

Financial Statements of

**COLLEGE OF REGISTERED
NURSES OF NEWFOUNDLAND
AND LABRADOR**

And Independent Auditor's Report thereon

Year ended March 31, 2025



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Members of College of Registered Nurses of Newfoundland and Labrador

Opinion

We have audited the financial statements of College of Registered Nurses of Newfoundland and Labrador (the Entity), which comprise:

- the statement of financial position as at March 31, 2025
- 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 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, 2025 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 ***"Auditor's 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.

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 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 auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.



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- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants

St. John's, Canada

June 6, 2025

COLLEGE OF REGISTERED NURSES OF NEWFOUNDLAND AND LABRADOR

Statement of Financial Position

March 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,174,767	\$ 4,390,163
Trade receivable	66,880	37,952
Short-term investments	50,329	50,295
Prepaid expenses	30,412	24,771
	<u>4,322,388</u>	<u>4,503,181</u>
Portfolio investments (note 2)	4,247,747	2,870,538
Capital assets (note 3)	2,266,364	2,271,472
	<u>\$ 10,836,499</u>	<u>\$ 9,645,191</u>

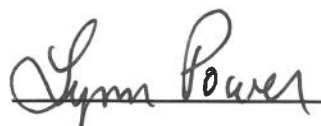
Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 588,285	\$ 558,370
HST payable	389,605	372,978
Deferred revenue	2,654,195	2,527,049
	<u>3,632,085</u>	<u>3,458,397</u>
Net assets:		
Unrestricted	3,670,860	2,657,211
Internally restricted (note 10)		
Invested in capital assets	2,266,364	2,271,472
Global member services plan	34,375	51,927
Conduct review plan	667,530	631,072
Building contingency plan	365,285	475,112
Single Nurse Regulator	150,000	75,000
Interjurisdiction Licence Development	50,000	25,000
	<u>7,204,414</u>	<u>6,186,794</u>
Commitments (note 8)		
	<u>\$ 10,836,499</u>	<u>\$ 9,645,191</u>

See accompanying notes to financial statements.

On behalf of the Council:

 Chair

 Executive Director

COLLEGE OF REGISTERED NURSES OF NEWFOUNDLAND AND LABRADOR

Statement of Operations

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Revenues:		
Practicing members	\$ 2,886,481	\$ 2,644,992
IEN Project (note 5)	-	424,516
Interest income	137,589	189,525
Registration service fees	446,385	378,190
Other	88,277	63,288
Dividend income	51,845	36,787
Non-practicing members	20,355	18,746
	<u>3,630,932</u>	<u>3,756,044</u>
Expenses:		
Salaries and benefits (note 9)	1,747,491	1,597,714
IEN Project (note 5)	-	424,516
Administration	222,480	195,889
Expenses of council	238,879	122,154
Professional conduct review	113,430	140,089
Registration	139,719	138,035
Amortization	193,838	133,179
Practice and policy	10,632	13,654
Communications	25,605	25,344
Affiliation fees (note 6)	49,454	37,439
Other	1,427	812
	<u>2,742,955</u>	<u>2,828,825</u>
Excess of revenues over expenses, before other items	887,977	927,219
Other income (expense):		
Loss on sale of investments	(14,905)	(38,823)
Unrealized gain on fair value of investments	144,548	158,290
Gain on disposal of capital assets	-	845,030
	<u>129,643</u>	<u>964,497</u>
Excess of revenues over expenses	<u>\$ 1,017,620</u>	<u>\$ 1,891,716</u>

See accompanying notes to financial statements.

COLLEGE OF REGISTERED NURSES OF NEWFOUNDLAND AND LABRADOR

Statement of Changes in Net Assets

Year ended March 31, 2025, with comparative information for 2024

	Invested in Capital Assets	Global Members Services Plan	Conduct Review Plans	Building Contingency Plan	Single Nurse Regulator	Interjurisd Licence Development	Unrestricted	2025 Total	2024 Total
Balance, beginning of year	\$ 2,271,472	\$ 51,927	\$ 631,072	\$ 475,112	\$ 75,000	\$ 25,000	\$ 2,657,211	\$ 6,186,794	\$ 4,295,078
(Deficiency) excess of revenues over expenses	(193,838)	-	-	-	-	-	1,211,458	1,017,620	1,891,716
Capital asset purchase	188,730	(36,000)	-	(134,827)	-	-	(17,903)	-	-
Transferred (note 10)	-	-	36,458	25,000	75,000	25,000	(161,458)	-	-
Internally restricted (note 10)	-	18,448					(18,448)	-	-
Balance, end of year	\$ 2,266,364	\$ 34,375	\$ 667,530	\$ 365,285	\$ 150,000	\$ 50,000	\$ 3,670,860	\$ 7,204,414	\$ 6,186,794

See accompanying notes to financial statements.

