

**SASKATCHEWAN COLLEGE OF RESPIRATORY
THERAPISTS**

Financial Statements

Year Ended March 31, 2022

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Saskatchewan College of Respiratory Therapists have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Saskatchewan College of Respiratory Therapists' reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Council meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Council approves the financial statements and considers the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by MWC Chartered Professional Accountants LLP, in accordance with Canadian generally accepted auditing standards.

Executive Director/Registrar

Treasurer

Regina, SK
August 08, 2022



Chartered Professional
Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Saskatchewan College of Respiratory Therapists

Opinion

We have audited the financial statements of Saskatchewan College of Respiratory Therapists (the College), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2022, 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 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 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 opinion.

Emphasis of Matter

We draw attention to Note 9 to the financial statements, which provides information on a retrospective correction of an error to the prior years financial statements which resulted in a reduction of the opening net assets, opening accounts receivables and a restatement of the prior year's figures.

Other Matter

The financial statements for the year ended March 31, 2021 are unaudited and were reported upon by another Chartered Professional Accountant under a Review Engagement who expressed an unmodified conclusion on August 25, 2021.

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 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.

(continues)

An asset to our clients, not an expense

102 – 4701 Parliament Ave, Regina, SK S4W 0T9 ☎ 306-352-8621 📠 306-565-8476 🌐 mwc-cpa.ca

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



Chartered Professional Accountants

Regina, Saskatchewan
August 8, 2022

SASKATCHEWAN COLLEGE OF RESPIRATORY THERAPISTS

Statement of Financial Position

March 31, 2022

	2022	2021 <i>(Unaudited)</i>
ASSETS		
CURRENT		
Cash	\$ 280,742	\$ 185,667
Accounts receivable	-	622
Prepaid expenses	3,488	4,100
	284,230	190,389
INVESTMENTS (Note 3)	181,342	243,739
CAPITAL ASSETS (Note 4)	1,092	1,629
INTANGIBLE ASSETS (Note 5)	4,163	-
	\$ 470,827	\$ 435,757
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 8,601	\$ 6,797
Deferred revenue (Note 6)	152,400	153,000
	161,001	159,797
 NET ASSETS		
General Fund	239,826	275,960
Restricted Funds (Note 7)	70,000	-
	309,826	275,960
	\$ 470,827	\$ 435,757

COMMITMENTS (Note 8)

ON BEHALF OF THE BOARD

_____ Director

_____ Director

See notes to financial statements

SASKATCHEWAN COLLEGE OF RESPIRATORY THERAPISTS

Statement of Operations Year Ended March 31, 2022

	2022	2021 <i>(Unaudited)</i>
REVENUES		
Memberships	\$ 162,400	\$ 162,700
Discipline fines	12,500	3,750
Application fees	1,200	2,150
Investment income	3,155	1,373
Unrealized gain (loss) on fair market value adjustment	<u>(2,049)</u>	<u>-</u>
	177,206	169,973
EXPENSES		
Contractual services	76,320	68,212
Professional fees	15,818	22,912
Office	13,723	16,423
Rental	12,000	12,000
Memberships	10,589	10,589
Insurance	5,225	5,592
Training and development	3,711	1,776
Telephone	2,793	3,007
Bank charges and fees	1,852	2,062
Bad debts	622	-
Amortization of capital assets	538	803
Meetings and conventions	<u>149</u>	<u>463</u>
	143,340	143,839
EXCESS OF REVENUES (EXPENSES)	\$ 33,866	\$ 26,134

