

COLLEGE OF REGISTERED NURSES OF SASKATCHEWAN

FINANCIAL STATEMENTS

December 31, 2023

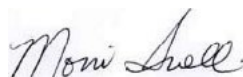
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of **College of Registered Nurses of Saskatchewan** have been prepared by the College'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.



Moni Snell, 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, 2023, 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 College as at December 31, 2023, 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 College 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 Auditor's 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 these 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 College'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 College or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the College'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 College'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 College'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 College 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.

March 21, 2024
Regina, Saskatchewan

VIRTUS GROUP LLP
Chartered Professional Accountants

COLLEGE OF REGISTERED NURSES OF SASKATCHEWAN
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

(with comparative figures as at December 31, 2022)

	ASSETS	
	2023	2022
Current assets		
Cash	\$ 693,998	\$ 5,541,788
Investments (Note 3)	9,824,234	2,021,984
Accounts receivable	216,934	155,437
Prepaid expenses	913,423	896,340
	11,648,589	8,615,549
Tangible capital assets (Note 4)	981,012	1,019,945
Intangible asset (Note 5)	2,728	78,431
	\$ 12,632,329	\$ 9,713,925
	LIABILITIES	
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,483,945	\$ 359,204
Government remittances payable	291,254	-
Deferred revenue and fees collected in advance	6,512,730	6,056,398
	8,287,929	6,415,602
	NET ASSETS	
Invested in tangible & intangible assets	983,740	1,098,376
Unrestricted surplus	3,360,660	2,199,947
	4,344,400	3,298,323
	\$ 12,632,329	\$ 9,713,925
Commitments (Note 7)		

See accompanying notes to the financial statements.

Approved on behalf of the Council:



Council Member



Council Member

COLLEGE OF REGISTERED NURSES OF SASKATCHEWAN
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023
(with comparative figures for the year ended December 31, 2022)

	Investment in tangible & intangible assets	Unrestricted	2023	2022
Net assets, beginning of year	\$ 1,098,376	\$ 2,199,947	\$ 3,298,323	\$ 3,116,530
Excess revenue over expenses	-	1,046,077	1,046,077	181,793
Net purchase of tangible capital assets	101,666	(101,666)	-	-
Amortization	(209,567)	209,567	-	-
Proceeds on disposal of tangible capital assets	(6,735)	6,735	-	-
Net assets, end of year	\$ 983,740	\$ 3,360,660	\$ 4,344,400	\$ 3,298,323

See accompanying notes to the financial statements.

COLLEGE OF REGISTERED NURSES OF SASKATCHEWAN
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023
(with comparative figures for the year ended December 31, 2022)

	2023	2022
Revenue		
Application, exam and other fees	\$ 654,720	\$ 368,795
Interest	309,311	117,925
Memberships	7,344,458	6,637,526
Other revenue	39,956	85,173
Phillipines recruitment mission funding	168,800	-
Prescription review program funding	54,365	27,308
Refund of lease payments	-	159,353
	<u>8,571,610</u>	<u>7,396,080</u>
Expenses		
Affiliation fees	1,009,176	965,918
Amortization	209,567	153,228
Communications	129,690	90,952
Contracts and consulting	699,105	823,603
Grants, sponsorships and awards	27,500	14,650
Insurance and property tax	10,516	40,716
Interest and bank charges	83,749	73,454
Miscellaneous	37,660	38,014
Professional development and meetings	279,483	249,783
Rent and lease	227,736	91,362
Repairs and maintenance	48,781	63,669
Supplies, equipment and software	481,874	514,866
Utilities	49,413	66,643
Wages and benefits	4,266,557	3,985,217
	<u>7,560,807</u>	<u>7,172,075</u>
Excess of revenue over expenses before other items	<u>1,010,803</u>	<u>224,005</u>
Other items		
Gain on sale of tangible capital assets	-	223,117
Unrealized gain (loss) on investments	35,274	(265,329)
	<u>35,274</u>	<u>(42,212)</u>
Excess of revenue over expenses	<u>\$ 1,046,077</u>	<u>\$ 181,793</u>

See accompanying notes to the financial statements.

