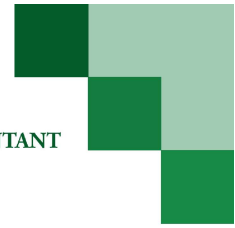


Financial Statements of



For the Year Ended December 31, 2020



Independent Auditor's Report

To the Members of the College of Midwives of Alberta

Opinion

We have audited the financial statements of the College of Midwives of Alberta ("the College"), which comprise the statement of financial position as at December 31, 2020, and the statement of operations, statement of changes in net equity, and statement of 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 of Midwives of Alberta as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in 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.

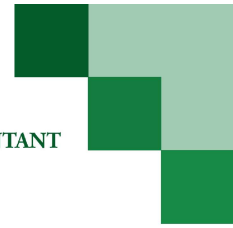
Responsibilities of Management and Those Charged with Governance for the Financial Statements

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.

In preparing the financial statements, management is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the College's financial reporting process.

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.



Independent Auditor's Report

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 College's 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 auditors' 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 auditors' 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.
- 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.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

DWAYNE VINCK CHARTERED PROFESSIONAL ACCOUNTANT

Calgary, AB
April 22, 2021

College of Midwives of Alberta
Statement of Financial Position
December 31, 2020

	Note	2020	2019
Assets			
Current Assets			
Cash		\$ 719,411	\$ 448,132
Hearing investments fund		250,000	200,312
Accounts receivable, net of allowances		47	133
Prepaid expenses and deposits		3,772	8,951
Total Current Assets		973,230	657,528
Furniture and equipment	3.	8,186	10,893
Software	3.	4,409	8,444
Total Assets		\$ 985,825	\$ 676,865
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 46,776	\$ 23,584
Deferred revenue	4.	436,602	430,003
Total Liabilities		483,378	453,587
Net assets		502,446	223,278
Commitments	9.		
Subsequent events	10.		
Net assets represented by			
Internally restricted - hearing fund		76,000	63,238
Unrestricted general fund		426,446	160,040
		\$ 502,446	\$ 223,278

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

College of Midwives of Alberta

Statement of Operations

For the Year Ended December 31, 2020

	Note	2020	2019
Revenue			
Membership registration fees	4.	\$ 696,334	\$ 372,465
Application fees		-	9,500
Exam fees		-	11,250
Service fees		155	205
Interest income		1,233	2,098
Total revenue		697,722	395,518
Operating expenses			
Canadian Midwifery regulators exam		2,000	13,000
Canadian Midwifery regulators consortium		11,780	7,255
Objective structured clinical exam costs		-	380
Hearings		63,426	11,229
Legal		23,465	33,051
Staff wages and benefits		191,162	159,955
Board and committee		33,575	22,430
Assessors/committee training		2,118	3,178
General and administration	7.	37,368	43,711
Office rent		35,590	31,721
Insurance		5,386	5,158
Travel expense		5,943	15,642
Amortization and depreciation	3.	6,741	7,159
Total expenses		418,554	353,869
Revenue in excess of expense		\$ 279,168	\$ 41,649

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

College of Midwives of Alberta

Statement of Changes in Net Assets

For the Year Ended December 31, 2020

	Note	2020	2019
Internally restricted - hearing fund			
Balance, beginning of year		\$ 63,238	\$ 58,238
Transferred from general fund		12,762	5,000
Balance, end of year		76,000	63,238
Unrestricted -general fund			
Balance, beginning of year		160,040	123,391
Revenue in excess of expenses		279,168	41,649
Transferred to hearing fund		(12,762)	(5,000)
Balance, end of year		426,446	160,040
Net assets, end of year		\$ 502,446	\$ 223,278

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

College of Midwives of Alberta

Statement of Cash Flows

For the Year Ended December 31, 2020

	Note	2020	2019
Operating activities			
General fund from operations		\$ 279,168	\$ 41,649
Add back - amortization	3.	6,741	7,159
Changes in non-cash working capital	8.	35,057	11,418
		320,966	60,226
Investing activities			
Hearing investment fund		(49,688)	(7,263)
Purchase of property and equipment		-	(6,932)
		(49,688)	(14,195)
Increase in cash and cash equivalents during the year			
		271,278	46,031
Cash and cash equivalents, beginning of year		448,133	402,102
Cash and cash equivalents, end of year		\$ 719,411	\$ 448,133