COLLEGE OF REGISTERED NURSES OF NEWFOUNDLAND AND LABRADOR

Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operations:		
Excess of revenues over expenses	\$ 1,017,620	\$ 1,891,716
Items not involving cash:		
Amortization	193,838	133,179
Gain on disposal of capital assets	-	(845,030)
Realized loss on sale of investments	14,905	38,823
Unrealized loss on fair value of investments	(144,548)	(158,290)
Reinvested investment income	(42,392)	(37,177)
Unrealized foreign exchange loss (gain)	(14,586)	1,924
	1,024,837	1,025,145
Changes in non-cash operating working capital:		
Increase in trade receivable	(28,928)	(18,256)
Increase in prepaid expenses	(5,664)	(7,879)
Increase (decrease) in accounts payable and accrued liabilities	29,938	(152,230)
Increase in HST payable	16,627	45,011
Increase in deferred revenue	127,146	246,701
Decrease in deferred IEN contributions	-	(307,213)
	1,163,956	831,279
Investing:		
Purchase of capital assets	(188,730)	(2,283,589)
Proceeds from sale of capital assets	-	899,087
Purchase of investments	(1,733,495)	(846,999)
Proceeds from sale of investments	542,873	846,434
	(1,379,352)	(1,385,067)
Decrease in cash and cash equivalents	(215,396)	(553,788)
Cash and cash equivalents, beginning of year	4,390,163	4,943,951
Cash and cash equivalents, end of year	\$ 4,174,767	\$ 4,390,163
Cash and cash equivalents consists of:		
Cash	\$ 2,127,229	\$ 1,414,532
Short-term investments	2,047,538	2,975,631
	\$ 4,174,767	\$ 4,390,163

See accompanying notes to financial statements.

COLLEGE OF REGISTERED NURSES OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements

Year ended March 31, 2025

1. Basis of presentation:

The College of Registered Nurses of Newfoundland and Labrador herein after called "CRNNL" or the "College" operates under the authority of the Newfoundland Registered Nurses Act. The College is a not-for-profit organization, governed by an elected council (the "Council"). As a not-for-profit organization, the College is exempt from income taxes under the Income Tax Act of Canada.

(a) Cash and cash equivalents:

The College considers cash and cash equivalents as deposits in the bank, certificates of deposit and short-term investments with original maturities of three months or less.

(b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and fixed income and equity securities that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(c) Investments:

The College's investments are comprised of short-term investments and portfolio investments. The short-term investments include Canadian dollar denominated Guaranteed Investment Certificate investments that mature within one year and cash balances held within the investment accounts. The portfolio investments include Canadian and US dollar denominated fixed income and equity securities.

COLLEGE OF REGISTERED NURSES OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements (continued)

Year ended March 31, 2025

1. Basis of presentation (continued):

(c) Investments (continued):

Short-term investments and portfolio investments are accounted for at fair value with changes in fair value recorded in the statement of operations. Fair value of short-term investments is based on cost plus accrued income. Fair value for portfolio investments is based on the latest bid prices.

(d) Capital assets:

Capital assets are stated at cost, less accumulated amortization. No amortization is recorded on assets under construction. Amortization is provided using the following methods and annual rates:

Asset	Basis	Rate
Building	Straight line	2.5%
Furniture and fixtures	Declining balance	20%
Computer software	Declining balance	50%
Flags and signs	Declining balance	10%
Land improvements	Declining balance	8%

When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the tangible capital asset shall be written down to the asset's fair value or replacement cost.

(e) Revenue recognition:

The College follows the deferral method of accounting for contributions. Under this method, any restricted contributions are recognized as revenue in the period in which the related expenses are incurred. Unrestricted contributions are reported as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions that are specified to be used towards capital projects are recognized as deferred capital contributions in the period in which they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured and are amortized to income on the same basis as the related capital item.

