

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

Financial Statements  
**September 30, 2018**



December 7, 2018

## **Independent Auditor's Report**

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

We have audited the accompanying financial statements of College and Association of Registered Nurses of Alberta, which comprise the statement of financial position as at September 30, 2018 and the statements of operations, changes in net assets and cash flows for the year then ended, and the related notes, which comprise 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, 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.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of College and Association of Registered Nurses of Alberta as at September 30, 2018 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.

*PricewaterhouseCoopers LLP*

**Chartered Professional Accountants**

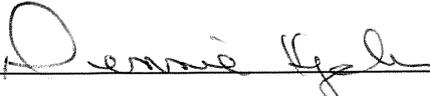
# College and Association of Registered Nurses of Alberta

## Statement of Financial Position

As at September 30, 2018

	2018 \$	2017 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 3)	30,112,605	30,227,101
Accounts receivable	31,275	41,233
Prepaid expenses (note 4)	1,119,976	1,131,882
	<u>31,263,856</u>	<u>31,400,216</u>
<b>Investments</b> (note 5)	6,438,153	6,297,142
<b>Capital assets</b> (note 6)	11,221,552	2,410,901
<b>Employee future benefits</b> (note 7)	2,875,800	2,438,900
	<u>51,799,361</u>	<u>42,547,159</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	1,316,126	804,927
Accrued vacation payable	553,024	633,600
Deferred registration fee revenue	22,371,504	20,674,990
Deferred grants	29,500	-
Deferred contributions relating to Legacy Project (note 10)	-	65,713
Debt obligations (note 11)	3,814,982	-
	<u>28,085,136</u>	<u>22,179,230</u>
<b>Long-term liabilities</b>		
Debt obligations (note 11)	2,929,635	-
Deferred contributions relating to capital assets (note 8)	3,533,379	3,597,204
	<u>34,548,150</u>	<u>25,776,434</u>
<b>Net Assets</b>		
<b>Invested in capital assets</b>	3,263,053	818,003
<b>Internally restricted fund</b> (note 9)	387,332	387,332
<b>Unrestricted fund</b>	13,600,826	15,565,390
	<u>17,251,211</u>	<u>16,770,725</u>
	<u>51,799,361</u>	<u>42,547,159</u>

Approved by the Council

 Member

 Member

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, 2018

	2018 \$	2017 \$
<b>Revenue</b>		
Registration fees	21,279,922	20,542,444
CNA affiliate fee	(2,134,497)	(2,037,214)
CNPS fees	(1,382,067)	(1,372,791)
Other fees	820,184	771,236
Amortization of deferred capital contributions (note 8)	672,833	476,207
Sundry	667,782	168,986
Investment income (note 5)	484,189	333,804
Award gala dinner and conference	75,145	133,920
Grants	3,500	-
	<u>20,486,991</u>	<u>19,016,592</u>
<b>Expenses (schedule)</b>		
Quality assurance	6,358,984	5,660,125
Corporate services	5,030,467	4,326,230
Professional practice support	3,237,511	3,222,603
Business intelligence	3,001,939	2,802,339
Executive office	857,018	645,102
Governance	728,359	611,980
Amortization	451,622	631,253
Impairment charges and loss on disposition of capital assets (note 6)	219,833	548
	<u>19,885,733</u>	<u>17,900,180</u>
<b>Excess of revenue over expenses before other items</b>	<u>601,258</u>	<u>1,116,412</u>
<b>Other items</b>		
Pension obligation adjustment	492,300	604,700
Pension special payment	(557,672)	(630,239)
CARNA's Centennial Celebrations net operations	-	(117,815)
	<u>(65,372)</u>	<u>(143,354)</u>
<b>Excess of revenue over expenses for the year</b>	<u>535,886</u>	<u>973,058</u>

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, 2018

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				<u>2018</u>	<u>2017</u>
	<u>Invested in capital assets \$</u>	<u>Internally restricted fund \$</u>	<u>Unrestricted \$</u>	<u>Total \$</u>	<u>Total \$</u>
<b>Net assets – Beginning of year</b>	818,003	387,332	15,565,390	16,770,725	16,399,267
Excess of revenue over expenses for the year	-	-	535,886	535,886	973,058
Investment in capital asset	2,445,050	-	(2,445,050)	-	-
Remeasurements and other items of employee future benefits	-	-	(55,400)	(55,400)	(601,600)
<b>Net assets – End of year</b>	<u>3,263,053</u>	<u>387,332</u>	<u>13,600,826</u>	<u>17,251,211</u>	<u>16,770,725</u>

