

COLLEGE OF REGISTERED NURSES OF SASKATCHEWAN

FINANCIAL STATEMENTS

DECEMBER 31, 2022

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of **College of Registered Nurses of Saskatchewan** 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.

Council has 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.



Françoise Verville, NP
President



Cindy Smith, RN, BScN, MN
Executive Director



INDEPENDENT AUDITORS' REPORT

To the Members College of Registered Nurses of Saskatchewan

Opinion

We have audited the financial statements of **College of Registered Nurses of Saskatchewan**, which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net assets 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 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.

March 15, 2023
Regina, Saskatchewan

VIRTUS GROUP LLP
Chartered Professional Accountants

COLLEGE OF REGISTERED NURSES OF SASKATCHEWAN
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022
(with comparative figures for 2021)

	ASSETS	
	<u>2022</u>	<u>2021</u>
Current assets		
Cash	\$ 5,541,788	\$ 4,424,253
Investments (Note 3)	2,021,984	2,482,221
Accounts receivable	155,437	174,861
Prepaid expenses	896,340	851,952
	8,615,549	7,933,287
Tangible capital assets (Note 4)	1,019,945	1,299,920
Intangible asset (Note 5)	78,431	154,134
	\$ 9,713,925	\$ 9,387,341
	LIABILITIES	
Current liabilities		
Accounts payable and accrued liabilities	\$ 359,205	\$ 427,012
Deferred revenue and fees collected in advance	6,056,398	5,621,405
Current portion of long-term debt (Note 6)	-	68,338
	6,415,603	6,116,755
Long-term debt (Note 6)	-	154,057
	6,415,603	6,270,812
	NET ASSETS	
Invested in tangible & intangible assets	1,098,376	1,231,659
Unrestricted surplus	2,199,946	1,884,870
	3,298,322	3,116,529
	\$ 9,713,925	\$ 9,387,341
Commitments (Note 8)		

See accompanying notes to the financial statements.

Approved on behalf of Council:



Council Member



Council Member

COLLEGE OF REGISTERED NURSES OF SASKATCHEWAN
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022
(with comparative figures for the year ended December 31, 2021)

	Invested in tangible & intangible assets	Unrestricted surplus	2022	2021
Net assets, beginning of year	\$ 1,231,659	\$ 1,884,870	\$ 3,116,529	\$ 3,224,520
Excess (deficiency) of revenues over expenses	-	181,793	181,793	(107,991)
Purchases of tangible capital assets	1,027,338	(1,027,338)	-	-
Amortization	(153,228)	153,228	-	-
Repayment of long-term debt	222,395	(222,395)	-	-
Disposal of tangible capital assets	(1,229,788)	1,229,788	-	-
Net assets, end of year	<u>\$ 1,098,376</u>	<u>\$ 2,199,946</u>	<u>\$ 3,298,322</u>	<u>\$ 3,116,529</u>

See accompanying notes to the financial statements.

COLLEGE OF REGISTERED NURSES OF SASKATCHEWAN
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022
(with comparative figures for the year ended December 31, 2021)

	<u>2022</u>	<u>2021</u>
Revenue		
Application, exam and other fees	\$ 368,795	\$ 313,645
Interest	117,925	69,292
Memberships	6,637,526	6,843,335
Other revenue	85,173	72,385
Prescription review program funding	27,308	18,425
Refund of lease payments	159,353	-
	<u>7,396,080</u>	<u>7,317,082</u>
Expenses		
Affiliation fees	965,918	1,372,534
Amortization	153,228	171,332
Communications	90,952	83,648
Contracts and consulting	823,603	1,017,407
Grants, sponsorships, and awards	14,650	9,825
Insurance and property tax	40,716	38,356
Interest and bank charges	73,454	65,879
Miscellaneous	38,014	35,196
Professional development and meetings	249,783	261,818
Rent and lease	91,362	106,412
Repairs and maintenance	63,669	66,741
Supplies, equipment and software	514,866	327,258
Utilities	66,643	57,984
Wages and benefits	3,985,217	3,784,932
	<u>7,172,075</u>	<u>7,399,322</u>
Excess of revenue over expenses before other items	<u>224,005</u>	<u>(82,240)</u>
Other items		
Gain on sale of tangible capital assets	223,117	-
Unrealized loss on investments	(265,329)	(25,751)
	<u>(42,212)</u>	<u>(25,751)</u>
Excess (deficiency) of revenue over expenses	<u>\$ 181,793</u>	<u>\$ (107,991)</u>

See accompanying notes to the financial statements.

COLLEGE OF REGISTERED NURSES OF SASKATCHEWAN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(with comparative figures for the year ended December 31, 2021)

	<u>2022</u>	<u>2021</u>
Cash provided by (used in) operating activities:		
Excess (deficiency) of revenue over expenses	\$ 181,793	\$ (107,991)
Items not involving cash:		
- Amortization	153,228	171,332
- Gain on sale of tangible capital assets	(223,117)	-
	111,904	63,341
Non-cash operating working capital (Note 7)	342,222	(83,326)
	454,126	(19,985)
Cash provided by (used in) investing activities:		
Net change in investments	460,237	(28,573)
Additions to tangible capital assets	(1,027,338)	(49,051)
Proceeds on disposal of tangible capital assets	1,452,905	-
	885,804	(77,624)
Cash provided by (used in) financing activities:		
Repayment of long-term debt	(222,395)	(66,443)
Increase (decrease) in cash	1,117,535	(164,052)
Cash position - beginning of year	4,424,253	4,588,305
Cash position - end of year	\$ 5,541,788	\$ 4,424,253

See accompanying notes to the financial statements.