COLLEGE OF REGISTERED NURSES OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements (continued)

Year ended March 31, 2025

1. Basis of presentation (continued):

(f) Government assistance:

Government assistance is recorded as a reduction of the related expense when there is reasonable assurance that the College has and will continue to comply with all the necessary conditions to obtain the assistance.

(g) 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.

(h) Foreign currency translation:

Assets and liabilities of the College's denominated in a foreign currency are translated at year end exchange rates. Revenue and expenses are translated at a weighted average of rates in effect during the year. During the year, the College recorded a foreign exchange gain of \$14,586 (2024 - loss of \$1,924).

2. Portfolio investments:

	2025	2024
Portfolio investments:		
Cost	\$ 4,111,530	\$ 2,872,795
Fair market value	4,247,747	2,870,538

COLLEGE OF REGISTERED NURSES OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements (continued)

Year ended March 31, 2025

3. Capital assets:

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Building	\$ 2,083,745	\$ 70,166	\$ 2,013,579	\$ 1,921,918
Furniture and fixtures	917,223	800,817	116,406	132,848
Computer software	422,970	289,327	133,643	213,286
Flags and signs	3,800	1,064	2,736	3,420
	\$ 3,427,738	\$ 1,161,374	\$ 2,266,364	\$ 2,271,472

4. Accounts payable and accrued liabilities:

	2025	2024
Trade accounts payable	\$ 42,813	\$ 61,091
Employee vacation payable	225,319	200,139
Other accrued liabilities	46,258	23,333
Newfoundland and Labrador Registered Nurses'		
Education and Research Trust	234,003	198,256
Government remittances	-	21,098
Other	39,892	54,453
	\$ 588,285	\$ 558,370

Included in accounts payable and accrued liabilities are government remittances payable of \$nil (2024 - \$21,098), which includes amounts payable for payroll related taxes.

5. IEN Project:

During fiscal 2021-2022, the College, in collaboration with the Centre for Nursing Studies ("CNS") submitted a proposal to support the economic advancement of newcomers and establish a new and improved nursing skills assessment service for Internationally Educated Nurses ("IENs") in Newfoundland and Labrador. The project was approved for \$1,173,027 in funding that was used by CNS to purchase and hold simulation equipment and establish the Nursing Community Assessment Service in St. John's. The contract ran from April 1, 2022 through March 31, 2023, and was then extended to May 31, 2023. As of March 31, 2025, \$nil has been recognized as revenue and expense (2024 - \$424,516).

COLLEGE OF REGISTERED NURSES OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements (continued)

Year ended March 31, 2025

6. Affiliation fees:

	2025	2024
National Council of State Boards of Nursing	\$ 1,064	\$ 2,034
Canadian Council of Registered Nurses Regulators	25,000	25,000
Other	23,390	10,405
	\$ 49,454	\$ 37,439

7. Related party transactions:

The following represents significant transactions with the members of the Council of the College, not otherwise disclosed in the financial statements. These transactions occur in the normal course of operations and are measured at the exchange amount.

	2025	2024
Chair honorarium	\$ 10,000	\$ 10,000
Reimbursement of expense for Council	8,977	11,995
Board Compensation	42,000	42,000
	\$ 60,977	\$ 63,995

8. Commitments:

The College has commitments with respect to office equipment leases. The amounts committed with respect to these and other leases are as follows:

2026	\$ 6,883
2027	6,883
2028	6,883

COLLEGE OF REGISTERED NURSES OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements (continued)

Year ended March 31, 2025

9. Employee future benefits:

The College's full-time employees participate in a multi-employer defined benefit plan, the Public Service Pension Plan ("PSPP"). Sufficient information is not available to use defined benefit plan accounting, and thus defined contribution plan accounting is used. The assets of the plan are held separately from those of the College in an independently administered fund. The plan is mandatory for employees upon the date of full-time employment with the College. Employee and employer contributions are calculated based upon the Newfoundland and Labrador government PSPP. Contributions paid and expensed by the College to the PSPP during the year totaled \$144,494 (2024 - \$141,186).