See notes to financial statements

SASKATCHEWAN COLLEGE OF RESPIRATORY THERAPISTS

Statement of Changes in Net Assets Year Ended March 31, 2022

	General Fund	Restricted Funds	2022	2021 <i>(Unaudited)</i>
NET ASSETS - BEGINNING OF YEAR				
As previously reported	\$ 280,605	\$ -	\$ 280,605	\$ 249,826
Prior period correction of an error <i>(Note 9)</i>	(4,645)	-	(4,645)	-
As restated	275,960	-	275,960	249,826
Excess of revenues (expenses)	33,866	-	33,866	26,134
Inter-fund transfer <i>(Note 7)</i>	(70,000)	70,000	-	-
NET ASSETS - END OF YEAR	\$ 239,826	\$ 70,000	\$ 309,826	\$ 275,960

See notes to financial statements

SASKATCHEWAN COLLEGE OF RESPIRATORY THERAPISTS

Statement of Cash Flows Year Ended March 31, 2022

	2022	2021 <i>(Unaudited)</i>
OPERATING ACTIVITIES		
Excess of revenues (expenses)	\$ 33,866	\$ 26,134
Items not affecting cash:		
Amortization of capital assets	538	803
Unrealized loss on fair market value adjustment	2,049	-
	36,453	26,937
Changes in non-cash working capital:		
Accounts receivable	622	3,325
Accounts payable	1,803	2,461
Deferred revenue	(600)	100
Prepaid expenses	612	125
	2,437	6,011
Cash flow from operating activities	38,890	32,948
INVESTING ACTIVITIES		
Purchase of capital assets	-	(2,432)
Purchase of intangible assets	(4,163)	-
Proceeds (purchases) and reinvested earnings on investments	60,348	(12,440)
	56,185	(14,872)
Cash flow from (used by) investing activities	56,185	(14,872)
INCREASE IN CASH FLOW	95,075	18,076
CASH - BEGINNING OF YEAR	185,667	167,591
CASH - END OF YEAR	\$ 280,742	\$ 185,667

See notes to financial statements

SASKATCHEWAN COLLEGE OF RESPIRATORY THERAPISTS

Notes to Financial Statements

Year Ended March 31, 2022

1. PURPOSE OF THE COLLEGE

Saskatchewan College of Respiratory Therapists (the "College") is established under the *Respiratory Therapists Act* and is a registered not-for-profit, exempt from income taxes.

The College is a self-regulatory body which administers the membership qualifications for practicing respiratory therapists in Saskatchewan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Fund accounting

The College uses fund accounting and has established the following funds:

General Fund reports the results of day-to-day operations of the College.

Restricted Funds are internally restricted and include:

- (a) Legal fund - reports money set aside to provide for assistance to operations for unusual legal issues affecting the members.
- (b) Technology fund - reports money set aside for future capital purchases.

Revenue recognition

Members are required to hold an annual membership license. The membership fees are recognized in the year in which the memberships are valid. A pro-rated fee is charged in the year of initiation.

Application fees are recognized in the year the applicant applies to become a member.

Discipline fines are recognized in the year the decision is made by either the Professional Conduct Committee or the Discipline Committee and collection is reasonable assured.

Investment income is recognized as revenue when earned.

The College follows the deferral method of accounting for contributions.

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 including cash and accounts receivable are reported at amortized cost. Investments are reported at amortized cost for guaranteed investment certificates and at fair value for mutual funds.

Financial liabilities including accounts payable and accrued liabilities are measured at amortized cost.

(continues)

SASKATCHEWAN COLLEGE OF RESPIRATORY THERAPISTS

Notes to Financial Statements Year Ended March 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods. In addition, a full year of amortization is recorded in the year of acquisition.

Computer equipment 33% declining balance method

Intangible assets

The website is being amortized on a straight-line basis over the estimated useful life of five years.

3. INVESTMENTS

The investments held by the College at year end are as follows:

	2022	2021
<u>Investments by Type</u>		
Guaranteed income certificates (GICs)	\$ 83,391	\$ 243,739
Mutual funds	97,951	-
	\$ 181,342	\$ 243,739

GICs at yearend mature between November 2022 and January 2025 and bear interest ranging from 1.30% - 2.56%.