COLLEGE OF REGISTERED NURSES OF SASKATCHEWAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(with comparative figures for the year ended December 31, 2021)

1. Nature of operations

College of Registered Nurses of Saskatchewan (the "Association") was established in 1917 by provincial legislation and is the professional, self-regulatory body for the Province's 12,673 (2021 - 12,344) registered nurses and nurse practitioners. The Association's mandate is to protect the public through fair, transparent and effective regulatory processes and upholding the standards of care in Saskatchewan. The Association is a not-for-profit organization and is exempt from income tax under Section 149(1)(l) of the *Income Tax Act*.

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 financial liabilities are recorded on the statement of financial position when the Association becomes party to the contractual provisions of the financial instrument. The Association initially measures its financial assets and financial liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Association subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of these financial instruments are recognized in net revenue over expenses. 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.

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:

Building	5 %
Computer equipment	33 %
Equipment under capital lease	20 %
Furniture and fixtures	20 %
Leasehold improvements	4 %
Parking lot	5 %

COLLEGE OF REGISTERED NURSES OF SASKATCHEWAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(with comparative figures for the year ended December 31, 2021)

2. Summary of significant accounting policies (continued)

Intangible assets

Intangible assets are recorded at cost less accumulated amortization. Amortization is provided using the straight-line method at a rate of 20% intended to amortize the cost of intangible assets over its estimated useful life.

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses 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.

Membership revenue and fees for practising registered nurses and non practising members are recognized as revenue in the period to which they apply. Other fees are recognized in the period in which they are received. Investment revenue is recognized as revenue when earned.

3. Investments

	<u>2022</u>	<u>2021</u>
Guaranteed Investment Certificate	\$ 75,000	\$ 75,000
RBC Monthly Income and Principal Protected Funds	1,946,984	2,407,221
	<u>\$ 2,021,984</u>	<u>\$ 2,482,221</u>

The guaranteed investment certificate has an interest rate of .10% (2021 - .10%), and a maturity date of March 2023 (2021 - March 2022), but is cashable at any time. The RBC monthly income and principal protected funds are mutual funds which have been recorded at market value reflecting an unrealized market loss of \$265,330 (2021 - loss of \$25,751) at year end.

COLLEGE OF REGISTERED NURSES OF SASKATCHEWAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(with comparative figures for the year ended December 31, 2021)

4. Tangible capital assets

	2022		2021	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Building and parking lot	\$ -	\$ -	\$ -	\$ 1,082,006
Computer equipment	493,859	365,141	128,718	72,079
Equipment under capital lease	-	-	-	10,713
Furniture and fixtures	181,326	39,936	141,390	15,480
Land	-	-	-	119,642
Leasehold improvements	765,140	15,303	749,837	-
	<u>\$ 1,440,325</u>	<u>\$ 420,380</u>	<u>\$ 1,019,945</u>	<u>\$ 1,299,920</u>

5. Intangible asset

	2022		2021	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Membership database	\$ 456,209	\$ 377,778	\$ 78,431	\$ 154,134

6. Long-term debt

	<u>2022</u>	<u>2021</u>
Mortgage payable to Royal Bank of Canada in monthly payments of \$6,088 combined interest and principal payments with interest fixed at 2.47%. Mortgage was paid in full in 2022.	\$ -	\$ 222,395
Current portion due within one year	-	68,338
	<u>\$ -</u>	<u>\$ 154,057</u>

COLLEGE OF REGISTERED NURSES OF SASKATCHEWAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(with comparative figures for the year ended December 31, 2021)

7. Non-cash operating working capital

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

	<u>2022</u>	<u>2021</u>
(Increase) decrease in current assets:		
Accounts receivable	\$ 19,424	\$ 7,834
Prepaid expenses	(44,388)	627,003
	(24,964)	634,837
Increase (decrease) in current liabilities:		
Accounts payable and accrued liabilities	(67,807)	(148,517)
GST payable	-	(239,813)
Deferred revenue	434,993	(329,833)
	367,186	(718,163)
	\$ 342,222	\$ (83,326)

8. Commitments

The Association has entered into various operating lease agreements and service contracts that span more than one fiscal year with estimated minimum annual payments as follows:

2023	\$ 222,390
2024	222,390
2025	222,390
2026	222,390
2027	222,390

The Association has provided a letter of guarantee to Ceridian Canada Limited in the amount of \$75,000.

9. Defined contribution pension plan

The Association has a defined contribution pension plan for employees. The Association's obligations are limited to matching contributions made by employees for current services. During the year, the Association contributed \$197,166 (2021 - \$194,743) to the plan.

COLLEGE OF REGISTERED NURSES OF SASKATCHEWAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(with comparative figures for the year ended December 31, 2021)

10. 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:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association is exposed to credit risk on the accounts receivable from its members, however, does not have a significant exposure to any individual member. The credit risk on cash and investments is limited because the counterparties are chartered banks with high credit-ratings assigned by national credit-rating agencies and bonds held are issued by provincial governments.

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.