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, 2018

	2018 \$	2017 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Registration fees	23,677,040	22,788,787
Investment income	484,189	377,773
Other income	1,448,760	769,114
Cash paid to suppliers and employees	(22,668,821)	(21,242,162)
Interest paid on debt obligations	(175,785)	-
	<u>2,765,383</u>	<u>2,693,512</u>
<b>Investing activities</b>		
Proceeds on sale of investments	4,074,373	3,942,264
Purchase of investments	(4,215,384)	(4,265,553)
Purchase of capital assets	(9,483,485)	(463,436)
	<u>(9,624,496)</u>	<u>(786,725)</u>
<b>Financing activities</b>		
Proceeds from debt obligations	6,873,263	-
Repayments of debt obligations	(128,646)	-
	<u>6,744,617</u>	<u>-</u>
<b>Increase (decrease) in cash and cash equivalents during the year</b>	(114,496)	1,906,787
<b>Cash and cash equivalents – Beginning of year</b>	<u>30,227,101</u>	<u>28,320,314</u>
<b>Cash and cash equivalents – End of year (note 3)</b>	<u>30,112,605</u>	<u>30,227,101</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, 2018

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### 1 Purpose of organization

The College and Association of Registered Nurses of Alberta (CARNA) is responsible for protecting the public through safe, competent and ethical nursing practices. CARNA, 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

CARNA'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. CARNA'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 reported on the statement of operations. The current year includes an unrealized loss of \$10,248 (2017 – \$61,726) 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, 2018

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### Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis at the following annual rates:

Building	3 1/3% – 10%
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.

### Employee future benefits

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

CARNA 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 CARNA's statement of financial position date.

In its year-end statement of financial position, CARNA 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 contributions relating to the Legacy Project were deferred and externally restricted grants are deferred and recognized as revenue when the related expenses are incurred.

# College and Association of Registered Nurses of Alberta

## Notes to Financial Statements

September 30, 2018

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### 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.

Where CARNA'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 CARNA'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 Governing Council of CARNA. 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 are collected by CARNA through the annual registration fee process. Remittance of these fees to CNPS and CNA is 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 membership numbers utilized by CARNA to determine the fees and report to CNPS and CNA directly reconcile to CARNA's underlying detailed membership records.

- Other fees

Other fees comprise the following:

- a) Application and verification fees: These fees are determined by the Chief Executive Officer of CARNA as delegated by the Governing 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 Governing Council of CARNA. The revenue generated is recognized in the fiscal year to which it relates.

- Investment income

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

- Award gala dinner and conference

The fees charged are recognized as revenue in the year in which the award gala dinner and conference is presented.

# College and Association of Registered Nurses of Alberta

## Notes to Financial Statements

September 30, 2018

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- Grants

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

- 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 members;
- 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>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Cash	2,955,419	3,479,933
Canadian Money Market Funds Series O through Phillips, Hager & North Investment Management. The funds' one year gross rate of return was 1.59% from October 1, 2017 to September 30, 2018	27,157,186	26,747,168
	<u>30,112,605</u>	<u>30,227,101</u>

Included in cash and cash equivalents are the following amounts allocated for a specifically identified purpose:

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Externally restricted for the purchase of capital assets	2,319,499	2,004,308
Internally restricted for nursing research	387,332	387,332
Externally restricted for the Legacy Project	-	65,713
	<u>2,706,831</u>	<u>2,457,353</u>

# College and Association of Registered Nurses of Alberta

## Notes to Financial Statements

September 30, 2018

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### 4 Prepaid expenses

	2018 \$	2017 \$
CNA affiliation fees	549,388	519,154
CNPS fees	345,907	339,754
Other	224,681	272,974
	<u>1,119,976</u>	<u>1,131,882</u>

### 5 Investments

	2018 \$	2017 \$
Fixed income measured at fair value with maturities ranging between 2021 and 2033 with a weighted average time to maturity of 8.17 years and weighted average yield to maturity of 3.14% per annum	4,375,657	4,384,034
Common equities measured at fair value	2,062,496	1,913,108
	<u>6,438,153</u>	<u>6,297,142</u>

Investments include United States common stocks and equivalents of \$990,210 (2017 – \$637,014) and other foreign countries common stocks and equivalents of \$nil (2017 – \$43,725). These assets have been translated and presented in Canadian dollars at the year-end exchange rate.