COLLEGE OF REGISTERED NURSES OF SASKATCHEWAN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(with comparative figures for the year ended December 31, 2022)

	2023	2022
Cash provided by (used in) operating activities:		
Excess of revenue over expenses	\$ 1,046,077	\$ 181,793
Items not involving cash:		
Amortization	209,567	153,228
Gain on sale of tangible capital assets	-	(223,117)
	<u>1,255,644</u>	<u>111,904</u>
Non-cash operating working capital (Note 6)	<u>1,793,747</u>	<u>342,222</u>
	<u>3,049,391</u>	<u>454,126</u>
Cash provided by (used in) investing activities:		
Net change in investments	(7,802,250)	460,237
Net additions to tangible capital assets	(101,666)	(1,027,338)
Proceeds on disposal of tangible capital assets	6,735	1,452,905
	<u>(7,897,181)</u>	<u>885,804</u>
Cash provided by (used in) financing activities:		
Repayment of long-term debt	-	(222,395)
(Decrease) increase in cash	(4,847,790)	1,117,535
Cash position - beginning of year	5,541,788	4,424,253
Cash position - end of year	\$ 693,998	\$ 5,541,788

See accompanying notes to the financial statements.

COLLEGE OF REGISTERED NURSES OF SASKATCHEWAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

(with comparative figures for the year ended December 31, 2022)

1. Nature of operations

The College of Registered Nurses of Saskatchewan (the "College") was established in 1917 by provincial legislation and is the professional, self-regulatory body for the Province's 14,708 (2022 - 12,673) registered nurses and nurse practitioners. The College's mandate is to protect the public through fair, transparent and effective regulatory processes and to uphold the standards of care in Saskatchewan. The College 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 - recognition and measurement

Financial assets and financial liabilities are recorded on the statement of financial position when the College becomes party to the contractual provisions of the financial instrument. The College 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 College 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.

Financial instruments consist of cash, investments, accounts receivable, accounts payable and accrued liabilities. Fair value approximates the recorded amounts due to the short term nature of the accounts.

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Amortization is provided on the diminishing balance basis over their estimated useful life of the assets at the following annual rates:

Computer equipment	33%
Equipment under capital lease	20%
Furniture and fixtures	20%
Leasehold improvements	4%

Intangible capital assets

Intangible capital 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 intangible assets over its estimated useful life.

COLLEGE OF REGISTERED NURSES OF SASKATCHEWAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(with comparative figures for the year ended December 31, 2022)

2. Summary of significant accounting policies (continued)

Revenue recognition

The College 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 practicing registered nurses and non practicing 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

	2023	2022
Guaranteed Investment Certificates	\$ 6,775,000	\$ 75,000
RBC Monthly Income and Principal Protected Funds	3,049,234	1,946,984
	\$ 9,824,234	\$ 2,021,984

The \$75,000 guaranteed investment certificate bears interest at 1.75% (2022 - 0.10%) and has a maturity date of April 2024 (2022 - March 2023), but is cashable at any time. The \$6,700,000 guaranteed investment certificate has a variable interest rate tied to prime, with a rate of 5.20% at December 31. It has a maturity date of November 2024, 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 gain of \$35,273 (2022 - loss of \$265,330) at year end.

4. Tangible capital assets

	2023		2022	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 260,582	\$ 147,127	\$ 113,455	\$ 128,718
Furniture and fixtures	176,000	64,144	111,856	141,390
Leasehold improvements	802,491	46,790	755,701	749,837
	\$ 1,239,073	\$ 258,061	\$ 981,012	\$ 1,019,945

5. Intangible asset

	2023		2022	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Membership database	\$ 456,208	\$ 453,480	\$ 2,728	\$ 78,431

COLLEGE OF REGISTERED NURSES OF SASKATCHEWAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(with comparative figures for the year ended December 31, 2022)

6. Non-cash operating working capital

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

	2023	2022
(Increase) decrease in current assets:		
Accounts receivable	\$ (61,497)	\$ 19,424
Prepaid expenses	(17,083)	(44,388)
	(78,580)	(24,964)
Increase (decrease) in current liabilities:		
Accounts payable and accrued liabilities	1,124,741	(67,807)
GST Payable	291,254	-
Deferred revenue	456,332	434,993
	1,872,327	367,186
	\$ 1,793,747	\$ 342,222

7. Commitments

The College has entered into various operating lease agreements and service contracts with estimated minimum annual payments as follows:

2024	\$	225,540
2025		217,570
2026		214,960
2027		214,960
2028		214,960

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

8. Defined contribution pension plan

The College has a defined contribution pension plan for employees. The College's obligation is limited to matching contributions made by employees for current services. During the year, the College contributed \$217,528 (2022 - \$197,166) to the plan.

COLLEGE OF REGISTERED NURSES OF SASKATCHEWAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(with comparative figures for the year ended December 31, 2022)

9. Financial risk management

The College 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 College 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 College 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 College'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 College's financial obligations.
