

College of Registered Nurses of Alberta

Financial Statements
September 30, 2024



Independent auditor's report

To the Members of College of Registered Nurses of Alberta

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of College of Registered Nurses of Alberta (the Entity) as at September 30, 2024 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, 2024;
- 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.

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.

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.

PricewaterhouseCoopers LLP
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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.

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 13, 2024

College of Registered Nurses of Alberta

Statement of Financial Position


As at September 30, 2024

	2024 \$	2023 \$
Assets		
Current assets		
Cash and cash equivalents (note 3)	49,114,119	40,244,155
Investments (note 4)	-	76,487
Accounts receivable	205,045	195,901
Prepaid expenses	200,239	381,389
	<u>49,519,403</u>	<u>40,897,932</u>
Investments (note 4)	9,106,380	7,714,735
Capital assets (note 5)	9,495,714	9,843,616
Intangible assets (note 6)	3,190,958	1,763,422
Employee future benefits (note 7)	10,927,000	7,511,800
	<u>82,239,455</u>	<u>67,731,505</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	1,689,307	1,604,949
Accrued vacation payable	1,036,505	1,225,753
Deferred registration fee revenue	23,052,571	21,298,219
Deferred grants	-	123,638
Debt obligations (note 10)	2,541,813	72,578
	<u>28,320,196</u>	<u>24,325,137</u>
Long-term liabilities		
Debt obligations (note 10)	-	2,542,728
Deferred contributions relating to capital assets (note 9)	3,316,449	3,291,338
	<u>31,636,645</u>	<u>30,159,203</u>
Net Assets		
Invested in capital and intangible assets	9,550,457	8,098,623
Internally restricted fund (note 11)	1,900,443	1,505,656
Unrestricted fund	39,151,910	27,968,023
	<u>50,602,810</u>	<u>37,572,302</u>
	<u>82,239,455</u>	<u>67,731,505</u>

Approved by the Council

DocuSigned by:

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

College of Registered Nurses of Alberta

Statement of Operations

For the year ended September 30, 2024

	2024	2023
	\$	\$
		(Reclassified – note 13)
Revenue		
Registration fees	23,905,278	20,560,186
CNA affiliate fee	-	(588,365)
CNPS fees	-	(21,140)
Application and other fees	3,006,347	2,786,740
Investment income (note 4)	3,227,492	1,603,972
Amortization of deferred capital contributions (note 9)	534,319	606,060
Sundry	58,398	64,637
Grants	-	76,362
	<hr/>	<hr/>
	30,731,834	25,088,452
Expenses (schedule)		
Strategy and operations	8,957,082	7,885,003
Chief executive office and professional conduct	3,782,271	4,524,158
Finance, people, planning and risk	2,763,609	2,614,857
Governance, regulation and standards	2,290,742	2,593,068
Chief operating office	1,159,230	644,332
Amortization (notes 5 and 6)	1,114,474	814,705
Enterprise projects and extraordinary items	668,328	482,137
Governance council and committees	323,490	463,942
Contribution to ARNET	-	368,489
	<hr/>	<hr/>
	21,059,226	20,390,691
Excess of revenue over expenses for the year	<hr/>	<hr/>
	9,672,608	4,697,761

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

College of Registered Nurses of Alberta

Statement of Changes in Net Assets

For the year ended September 30, 2024

				2024	2023
	Invested in capital and intangible assets \$	Internally restricted fund \$ (note 11)	Unrestricted \$	Total \$	Total \$
Net assets – Beginning of year	8,098,623	1,505,656	27,968,023	37,572,302	32,739,841
Excess of revenue over expenses for the year	-	-	9,672,608	9,672,608	4,697,761
Internal restriction (note 11)	-	2,500,000	(2,500,000)	-	-
Investment in capital and intangible assets					
Purchase of capital and intangible assets	1,958,497	(2,105,213)	146,716	-	-
Amortization (notes 5 and 6)	(1,114,474)	-	1,114,474	-	-
Amortization of deferred capital contributions (note 9)	534,319	-	(534,319)	-	-
Repayment of debt obligations	73,492	-	(73,492)	-	-
Remeasurements and other items of employee future benefits (note 7)	-	-	3,357,900	3,357,900	134,700
Net assets – End of year	9,550,457	1,900,443	39,151,910	50,602,810	37,572,302