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

**College of Midwives of Alberta
Notes to the Financial Statements
For the Year Ended December 31, 2020**

1. Nature of operations:

The College of Midwives of Alberta (“the College”) was created on January 1, 2013 and is a not-for-profit association with a duty to public safety and to the midwives of Alberta, to support them in the provision of safe and effective midwifery services. The College is a regulatory body mandated to serve and protect the public interest by regulating midwifery practice in accordance with the Health Disciplines Act, the Midwifery Regulation, the Standards of Competency and Practice, the Bylaws of the College and any other relevant legislation. The goal of the College is to register qualified, competent midwives to provide safe, high quality care to women and their families in the province of Alberta.

Commencing in March 2020 and continuing through 2021 there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on operations through the restrictions put in place by the Canadian governments regarding travel, operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the College as this will depend on its duration and future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause increased government regulations which may impact the College’s operations and financial condition.

2. Adoption of accounting framework, significant accounting policies, judgments and estimation uncertainty:

a. Basis of presentation and measurement and adoption of Canadian accounting standards for not-for-profit organizations

The College uses the Canadian Accounting Standards for Not-For-Profit organizations issued by the Accounting Standards Board of the Chartered Professional Accountants of Canada.

Use of estimates - The significant area requiring the use of management estimates is accounts receivable allowance for doubtful accounts, amortization, and deferred revenues.

These financial statements have been prepared on a historical cost basis. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Financial results as determined by actual events may differ from these estimates. These financial statements have, in management’s opinion, been properly prepared using careful judgment within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

b. Capital disclosures

The College discloses information about its objectives, policies and processes for managing capital, quantitative information about what the College regards as capital and information regarding its compliance with any externally imposed capital requirements and the consequences of any non-compliance. (See note 6).

c. Financial instruments presentation and disclosure

All financial instruments must be classified as one of the following five categories: loans and receivables; held-to-maturity investments; held-for-trading instruments; available-for-sale financial assets; or other financial liabilities. All financial instruments are initially recognized on the statement of financial position at fair value. Subsequent measurement will depend on their initial classification.

Cash and cash equivalents and Holding investment funds are designated as held-for-trading and are measured at fair value, which approximates carrying value. Accounts receivable are designated as loans and receivables and are initially recorded at fair value and subsequently measured at amortized cost using the effective interest method. Accounts payable and accrued liabilities, and deferred revenues are designated as other liabilities.

2. Adoption of accounting framework, significant accounting policies, judgments and estimation uncertainty:

d. Revenue recognition

Membership fee revenue is recognized as revenue over the period to which it relates. Membership fee revenues received prior to the due date are recorded as deferred revenue.

Government grant revenue and Alberta Association of Midwives grant revenues are recognized as revenue over the period to which it relates. Government grant revenue and Alberta Association of Midwives grant revenues received which apply to a subsequent period are recorded as deferred revenue and subsequently recognized as revenue over the period to which they relate. Restricted grants are recognized as revenue in the year in which the related expenses are incurred.

Volunteer contributed services

The College receives volunteer services in carrying out its activities which are not recognized in the financial statements.

Expense recognition

Expenses are recorded on the accrual basis whereby they are reflected in the accounts in the period in which they are incurred, whether or not such transactions have been finally settled.

e. Fund accounting

The College maintains the following funds:

- i) General fund: To account for all revenues, expenses, assets and liabilities related to the operation of the College.
- ii) Internally Restricted Hearing fund: To account for all revenues, expenses, assets and liabilities related to Hearings and Investigations conducted by the College.

f. Income taxes

No provision for income taxes has been made in these financial statements as the College is not subject to income taxes..

g. Capital assets

Furniture and equipment are recorded at historical cost. Amortization is provided on a straight-line basis over seven years, which represents the estimated useful lives of the assets. Computers are amortized on a declining balance basis at 30%. Amortization rates, estimates lives and salvage values are reassessed annually.

h. Intangible software assets

Intangible software assets relate to the development of an Alberta Midwifery Culture and Jurisprudence online learning module and examination. Software is amortized on a straight line basis over five years which estimates useful life of software asset. When the intangible asset no longer has any long-term service potential to the organization, the excess of its net carrying amount over any residual value should be recognized as an expense in the statement of operations.