Investment income comprises the following:

	2018 \$	2017 \$
Interest	430,707	260,365
Dividends	66,821	118,729
Unrealized loss on investments	(10,248)	(61,726)
Realized (loss) gain on investments	(3,091)	14,056
Other income	-	2,380
	<u>484,189</u>	<u>333,804</u>

# College and Association of Registered Nurses of Alberta

## Notes to Financial Statements

September 30, 2018

### 6 Capital assets

			2018	2017
	Cost \$	Accumulated amortization \$	Net \$	Net \$
<b>Loc. 1: 11620 – 168 St.</b>				
Land	230,000	-	230,000	230,000
Building	3,319,516	2,171,363	1,148,153	1,321,373
Furniture and equipment	1,394,306	751,294	643,012	859,528
<b>Loc. 2: 11120 – 178 St.</b>				
Land	3,873,887	-	3,873,887	-
Building	5,312,819	-	5,312,819	-
Furniture and equipment	13,681	-	13,681	-
	<b>14,144,209</b>	<b>2,922,657</b>	<b>11,221,552</b>	<b>2,410,901</b>

Location 1 furniture and equipment includes capital expenditures of \$80,000 for the development of the College's Learning Management System (LMS) which will not be amortized until the system is fully operational and in use. In addition, capital expenditures of \$34,700 for equipment were acquired but not amortized until installation of these capital assets can be completed.

Location 2 building, furniture and equipment were acquired in 2018 and were not subject to amortization for the year ended September 30, 2018 due to the construction work that is underway to renovate and remediate the property to suit the College's needs prior to office relocation.

During the year the College had written off the Jurisprudence module and the SharePoint dashboard module due to the abandonment of these developments, which resulted in impairment charges of \$189,667 and \$30,166 respectively. These amounts have been recognized in the statement of operations as an impairment charge of capital assets.

### 7 Employee future benefits

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

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

CARNA 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, 2017 and the next required valuation will be as at June 30, 2020.

# College and Association of Registered Nurses of Alberta

## Notes to Financial Statements

September 30, 2018

	2018 \$	2017 \$
Fair value of plan assets	42,273,900	38,002,000
Accrued benefit obligation	(39,398,100)	(35,563,100)
Plan surplus	<u>2,875,800</u>	<u>2,438,900</u>

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

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

	2018 %	2017 %
Discount rate	4.00	4.00
Salary increases	3.25	3.25
Inflation	2.15	2.15

Total cash payments for employee future benefits for 2018, consisting of cash contributed by CARNA to the registered pension plan, were \$2,806,900 (2017 – \$2,519,400).

### 8 Deferred contributions relating to capital assets

Deferred contributions relating to capital assets represent externally restricted contributions collected from the members of CARNA for the purpose of capital acquisitions as approved by the Governing Council. The change in the deferred capital contribution balance is as follows:

	2018 \$	2017 \$
Balance – Beginning of year	3,597,204	2,957,203
Contributions received	609,008	1,116,208
Amounts amortized to revenue	(672,833)	(476,207)
	<u>3,533,379</u>	<u>3,597,204</u>

### 9 Restriction on net assets

	2018	2017
	Nursing research \$	Total \$
Balance – Beginning of year	387,332	650,672
Transfer to unrestricted net assets	-	(145,525)
Current year expenditures	-	(117,815)
Balance – End of year	<u>387,332</u>	<u>387,332</u>

# College and Association of Registered Nurses of Alberta

## Notes to Financial Statements

September 30, 2018

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The Governing Council internally restricts net assets for the purposes as shown above. These internally restricted amounts are not available for other purposes without approval of the Governing Council.

### 10 Deferred contributions relating to Legacy Project

Deferred contributions relating to the Legacy Project represent restricted contributions collected from the members of CARNA which were utilized to sponsor CARNA members selected to attend the 2018 CNA Biennium. The funds remaining (\$27,825), after settling all expenses related to CARNA's sponsorship, were transferred to the Alberta Registered Nurses Educational Trust (ARNET) as approved by the Governing Council. The change in the deferred Legacy contributions balance is as follows:

	2018 \$	2017 \$
Balance – Beginning of year	65,713	64,232
Contributions received	-	1,481
Amounts amortized to revenue	(65,713)	-
	<hr/>	<hr/>
Balance – End of year	-	65,713
	<hr/>	<hr/>

### 11 Debt obligations

	2018 \$	2017 \$
Debt obligation under variable rate loan	2,969,275	-
Debt obligation under fixed rate loan	3,003,329	-
Debt obligation under non-revolving term loan	772,013	-
	<hr/>	<hr/>
	6,744,617	-
Less: Current portion	3,814,982	-
	<hr/>	<hr/>
	2,929,635	-
	<hr/>	<hr/>

The debt obligations are secured by a general security agreement constituting a first ranking security interest in all personal property of CARNA; 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 mortgagee.

As at September 30, 2018, CARNA was in compliance with all of the covenants required under these debt obligations.

#### Debt obligation under variable rate loan

CARNA has a variable rate loan from the Royal Bank of Canada at the bank's prime rate plus 0.90% per annum (4.60% at September 30, 2018), repayable in monthly payments of \$10,168.76 plus interest. The loan is being amortized over 25 years with its first renewal date on January 3, 2019.

