

Financial Statements of

**NEWFOUNDLAND AND
LABRADOR REGISTERED
NURSES' EDUCATION AND
RESEARCH TRUST**

And Independent Auditors' Report thereon

Year ended March 31, 2022



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INDEPENDENT AUDITORS' REPORT

To the Members of Newfoundland and Labrador Registered Nurses' Education and Research Trust

Opinion

We have audited the financial statements of Newfoundland and Labrador Registered Nurses' Education and Research Trust (the Entity), which comprise:

- the statement of financial position as at March 31, 2022
- the statement of earnings 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 notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2022 and its results of operations 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity 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 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.

Auditors' 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 auditors' 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 the 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 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 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.



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- 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.

KPMG LLP

Chartered Professional Accountants

St. John's, Canada

June 2, 2022

NEWFOUNDLAND AND LABRADOR REGISTERED NURSES' EDUCATION AND RESEARCH TRUST

Statement of Financial Position

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March 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 163,511	\$ 162,691
Receivables (note 4)	144,205	130,654
	<u>307,716</u>	<u>293,345</u>
Portfolio investments (note 2)	15,592	12,544
	<u>\$ 323,308</u>	<u>\$ 305,889</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,999	\$ 419
Net assets:		
Unrestricted	215,098	204,228
Restricted for endowment purposes (note 3)	103,211	101,242
	<u>318,309</u>	<u>305,470</u>
	<u>\$ 323,308</u>	<u>\$ 305,889</u>

See accompanying notes to financial statements.

On behalf of the Board:

 President

NEWFOUNDLAND AND LABRADOR REGISTERED NURSES' EDUCATION AND RESEARCH TRUST

Statement of Earnings

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Membership fees	\$ 65,160	\$ 65,650
Interest income	768	3,504
Donations - other	100	-
	<u>66,028</u>	<u>69,154</u>
Expenses:		
Scholarships	50,940	33,568
Office and printing	6,266	4,875
Professional fees	1,000	1,000
	<u>58,206</u>	<u>39,443</u>
Excess of revenue over expenses for the year, before other item	7,822	29,711
Unrealized gain on fair value of investments	3,048	9,063
<u>Excess of revenue over expenses for the year</u>	<u>\$ 10,870</u>	<u>\$ 38,774</u>

See accompanying notes to financial statements.

NEWFOUNDLAND AND LABRADOR REGISTERED NURSES' EDUCATION AND RESEARCH TRUST

Statement of Changes In Net Assets

Year ended March 31, 2022, with comparative information for 2021

	Restricted for endowment purposes (note 3)	Unrestricted	Total 2022	Total 2021
Balance, beginning of year	\$ 101,242	\$ 204,228	\$ 305,470	\$ 266,204
Excess of revenue over expenses for the year	-	10,870	10,870	38,774
Endowments (note 3)	1,969	-	1,969	492
Balance, end of year	\$ 103,211	\$ 215,098	\$ 318,309	\$ 305,470

See accompanying notes to financial statements.

NEWFOUNDLAND AND LABRADOR REGISTERED NURSES' EDUCATION AND RESEARCH TRUST

Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses for the year	\$ 10,870	\$ 38,774
Increase in receivables	(13,551)	(15,194)
Increase (decrease) in accounts payable and accrued liabilities	4,580	(12,980)
Unrealized gain on fair value of investments	(3,048)	(9,063)
	(1,149)	1,537
Financing:		
Endowments	1,969	492
Investing:		
Proceeds from sale of investments	-	99,950
Increase in cash and cash equivalents	820	101,979
Cash and cash equivalents, beginning of year	162,691	60,712
Cash and cash equivalents, end of year	\$ 163,511	\$ 162,691
Cash and cash equivalents consists of:		
Cash	\$ 11,953	\$ 11,688
Short-term investments	151,558	151,003
	\$ 163,511	\$ 162,691

See accompanying notes to financial statements.