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

College of Registered Nurses of Alberta

Statement of Cash Flows

For the year ended September 30, 2024

	2024 \$	2023 \$
Cash provided by (used in)		
Operating activities		
Registration fees	28,122,514	25,259,903
Investment income	2,098,077	1,487,597
Other income	469,079	870,697
Cash paid to suppliers and employees	(19,821,580)	(17,518,476)
Interest paid on debt obligations	(157,809)	(144,444)
	<hr/> 10,710,281	<hr/> 9,955,277
Investing activities		
Proceeds on sale of investments	2,807,163	2,918,509
Purchase of investments	(3,056,095)	(3,169,511)
Purchase of intangible assets	(1,988,428)	(1,394,344)
Purchase of capital assets	(88,895)	(146,716)
	<hr/> (2,326,255)	<hr/> (1,792,062)
Financing activities		
Externally restricted contributions for purchase of capital assets (note 9)	559,430	490,098
Repayments of debt obligations	(73,492)	(74,922)
	<hr/> 485,938	<hr/> 415,176
Increase in cash and cash equivalents during the year	8,869,964	8,578,391
Cash and cash equivalents – Beginning of year	<hr/> 40,244,155	<hr/> 31,665,764
Cash and cash equivalents – End of year (note 3)	<hr/> <hr/> 49,114,119	<hr/> <hr/> 40,244,155

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

College of Registered Nurses of Alberta

Notes to Financial Statements

September 30, 2024

1 Purpose of organization

College 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.

On January 29, 2023, an amendment was made to the Health Professions Act reflecting Bill 46, which mandated the separation of the regulatory colleges and professional associations. The legal name of the College was changed from College and Association of Registered Nurses of Alberta to College of Registered Nurses of Alberta.

2 Summary of significant accounting policies

Basis of presentation

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 intangible assets and assumptions associated with 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 gain of \$1,124,258 (2023 – loss of \$112,762) 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.

College of Registered Nurses of Alberta

Notes to Financial Statements

September 30, 2024

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.

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 5), 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.

College of Registered Nurses of Alberta

Notes to Financial Statements

September 30, 2024

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 6), though the assets remain in use.

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 revenue is 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.

College of Registered Nurses of Alberta

Notes to Financial Statements

September 30, 2024

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.

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 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

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

College of Registered Nurses of Alberta

Notes to Financial Statements

September 30, 2024

- 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.

- 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

	2024	2023
	\$	\$
Cash	3,262,770	4,610,322
Canadian Money Market Funds Series O through Phillips, Hager & North Investment Management; the funds' one-year gross rate of return was 5.25% from October 1, 2023 to September 30, 2024 (2023 – 4.78%)	45,851,349	35,633,833
	<u>49,114,119</u>	<u>40,244,155</u>

4 Investments

	2024	2023
	\$	\$
Fixed income measured at fair value with maturities ranging between 2025 and 2046 with a weighted average time to maturity of 10.21 years and weighted average yield to maturity of 4.3% per annum	6,126,916	5,200,535
Common equities measured at fair value	2,979,464	2,514,200
Cash equivalents maturing in excess of three months	-	76,487
	<u>9,106,380</u>	<u>7,791,222</u>
Less: Current portion	-	76,487
	<u>9,106,380</u>	<u>7,714,735</u>

Investments include United States dollar denominated investments and equivalents of \$1,364,566 (2023 – \$1,055,028). These assets have been translated and presented in Canadian dollars at the year-end exchange rate.