# College and Association of Registered Nurses of Alberta

## Notes to Financial Statements

September 30, 2018

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Principal repayments required under the variable rate loan under the current obligation terms assuming similar terms upon renewal are as follows:

	\$
2019	122,025
2020	122,025
2021	122,025
2022	122,025
2023	122,025
Thereafter	<u>2,359,150</u>
	<u>2,969,275</u>

### Debt obligation under fixed rate loan

CARNA has a fixed rate loan from the Royal Bank of Canada for a five-year term at 4.10% per annum, repayable in monthly blended payments of \$16,291.77. The loan is being amortized over 25 years with its first renewal date on January 3, 2023.

Principal repayments required under the fixed rate loan under the current obligation terms assuming similar terms upon renewal are as follows:

	\$
2019	73,694
2020	76,765
2021	79,963
2022	83,296
2023	86,632
Thereafter	<u>2,602,979</u>
	<u>3,003,329</u>

### Debt obligation under non-revolving term loan

CARNA has drawn \$772,013 (2017 – \$nil) at the bank's prime rate of 3.70% (at September 30, 2018) of an interest only term loan with a limit of \$2,500,000. The loan has a conversion date of June 30, 2019 at which time there is the option to be converted to a five-year fixed term loan.

# College and Association of Registered Nurses of Alberta

## Notes to Financial Statements

September 30, 2018

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### 12 Financial instruments

CARNA's financial instruments include cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities 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.

The fair value of financial instruments approximates their carrying amounts due to the short-term maturity of these instruments.

CARNA is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks as at September 30, 2018.

#### **Credit risk**

Credit risk refers to the risk a counterparty may default on its contractual obligations resulting in a financial loss. CARNA'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 CARNA's financial position.

A portion of the assets held in the pension plan is exposed to credit risk, similar to the risks on CARNA's bond portfolio. In the event of loss in the pension plan, CARNA 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**

CARNA'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. CARNA 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 CARNA's investment portfolio. In the event of loss in the pension plan, CARNA 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.

There has been no change to these risks from the prior year.

# College and Association of Registered Nurses of Alberta

Notes to Financial Statements

September 30, 2018

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## **Liquidity risk**

Liquidity risk is the risk 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 liabilities as they come due. The investments may create liquidity risk if CARNA 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 CARNA's earnings that arises from fluctuations in foreign exchange rates and the degree of volatility of those exchange rates. CARNA 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, 2018

	2018 \$	2017 \$
<b>Quality assurance</b>		
Resources and operations		
Staff costs	1,465,891	1,276,419
Regulatory committees	444,636	617,024
Annual registration renewal process	62,379	57,917
NP exam and NP SEC assessment	29,741	31,042
Legal fees and support	13,486	10,766
Professional conduct and complaints		
Staff and contracted investigation costs	2,011,401	1,657,699
Legal fees and support costs	38,950	63,858
Registration services		
Staff costs	2,204,168	1,923,910
Legal fees and support	88,332	21,490
	<u>6,358,984</u>	<u>5,660,125</u>
<b>Corporate services</b>		
Communications		
External communications	410,553	440,201
Member events	55,211	92,870
Operations		
Staff costs	2,304,450	2,191,343
Administration	921,627	903,624
Building and equipment costs	1,121,544	525,543
All staff development	217,082	172,649
	<u>5,030,467</u>	<u>4,326,230</u>
<b>Professional practice support</b>		
Regulatory and competence		
Staff costs	1,622,203	1,538,034
Regulatory committees	24,123	55,973
Operational committee	2,591	20,547
Professional development and knowledge		
Staff costs	1,080,268	797,163
Curriculum development and virtual technology	2,292	6,444
Practice support		
Staff costs	493,725	754,503
Legal fees and support	12,309	49,939
	<u>3,237,511</u>	<u>3,222,603</u>

# College and Association of Registered Nurses of Alberta

Schedule of Expenses...*continued*

For the year ended September 30, 2018

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	2018 \$	2017 \$
<b>Business intelligence</b>		
Information technology		
Staff costs	1,279,250	1,148,681
Computer consulting, software and licensing	563,944	480,710
Project consulting	93,820	193,373
Organization performance		
Staff costs	580,740	471,385
Records management		
Staff costs	374,154	357,292
Library and archives	74,255	90,002
Record retention and destruction	35,776	60,896
	<hr/> 3,001,939	<hr/> 2,802,339
<b>Executive office</b>		
Staff costs	840,281	619,518
Political scanning and resources	13,237	25,584
Grant related costs	3,500	
	<hr/> 857,018	<hr/> 645,102
<b>Governance</b>		
Contributions to ARNET	338,141	327,336
Provincial council and committees costs	304,403	265,202
Legacy Fund	65,713	-
Annual general meeting	12,327	15,749
Elections	7,775	3,693
	<hr/> 728,359	<hr/> 611,980