

Alberta Association of Nurses
Financial Statements
Year Ended April 30, 2023

Alberta Association of Nurses
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Year Ended April 30, 2023

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Independent Auditor's Report

To the Members of Alberta Association of Nurses

Qualified Opinion

We have audited the financial statements of Alberta Association of Nurses (the Association), which comprise the statement of financial position as at April 30, 2023, and the statements of revenues and expenditures, 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at April 30, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

The Association derives revenue from membership fees of which the completeness is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to the membership fee revenue, excess (deficiency) of revenues over expenses, and cash flows from operations for the year ended April 30, 2023, current assets and net assets as at April 30, 2023.

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 ethical requirements that are relevant to our audit of the financial statements in Canada, 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 qualified audit opinion.

Other Matter

The financial statements for the eight month period ended April 30, 2022 are unaudited, and therefore are presented for comparative purposes only.

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 ASNPO, 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.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Mowbray Gil LLP

Edmonton, Alberta
September 13, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

Alberta Association of Nurses
Statement of Financial Position
April 30, 2023

	2023	2022
Assets		
Current		
Cash	\$ 288,762	\$ 296,623
Short term investments (Note 3)	616,903	601,305
Prepaid expenses	54,456	-
	960,121	897,928
Equipment (Note 4)	14,435	-
Intangible asset (Note 5)	14,080	-
	\$ 988,636	\$ 897,928
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities (Note 6)	\$ 94,388	\$ 18,274
Deferred revenue (Note 7)	97,075	-
	191,463	18,274
Net assets		
Unrestricted fund	797,173	879,654
	\$ 988,636	\$ 897,928

ON BEHALF OF THE BOARD

_____ Director

_____ Director

Alberta Association of Nurses
Statement of Revenues and Expenditures
Year Ended April 30, 2023

	2023	2022 (8 months)
Revenues		
Membership fees	\$ 511,250	\$ -
Expenditures		
Salaries and benefits	316,914	53,090
Information technology consulting	81,703	27,651
Advertising and promotion	78,540	18,323
Professional fees	63,606	13,733
Interest, credit card and bank charges	16,110	44
Office	14,123	4,621
Other member expenses	13,993	-
Systems and licenses	10,008	3,936
Governance costs	9,985	659
Amortization of equipment	5,476	-
Amortization of intangible assets	3,520	-
	<u>613,978</u>	<u>122,057</u>
Deficiency of revenues over expenditures from operations	(102,728)	(122,057)
Other income		
Interest income	<u>20,247</u>	<u>1,711</u>
Deficiency of revenues over expenditures for the year	\$ (82,481)	\$ (120,346)

Alberta Association of Nurses
Statement of Changes in Net Assets
Year Ended April 30, 2023

	Unrestricted Fund	2023	2022
Net assets - beginning of year	\$ 879,654	\$ 879,654	\$ -
Transfer in from College of Registered Nurses of Alberta	-	-	1,000,000
Deficiency of revenues over expenditures for the year	(82,481)	(82,481)	(120,346)
Net assets - end of year	\$ 797,173	\$ 797,173	\$ 879,654

Alberta Association of Nurses
Statement of Cash Flows
Year Ended April 30, 2023

	2023	2022 (8 months)
Operating activities		
Deficiency of revenues over expenditures for the year	\$ (82,481)	\$ (120,346)
Items not affecting cash:		
Amortization of equipment	5,476	-
Amortization of intangible assets	3,520	-
	<u>(73,485)</u>	<u>(120,346)</u>
 Changes in non-cash working capital:		
Prepaid expenses	(54,456)	-
Accounts payable and accrued liabilities	76,114	18,274
Deferred revenue	97,075	-
	<u>118,733</u>	<u>18,274</u>
	<u>45,248</u>	<u>(102,072)</u>
 Investing activities		
Purchase of equipment	(19,911)	-
Purchase of intangible asset	(17,600)	-
	<u>(37,511)</u>	<u>-</u>
 Financing activity		
Transfer in from College of Registered Nurses of Alberta	-	1,000,000
 Increase in cash flow	7,737	897,928
 Cash - beginning of year	897,928	-
 Cash - end of year	\$ 905,665	\$ 897,928
 Cash consists of:		
Cash	\$ 288,762	\$ 296,623
Short term investments	616,903	601,305
	<u>\$ 905,665</u>	<u>\$ 897,928</u>

1. Purpose of the Association

Alberta Association of Nurses (the Association) is a not-for-profit organization incorporated provincially under the Societies Act of Alberta on September 7, 2021 and is a not-for-profit organization under the Income Tax Act and is exempt from income taxes. The Association operates to provide all nurses one unified voice promoting quality health service delivery in the best interest of all Albertans, now and into the future.

2. Summary of significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations which have been made using careful judgment. The significant estimates include the useful lives of equipment and intangible assets. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized as follows:

Cash

Cash consists of demand deposits held with a financial institution.

Equipment

Equipment is stated at cost less accumulated amortization and is amortized over its estimated useful life at the following rates and methods:

Computer equipment	55% declining balance method
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The Association regularly reviews its equipment to eliminate obsolete items.

Intangible asset

The intangible asset represents the cost of developing a website. This asset is carried at cost and amortized on a five year straight line basis. The remaining carrying value is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

Impairment of long lived assets

The Association tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

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2. Summary of significant accounting policies (*continued*)

Revenue recognition

The Association follows the deferral method of accounting for contributions.

Membership fee revenues are recorded as revenue when they are received.

Interest income is recognized as revenue when earned.

Contributed services

The operations of the Association depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated services cannot be reasonably determined and are therefore not reflected in these financial statements.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of revenues and expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of revenues and expenditures.

3. Short term investments

Short term investments consist of cashable guaranteed investment certificates earning interest at rates of 3.95 to 4.97% per annum and maturing between November 2023 and March 2024.

4. Equipment

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	\$ 19,911	\$ 5,476	\$ 14,435	\$ -

Alberta Association of Nurses
Notes to Financial Statements
Year Ended April 30, 2023

5. Intangible asset

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Website	\$ 17,600	\$ 3,520	\$ 14,080	\$ -

6. Accounts payable and accrued liabilities

	2023	2022
Trade payables	\$ 37,015	\$ 3,883
Salaries and benefits payable	26,927	7,862
Goods and services tax payable	15,493	-
Government remittances payable	14,953	6,529
	\$ 94,388	\$ 18,274

7. Deferred revenue

	Opening	Funds received	Funds used	Closing
Conference	\$ -	\$ 97,075	\$ -	\$ 97,075

Fees and sponsorships related to a conference that occurred subsequent to year end were deferred in the current fiscal year.

8. Contractual obligations

The Association's total obligation, under an agreement for information technology services, is as follows:

Contractual obligation repayment schedule:

2024	\$ 85,136
2025	86,022
	\$ 171,158

9. Financial instruments

Financial instruments are defined as contractual rights to receive or deliver cash or another financial asset. The Association's financial instruments consist of recorded amounts of cash, short term investments and accounts payable and accrued liabilities.

The Association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Association's risk exposure and concentration as of April 30, 2023.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from its members and other related sources, in order to repay its accounts payable and accrued liabilities.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Association is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Association manages exposure through its normal operating and financing activities. The Association is exposed to interest rate risk primarily through its fixed rate short term investments.

10. Comparative figures

Some of the comparative figures have been reclassified to conform to the current year's presentation. The reclassification of certain balances has no impact on net assets.