College of Registered Nurses of Alberta

Notes to Financial Statements

September 30, 2024

Investment income and cash and cash equivalents comprise the following:

	2024 \$	2023 \$
Interest	2,020,392	1,418,011
Unrealized gain on investments	1,124,258	113,122
Dividends	64,387	55,593
Realized gain on investments	18,455	17,246
	<u>3,227,492</u>	<u>1,603,972</u>

5 Capital assets

	<u>2024</u>		<u>2023</u>	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Land	3,873,887	-	3,873,887	3,873,887
Building and building improvements	6,480,787	1,293,055	5,187,732	5,415,966
Furniture and equipment	924,103	490,008	434,095	553,763
	<u>11,278,777</u>	<u>1,783,063</u>	<u>9,495,714</u>	<u>9,843,616</u>

In the current year, amortization was recognized in the statement of operations for a total expense of \$436,797 (2023 – \$508,537).

6 Intangible assets

	<u>2024</u>		<u>2023</u>	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Software & IT programming	4,315,427	1,124,469	3,190,958	1,763,422

As at September 30, 2024, \$653,421 associated with a software project was still in development and, as such, was not subject to amortization. In the current year, amortization was recognized in the statement of operations for a total expense of \$677,677 (2023 – \$306,168).

College of Registered Nurses of Alberta

Notes to Financial Statements

September 30, 2024

7 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, 2024 and the next required valuation will be as at June 30, 2027.

	2024	2023
	\$	\$
Fair value of plan assets	58,377,200	49,735,000
Accrued benefit obligation	(45,190,600)	(42,223,200)
Valuation allowance	(2,259,600)	-
Plan surplus	<u>10,927,000</u>	<u>7,511,800</u>

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

As at September 30, 2024, a valuation allowance of \$2,259,600 was recorded representing the excess of plan surplus over the expected future benefit of the pension fund. This valuation allowance has been included in the remeasurement of employee future benefits included directly in unrestricted net assets.

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

	2024	2023
	%	%
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 2024, consisting of cash contributed by CRNA to the registered pension plan, were \$1,357,873 (2023 – \$nil).

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

	2024	2023
	\$	\$
Employee future benefits – Opening balance	7,511,800	8,707,400
Net benefit plan expense	(1,300,600)	(1,330,300)
Remeasurement of employee future benefits	3,357,900	134,700
Gross employer contributions	1,357,900	-
Employee future benefits – Ending balance	<u>10,927,000</u>	<u>7,511,800</u>

College of Registered Nurses of Alberta

Notes to Financial Statements

September 30, 2024

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

8 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 \$677,234 (2023 – \$574,034) of government remittances payable as at September 30, 2024.

9 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, 2024, \$2,722,050 (2023 – \$2,251,514) of the funds had not been expended. The change in the deferred capital contribution balance is as follows:

	2024 \$	2023 \$
Balance – Beginning of year	3,291,338	3,407,300
Contributions received	559,430	490,098
Amounts amortized to revenue	(534,319)	(606,060)
	<hr/>	<hr/>
Balance – End of year	3,316,449	3,291,338

10 Debt obligations

	2024 \$	2023 \$
Debt obligation under fixed rate loan	2,541,813	2,615,306
Less: Current portion	2,541,813	72,578
	<hr/>	<hr/>
	-	2,542,728

The debt obligation is 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.

As at September 30, 2024, CRNA was in compliance with all of the covenants required under these debt obligations.

College of Registered Nurses of Alberta

Notes to Financial Statements

September 30, 2024

On January 3, 2023, CRNA renewed the fixed rate loan from Royal Bank of Canada 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 \$157,809 (2023 – \$144,444). This expense is categorized under finance, people, planning and risk in the statement of operations.

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

	\$
2025	<u>2,541,813</u>

11 Internally restricted fund

	<u>2024</u>	<u>2023</u>
	IM Program \$	Total \$
Balance – Beginning of year	1,505,656	-
Internal restriction	2,500,000	2,900,000
Current year costs incurred	<u>(2,105,213)</u>	<u>(1,394,344)</u>
Balance – End of year	<u>1,900,443</u>	<u>1,505,656</u>

During the year, the Council approved an internal restriction of \$2,500,000 to fund the capital requirements of CRNA's Information Management Program within the 2025 intangible asset plans.

12 Financial instruments

CRNA's financial instruments include cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities, 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 that 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, 2024.