NEWFOUNDLAND AND LABRADOR REGISTERED NURSES' EDUCATION AND RESEARCH TRUST

Notes to Financial Statements

Year ended March 31, 2022

Newfoundland and Labrador Registered Nurses' Education and Research Trust (the "Trust") was founded in 1986 and was registered as a charity in 1987. The Trust is a not-for-profit organization, established to assist students enrolled in basic nursing education, to support continuing education for members of the nursing profession and to promote and support nursing research. On October 18, 2019, the Trust Board of Directors approved amendments to the Trust Constitution which included the name change from Association of Registered Nurses of Newfoundland and Labrador Education and Research Trust to Newfoundland and Labrador Registered Nurses' Education and Research Trust herein after called the "Trust". As a not-for-profit organization, the Trust is exempt from income taxes under the Income Tax Act of Canada.

A process was introduced to College of Registered Nurses of Newfoundland and Labrador's herein after called "CRNNL" or the "College" online renewal module in 2017 providing members who were obtaining or renewing a non-practicing membership with the option to also obtain Trust membership. During the 2021-22 renewal, 73 memberships \$730 (2021 - 76 memberships, \$760) were taken by non-practicing members.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Trust's significant accounting policies are as follows:

(a) Cash and cash equivalents:

Cash and cash equivalents consist of cash, bank overdrafts and investments in money market or other short-term instruments or investments with a maturity of less than 90 days.

(b) Financial instruments:

(i) Initial measurement:

Financial instruments are measured at fair value on origination or acquisition, adjusted by, in the case of financial instruments that will not be subsequently measured at fair value, financing fees and transaction costs. All other transaction costs are recognized in net income in the year incurred.

NEWFOUNDLAND AND LABRADOR REGISTERED NURSES' EDUCATION AND RESEARCH TRUST

Notes to Financial Statements (continued)

Year ended March 31, 2022

1. Significant accounting policies (continued):

(b) Financial instruments (continued):

(ii) Subsequent to initial recognition:

Investments in equity instruments that are quoted in an active market and free standing derivatives that are not designated in a qualifying hedging relationship are measured at fair value without any adjustment for transaction costs that may be incurred on sale or other disposal. Changes in fair value are recognized in net income in the period incurred. Investments in equity instruments that are not quoted in an active market are measured at cost, less any reduction for impairment. Other financial instruments are measured at amortized cost.

(iii) Impairment:

At year end, the Trust assesses whether there are any indications that a financial asset measured at cost or amortized cost may be impaired. For purposes of impairment testing, each individually significant asset is assessed individually; the balance of the assets are grouped on the basis of similar credit risk characteristics. When there is an indication of impairment, the Trust determines whether a significant adverse change has occurred during the year in the expected timing or amount of future cash flows from the financial asset. When there has been a significant adverse change, the carrying amount of the asset is reduced to the highest of the present value of expected cash flows; the amount that could be realized by selling the asset; and the amount that could be realized by exercising the Trust's right to any collateral held as security.

When the extent of impairment decreases and the decrease can be related to an event occurring after the impairment was recognized, the impairment is reversed to the extent of the improvement in the year the reversal occurs.

(c) Investments:

The Trust's investments are comprised of portfolio investments. The portfolio investments include Canadian denominated fixed income and equity securities.

Portfolio investments are accounted for at fair value with changes in fair value recorded in the statement of operations. Fair value for portfolio investments is based on latest bid prices.

NEWFOUNDLAND AND LABRADOR REGISTERED NURSES' EDUCATION AND RESEARCH TRUST

Notes to Financial Statements (continued)

Year ended March 31, 2022

1. Significant accounting policies (continued):

(d) Revenue recognition:

The Trust uses the deferral method for accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received is reasonably assured.

Restricted contributions are deferred and recognized as revenue when the related expenditure is incurred.

Endowment contributions are recognized as direct increases in endowment net assets.

Investment income is recognized in revenue in the period in which it is earned.

Revenue from membership fees are recognized when the services are rendered.

(e) Use of estimates:

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

2. Portfolio investments:

	2022	2021
Cost	\$ 20,000	\$ 20,000
Fair market value	15,592	12,544

NEWFOUNDLAND AND LABRADOR REGISTERED NURSES' EDUCATION AND RESEARCH TRUST

Notes to Financial Statements (continued)

Year ended March 31, 2022

3. Net assets restricted for endowment purposes:

Violet D. Ruelokke Research Grant ("Ruelokke")

The Violet D. Ruelokke Research Grant (the "Research Grant") is awarded annually to a registered nurse for assistance in the conduct of a nursing research project. At the direction of the donor, the interest is to be used annually for the Research Grant.

