b>Human resources</b>		
Staff costs	548,345	537,217
Legal fees and support	10,135	49,168
	<hr/> 558,480	<hr/> 586,385
<b>Enterprise projects</b>		
Contracted services	390,533	428,797
Project management	-	151,998
Legal counsel	91,604	22,028
	<hr/> 482,137	<hr/> 602,823
<b>Governance</b>		
Council and committee costs	<hr/> 463,942	<hr/> 421,737