College of Registered Nurses of Alberta

Notes to Financial Statements

September 30, 2024

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 sensitivity analysis indicates that a +1% (-1%) change in the investments' market rates would impact CRNA's unrealized gains or losses by \$92,000.

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.

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 10 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 of Registered Nurses of Alberta

Notes to Financial Statements

September 30, 2024

13 Comparative figures

Certain comparative amounts have been reclassified to conform to the current year's presentation, which includes the reorganization of various departments and portfolios to align with the organizational structure of CRNA.

These reclassifications have no effect on the reported results of operations.

College of Registered Nurses of Alberta

Schedule of Expenses

For the year ended September 30, 2024

	2024 \$	2023 \$ (Reclassified – note 13)
Strategy and operations		
Digital strategy		
Staff costs	2,078,681	1,500,178
Licensing and software	1,580,599	1,364,673
Other costs	243,602	154,600
Contracted services and consulting	99,098	20,247
Registration & case management		
Staff costs	1,778,829	2,308,554
Other costs	112,468	39,919
Legal fees	40,330	26,939
Grant-related costs	-	76,362
Facilities operations		
Building cost	934,397	704,262
Staff costs	359,831	329,445
Other costs	225,990	189,382
Telecommunication	197,481	215,827
Contracted services and consulting	8,129	2,578
Strategy execution		
Staff costs	804,135	806,695
Other costs	5,192	145,342
Service delivery		
Staff costs	487,435	-
Other costs	885	-
	<hr/> 8,957,082	<hr/> 7,885,003
Chief executive office and professional conduct		
Professional conduct		
Staff costs	2,148,240	2,736,611
Legal fees	236,113	280,974
Other costs	43,408	62,585
Professional fees	14,453	7,852
Contracted services and consulting	11,843	19,774
Executive office		
Staff costs	977,072	1,204,826
Other costs	198,134	143,221
Contracted services and consulting	124,960	46,005
Legal fees	28,048	22,310
	<hr/> 3,782,271	<hr/> 4,524,158

College of Registered Nurses of Alberta

Schedule of Expenses ...continued

For the year ended September 30, 2024

	2024 \$	2023 \$ (Reclassified – note 13)
Finance, people, planning and risk		
Finance & business support		
Bank, service fees and financing costs	944,172	835,875
Staff costs	508,891	742,311
Professional fees	88,150	94,984
Insurance	74,104	74,717
Contracted services and consulting	36,056	-
Other costs	18,894	22,893
People & culture		
Staff costs	625,903	537,639
Professional fees	84,493	-
Other costs	15,092	20,841
Planning, risk & procurement		
Staff costs	367,765	282,458
Other costs	89	3,139
	<hr/> 2,763,609	<hr/> 2,614,857
Governance, regulation and standards		
Regulation & standards		
Staff costs	1,905,364	2,501,755
Contracted services and consulting	39,802	41,176
Other costs	35,023	50,137
Regulatory initiatives & IDEA		
Staff costs	163,002	-
Other costs	4,896	-
Council support		
Staff costs	137,467	-
Legal fees	5,008	-
Other costs	180	-
	<hr/> 2,290,742	<hr/> 2,593,068
Chief operating office		
Chief operating office		
Staff costs	1,035,988	561,935
Contracted services and consulting	88,855	69,899
Other costs	34,387	12,498
	<hr/> 1,159,230	<hr/> 644,332

College of Registered Nurses of Alberta

Schedule of Expenses ...continued

For the year ended September 30, 2024

	2024	2023
	\$	\$
		(Reclassified – note 13)
Enterprise projects and extraordinary items		
Enterprise projects		
Contracted services and consulting	572,358	482,137
Staff costs	73,564	-
Licensing and software costs	18,566	-
Other costs	3,840	-
	<hr/> 668,328	<hr/> 482,137
Governance council and committees		
Governance council		
Other costs	225,013	180,025
Professional fees	-	112,240
Legal fees	-	18,517
Governance committees		
Contracted services and consulting	98,297	145,727
Other costs	180	-
Legal fees	-	7,433
	<hr/> 323,490	<hr/> 463,942