Marcella Linehan Scholarship ("Linehan")

The Marcella Linehan Scholarship is a perpetual scholarship awarded from the income earned on the fund which commenced in the year 2007. At the direction of the donor, the fund capital is invested in marketable securities.

Florrie Penney Bursary ("Penney")

The Florrie Penney Bursary was established by family and friends to award a \$500 continuing education bursary annually to a registered nurse working in the area of physical rehabilitation.

Nancy Llewelyn Bursary ("Llewelyn")

The Nancy Llewelyn Bursary was established by family and friends to award a \$500 continuing education bursary annually to a registered nurse pursuing education in pediatrics nursing.

Association of Registered Nurses of Newfoundland and Labrador 50th Anniversary Scholarship ("50th Anniversary")

The Association of Registered Nurses of Newfoundland and Labrador ("ARNNL") 50th Anniversary Scholarship was established in 2004 through the donations of individual nurses and the ARNNL. The scholarship is awarded annually to a registered nurse enrolled in a Ph.D. nursing program.

Flo Hillyard Scholarship ("Hillyard")

The Flo Hillyard Scholarship commenced from a bequest of \$25,000 in 2006. The income from the funds invested is to be used for a perpetual annual scholarship awarded to a second-year student studying nursing in a School of Nursing in the Province of Newfoundland and Labrador in memory of Flo Hillyard, R.N.

NEWFOUNDLAND AND LABRADOR REGISTERED NURSES' EDUCATION AND RESEARCH TRUST

Notes to Financial Statements (continued)

Year ended March 31, 2022

3. Net assets restricted for endowment purposes (continued):

Kay Daley Scholarship for Nursing Leadership ("Daley")

The Kay Daley Scholarship for Nursing Leadership is sponsored by The Health Archives and Museum Board of Newfoundland and Labrador to award \$1,000 annually to a nurse who is pursuing a continuing education or event that will enhance leadership development.

Pauline Feltham Scholarship ("Feltham")

The Pauline Feltham Scholarship was established by family and friends to award a \$500 continuing education bursary annually to a registered nurse or nurse practitioner pursuing education in gerontology.

A summary of endowments is as follows:

	2021	Endowments	2022
Ruelokke	\$ 20,095	\$ 1,500	\$ 21,595
Linehan	22,302	369	22,671
Penney	2,525	-	2,525
Llewelyn	6,755	100	6,855
50th Anniversary	10,000	-	10,000
Hillyard	25,000	-	25,000
Daley	12,175	-	12,175
Feltham	2,390	-	2,390
	\$ 101,242	\$ 1,969	\$ 103,211

4. Related party transactions:

Included in receivables is an amount due from the CRNNL of \$144,130 (2021 - \$130,646).

NEWFOUNDLAND AND LABRADOR REGISTERED NURSES' EDUCATION AND RESEARCH TRUST

Notes to Financial Statements (continued)

Year ended March 31, 2022

5. Financial risks:

The Trust's financial instruments consist of cash, receivables, accounts payable and accrued liabilities.

(a) Liquidity risk:

Liquidity risk refers to the risk that the Trust will be unable to meet its contractual obligations and financial liabilities. The Trust manages liquidity risk by monitoring its cash flow and ensuring that it has sufficient cash available to meet its obligations and liabilities.

(b) Credit risk:

Credit risk refers to the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Trust's credit risk is attributable to receivables. The Trust believes that the credit risk concentration with respect to financial instruments included in receivables is negligible. Financial instruments are held with major Canadian financial institutions.

(c) Market risk:

Market risk refers to the risk of loss associated with fluctuations in share prices of investments held in public markets. The Trust's market risk is attributable to its investments. The Trust manages this risk by regularly monitoring investment activities, having professional advisors manage the portfolio and diversifying its investment portfolio.

(d) Other risks:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus. The further overall operational and financial impact is highly dependent on the duration of COVID-19, including the potential occurrence of additional waves of the pandemic, and could be affected by other factors that are currently not known at this time.

The Trust is actively monitoring the effect of the pandemic on its financial condition, liquidity, operations, suppliers, and workforce. Given the daily evolution of the pandemic and the global responses to curb its spread, the Trust is not able to fully estimate the effects of the pandemic on its results of operations, financial condition, or liquidity at this time.