A \$70,000 GIC matured on March 25, 2022 and was re-invested, subsequent to the yearend, on April 5, 2022 for a five year term maturing April 5, 2027 earning interest at 3.00% with a maturity value of \$81,474.

Investments by Fund

The investment pool is apportioned between the two funds based on the amounts restricted by the board of directors as reported in the net assets of restricted funds.

	2022	2021
General Fund	\$ 111,342	\$ 243,739
Restricted Funds	70,000	-
	\$ 181,342	\$ 243,739

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	\$ 3,092	\$ 2,000	\$ 1,092	\$ 1,629

SASKATCHEWAN COLLEGE OF RESPIRATORY THERAPISTS

Notes to Financial Statements Year Ended March 31, 2022

5. INTANGIBLE ASSETS

	2022	2021
Website	\$ 4,163	\$ -
Accumulated amortization	-	-
	\$ 4,163	\$ -

The website is still under development and has not been put into use by yearend and therefore no amortization has been recorded in the year.

6. DEFERRED REVENUE

As at year end the College has received payments in advance of services for the following:

	2022	2021
Membership fees	\$ 152,400	\$ 153,000

7. RESTRICTED FUNDS AND INTER-FUND TRANSFERS

	2022 Beginning Balance	Transfer In (Out)	2022 Ending Balance
Legal Fund	\$ -	\$ 50,000	\$ 50,000
Technology Fund	-	20,000	20,000
	\$ -	\$ 70,000	\$ 70,000

All transfers between funds are approved by the board of directors.

8. COMMITMENTS

The College has an obligation under a lease for rent of the office premises which commenced January 2018 and expires July 2025. The monthly rent is \$1,000 for the duration of the lease.

The College has contracted a vendor to develop a new website and portal for a total cost of \$8,325 - 50% of the costs was assessed as payable upon commencement of the project with the remaining 50% due upon completion. The project started in December 2021 and is expected to be completed in the Fall of 2022.

Contractual obligation repayment schedule:

2023	\$ 16,163
2024	12,000
2025	12,000
2026	4,000

SASKATCHEWAN COLLEGE OF RESPIRATORY THERAPISTS

Notes to Financial Statements

Year Ended March 31, 2022

9. PRIOR PERIOD CORRECTION OF AN ERROR

The prior years' figures have been retrospectively corrected to account for double accrued interest on investments. The effect of these adjustments on the comparative figures is:

2021 Accounts receivable decrease by	\$	4,645
2021 Net assets decrease by		4,645

10. FINANCIAL INSTRUMENTS

The College is exposed to various risks through its financial instruments and management is responsible to monitor, evaluate and manage these risks. The following analysis provides information about the College's risk exposure and concentration as of March 31, 2022.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The College is not exposed to credit risk as the due date for membership renewal is two months before membership expires and members must renew their memberships to remain in good standing with the College. As a result the College's exposure to credit risk is considered low.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The College is exposed to this risk mainly in respect of its receipt of funds from its members and other related sources, obligations under operating leases, and accounts payable. Through budgetary controls and financial monitoring, the College maintains a consistent positive working capital position and liquidity risk is considered low.

Unless otherwise noted, it is management's opinion that the College is not exposed to significant other price risks arising from these financial instruments.

11. UNCERTAINTY OF IMPACT OF COVID-19

The College has not seen any significant financial impact as a result of the Covid-19 pandemic, however, as the pandemic is not over the future impact on the financial position remains uncertain but no significant financial loss is anticipated as of the Audit Report date.

12. CORRESPONDING FIGURES

The financial statements for the year ended March 31, 2021 were not audited, but were reported on by another Chartered Professional Accountant under a Review Engagement.

Some of the corresponding figures have been reclassified to conform to the current year's presentation. There has been no impact on the total assets, liabilities, net assets as of March 31, 2021 or excess of revenues (expenses) for the year then ended as a result of the reclassifications.