3. Furniture, equipment and Software

	2020	2019
Furniture and equipment	\$ 26,088	\$ 26,088
Accumulated amortization	(17,902)	(15,195)
	8,186	10,893
Software	114,008	114,008
Accumulated amortization	(14,441)	(10,406)
	99,567	103,602
Software grant	(95,158)	(95,158)
	\$ 4,409	\$ 8,444

The College had a Jurisprudence Grant funding agreement with Alberta Ministry of Jobs, Skills, Training and Labour where the College used \$95,158 for costs incurred to develop a Midwifery Culture and Jurisprudence online learning module and examination. \$114,008 of costs have been incurred which are recognized as intangible software assets.

4. Deferred revenue

As at December 31, 2020 and 2019 the College has received the following amounts which relate to subsequent periods:

	2020	2019
Membership fees received in advance	\$ 306,701	\$ 256,003
Hearings fund	129,901	174,000
Total	\$ 436,602	\$ 430,003

Until November 2020, the College had held \$174,000 for new hearings. During 2019, the College anticipated an increase in future hearings and assessed a membership levy for hearings costs of \$1,500 per member which increased deferred hearings fund by \$99,000 from \$75,000 to \$174,000.

During November 2020 a one day hearing occurred and the College incurred \$44,099 in hearing costs to December 31, 2020 related directly to this hearing. Membership registration fees for the year ended December 31, 2020 include \$44,099 representing amortization and reduction of deferred hearing fund.

5. Financial risk exposure, risk management and financial instruments

Fair value

Financial instruments of the College consist primarily of cash and cash equivalents, Hearing investment funds, accounts receivable, accounts payable and accrued liabilities, and deferred revenues. As at December 31, 2020 and 2019, there were no significant differences between the carrying amounts reported on the statement of financial position and their estimated fair values.

**College of Midwives of Alberta
Notes to the Financial Statements
For the Year Ended December 31, 2020**

Liquidity risk

The College maintains sufficient cash on hand to meet current liabilities.

Interest rate risk

The College has no interest bearing debt . Cash and investments bear interest at variable market rate

Credit risk

Cash and investments are held with two banks. Accounts receivable is comprised predominantly of Registration Fees paid annually by Midwives. Revenues are presented net of accounts receivable impairment write-downs of \$nil.

Foreign currency risk

The College does not have significant exposure to foreign currency rate risk.

6. Capital Disclosures

The College considers its capital to comprise of its net assets. The College Board of Directors objective for managing capital is to retain sufficient resources to achieve it's mandate while complying with any expenditure compliance requirements of Government or Alberta Association of Midwives grant funding agreements.

The College Board has the right to issue an additional levy to memberships fees should the need arise.

7. General and Administration

	2020	2019
Advertising and promotion	\$ 877	\$ (277)
Bank Service Charges	570	2,725
Computer	404	(33)
Dues and subscriptions	1,305	795
Meals and entertainment	995	994
Office supplies	1,850	1,761
Postage and delivery	312	1,143
Printing and reproduction	1,544	1,861
Consulting	2,650	3,883
Repairs	273	1,057
Telephone	2,723	3,444
Audit and accounting fees	9,375	7,300
Software	14,490	19,058
	\$ 37,368	\$ 43,711

College of Midwives of Alberta
Notes to the Financial Statements
For the Year Ended December 31, 2020

8. Changes in non-cash working capital

	2020	2019
Accounts receivable	\$ 86	\$ 4,538
Prepaid expense and deposits	5,179	(4,129)
Accounts payable and accrued liabilities	23,193	(4,794)
Deferred revenues	6,599	15,803
	<u>\$ 35,057</u>	<u>\$ 11,418</u>

9. Commitments

The College has an operating lease agreement for its office space ending January 31, 2022, requiring annual office lease payments of \$32,252.

The College has entered a services agreement with the developer of in1touch software ending January 7, 2023 which requires annual software use payments of \$14,200.

10. Subsequent events

In March 2021 the College completed transition between financial institutions and have invested \$500,000 in various interest bearing term deposits.