Employee contributions are up to 11.85% of pensionable salary, less a formulated amount representing contributions to the Canada Pension Plan ("CPP"). A pension benefit is available for new employees based on the number of years of pensionable service times 2% of the employee's best six years average salary, and for existing employees, based on the higher of the frozen best average five year earnings or the best average six year earnings. Both new and existing pension benefits are reduced by a formulated amount representing CPP pension benefits for each year since 1967.

The College is required to pay accumulated sick leave to its grandfathered employees if they are unable to work due to illness or injury. The total accumulated leave amounts to \$212,911 at March 31, 2025 (2024 - \$193,630). Employees are not entitled to payment if they leave the employment of the College. The accumulated sick leave is not recorded in the financial statements.

10. Plans:

During the period, the Council approved the following transfers to and between internally restricted funds:

	Unrestricted	Global Member Services Plan	Conduct Review Plan	Building Contingency Plan	Single Nurse Regulator	Interjuris- diction Licence Development
Allocation of fees	\$ (18,448)	\$ 18,448	\$ -	\$ -	\$ -	\$ -
Transfer between Plans	(161,458)	-	36,458	25,000	75,000	25,000
	\$ (179,906)	\$ 18,448	\$ 36,458	\$ 25,000	\$ 75,000	\$ 25,000

COLLEGE OF REGISTERED NURSES OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements (continued)

Year ended March 31, 2025

10. Plans (continued):

The College has established the following plans which accumulate funds to cover in the following areas:

Global Member Services Plan

The purpose of the Global Member Services Plan is to accumulate funds for the purpose of facilitating services and offerings that are available to all members. As of March 31, 2020, a council resolution was made to wind-up the former Legal Assistance Plan and the outstanding balance was transferred to the Global Member Services Plan.

Conduct Review Plan

The Conduct Review Plan has been established to assist the College to cover extraordinary legal and related costs associated with the professional conduct review process.

Building Contingency Plan

As the property at 55 Military Road was sold and a new property at 1033 Topsail Road was purchased, the fund is now purposed for covering non-routine repair and maintenance costs of the new property. A minimum of \$250,000 of the College's unrestricted cash assets shall be set aside as the building contingency fund. The fund will be increased by an amount of \$25,000, which will be moved from the unrestricted surplus to the building fund annually.

Single Nurse Regulator

During the year, a new restricted fund was setup to offset costs associated with the potential merger of College of Licensed Practical Nurses ("CLPNNL") and College of Registered Nurse ("CRNNL"). An Initial transfer of \$75,000 from the unrestricted surplus was made and no less than \$10K of excess revenue over expenditure every year thereafter until merger complete.

Interjurisdictional Licence Fund

To offset CRNNL and CLPNNL's share of the Interjurisdictional Licence development costs, a transfer of \$25,000 from the unrestricted surplus was made.

11. Financial instrument risks:

The College's policy for managing significant risks includes policies, procedures and oversight designed to reduce the risks identified to an appropriate threshold. Significant risks managed by the College include liquidity, credit, and market risks.

Financial instruments consist of cash and cash equivalents, trade receivables, short-term investments, portfolio investments, and accounts payable and accrued liabilities. The fair value of financial instruments approximate their carrying values unless otherwise noted.

COLLEGE OF REGISTERED NURSES OF NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements (continued)

Year ended March 31, 2025

11. Financial instrument risks (continued):

(a) Liquidity risk:

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

(b) Credit risk:

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The College's credit risk is attributable to receivables and deposits held with financial institutions. The credit risk concentration with respect to accounts receivable is not significant. Financial instruments are held with major Canadian financial institutions.

(c) Market risk:

Market risk is the risk of loss associated with fluctuations in share prices of investments held in public markets. The College's market risk is attributable to its investments. The College manages this risk by regularly monitoring investment activities, having professional advisors manage the portfolio and diversifying its investment portfolio with a target mix of 25% equities and 75% cash.

12. Comparative information:

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year excess of revenues over expenses.

13. Merger:

In November 2024, Bill 87 was passed in the House of Assembly and enacted the Nurses Act, repealing the Registered Nurses Act, 2008, and the Licensed Practical Nurses Act, 2005. It establishes the Newfoundland and Labrador College of Nurses as the regulator of nursing professions in the province of Newfoundland and Labrador effective April 2026 ("Merger"). The Merger provides further governance, licensing, and discipline of licensed practical nurses, registered nurses, registered psychiatric nurses, and nurse practitioners.