
FINANCIAL STATEMENTS
REGISTERED NURSES
FOUNDATION OF BC

December 31, 2022



INDEPENDENT AUDITOR'S REPORT

To the Members of
Registered Nurses Foundation of BC

Qualified Opinion

We have audited the financial statements of Registered Nurses Foundation of BC (the Foundation), which comprise the statement of financial position as at December 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of the report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Foundation derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2022 and 2021, current assets as at December 31, 2022 and 2021, and net assets as at January 1 and December 31 for both the 2022 and 2021 years.

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 Foundation 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 qualified audit 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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:

INDEPENDENT AUDITOR'S REPORT

- 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 Foundation'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 Foundation'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 Foundation 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.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, we report that the accounting principles used in these financial statements have been applied on a basis consistent with that of the preceding year.

Tompkins Wozny LLP

Vancouver, Canada
April 11, 2023

Chartered Professional Accountants



STATEMENT OF FINANCIAL POSITION

As at December 31

	2022			2021	
	Operating Fund \$	Restricted Trust Fund \$	Unrestricted Trust Fund \$	Total \$	Total \$
ASSETS					
Current					
Cash and cash equivalents	96,458	—	—	96,458	42,344
Accounts receivable [note 3]	4,020	—	—	4,020	39,088
Prepaid expenses	7,801	—	—	7,801	1,875
Interfund receivable (payable)	(378,990)	—	378,990	—	—
Total current assets	(270,711)	—	378,990	108,279	83,307
Investments [note 4]	—	4,079,666	481,784	4,561,450	5,041,916
	(270,711)	4,079,666	860,774	4,669,729	5,125,223
LIABILITIES AND FUND BALANCES					
Current liabilities					
Accounts payable and accruals	11,318	—	—	11,318	10,566
Deferred membership fees	62	—	—	62	330
Total liabilities	11,380	—	—	11,380	10,896
Fund balances					
Trust balances [schedules]	—	4,079,666	860,774	4,940,440	4,823,088
Internally restricted [note 6]	—	—	—	—	101,005
Unrestricted (deficit)	(282,091)	—	—	(282,091)	190,234
Total fund balances	(282,091)	4,079,666	860,774	4,658,349	5,114,327
	(270,711)	4,079,666	860,774	4,669,729	5,125,223

See accompanying notes to the financial statements

Approved by the Board of Directors:

Director

Director

**STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCES**

Year ended December 31

	2022			2021	
	Operating Fund	Restricted Trust Fund	Unrestricted Trust Fund	Total	Total
	\$	\$	\$	\$	\$
REVENUES					
Donations	12,349	18,899	324,859	356,107	123,418
Investment income	3,049	—	146,205	149,254	293,613
Administration fees	63,440	—	—	63,440	44,234
Cash bursaries	—	—	60,164	60,164	66,733
Application fees	57,540	—	—	57,540	33,755
Contribution fees	23,204	—	—	23,204	12,069
Fundraising activities	2,190	—	—	2,190	—
Membership fees	2,056	—	—	2,056	2,120
	163,828	18,899	531,228	713,955	575,942
EXPENSES					
Bursaries	—	—	279,000	279,000	214,000
Management fee	104,758	—	—	104,758	72,556
Administration fees	—	—	63,440	63,440	44,234
Professional fees	44,113	—	—	44,113	65,796
Contribution fees	—	948	22,256	23,204	12,071
Office expenses	14,957	—	—	14,957	18,510
Wages	—	—	—	—	21,697
Contractor fees	—	—	—	—	13,295
Disposal of assets	—	—	—	—	2,004
	163,828	948	364,696	529,472	464,163
Excess of revenue for the year before other item:					
	—	17,951	166,532	184,483	111,779
Unrealized gains (losses) on investments	(573,330)	—	(67,131)	(640,461)	187,883
Excess of revenue (expenses) for the year	(573,330)	17,951	99,401	(455,978)	299,662
Fund balances, beginning of year	291,239	4,061,715	761,373	5,114,327	4,814,665
Fund balances, end of year	(282,091)	4,079,666	860,774	4,658,349	5,114,327

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended December 31

	2022			2021	
	Operating Fund	Restricted Trust Fund	Unrestricted Trust Fund	Total	Total
	\$	\$	\$	\$	\$
OPERATING ACTIVITIES					
Excess of revenues (expenses) for the year	(573,330)	17,951	99,401	(455,978)	299,662
Items not affecting cash					
Disposition of capital assets	—	—	—	—	2,004
Unrealized (gain) loss on investments	573,330	—	67,131	640,461	(187,883)
Changes in non-cash working capital items					
Accounts receivable	35,068	—	—	35,068	(37,832)
Prepaid expenses	(5,926)	—	—	(5,926)	2,261
Deferred membership fees	(268)	—	—	(268)	10
Accounts payable	752	—	—	752	(5,875)
Cash provided by operating activities	29,626	17,951	166,532	214,109	72,347
INVESTING ACTIVITIES					
Cash transfers from investments	276,000	—	—	276,000	230,000
Cash transfers to investments	(312,500)	—	—	(312,500)	—
Net reinvestments of investment income	60,988	(17,951)	(166,532)	(123,495)	(281,228)
Cash used in investing activities	24,488	(17,951)	(166,532)	(159,995)	(51,228)
Increase in cash during the year	54,114	—	—	54,114	21,119
Cash, beginning of year	42,344	—	—	42,344	21,225
Cash, end of year	96,458	—	—	96,458	42,344

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

1. PURPOSE OF THE FOUNDATION

The purpose of the Registered Nurses Foundation of BC (the "Foundation") is to promote the advancement and improvement of nursing practice and education. No financial gain shall accrue to the Foundation's members and any profits or surplus must be used to promote its purpose.

The Foundation is incorporated under the British Columbia Society Act and is designated as a registered charity under the Income Tax Act. The Foundation is not subject to income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

[a] Use of Estimates

The preparation of 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 revenues and expenses during the reported period. Actual results could differ from the estimates.

[b] Revenue Recognition

Donations are recorded on a cash basis and recorded as revenue when received in the fund to which it relates.

Membership fee revenue is recognized over the term of the membership. All other revenue is recognized in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Investment income is recorded on an accrual basis on their settlement date.

[c] Fund Accounting

The Foundation follows the restricted fund method of accounting for contributions. The funds are:

The Operating Fund reports the revenues and expenses related to program delivery, administrative activities, and other operations. This fund represents unrestricted resources.

The Restricted Trust Fund contains restricted capital of the named bursary trust funds which cannot be encroached upon.

The Unrestricted Trust Fund contains the capital available to pay bursaries and administration fees.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

[d] Contributed Services

Volunteers, such as the Board of Directors and other individuals, contribute their time to assist the Foundation in carrying out its activities. Due to the difficulty in determining the fair value of such services, the value of the contributed services is not recognized in these financial statements.

[e] Financial Instrument Measurement

The Foundation initially measures its financial assets and liabilities at fair value. It subsequently measures all financial assets and financial liabilities at amortized cost, except for its investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

The financial instruments subsequently measured at amortized cost include cash, cash equivalents, accounts receivable and accounts payable and accruals.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, providing 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 reversal is recognized in net income.

[f] Cash and Cash Equivalents

Cash is defined as cash on deposit, net of cheques issued and deposits outstanding at the year-end and highly liquid money market funds.

The statement of cash flows is prepared on a net cash basis and cash flows from operating activities are reported using the indirect method.

3. ACCOUNTS RECEIVABLE

	2022	2021
	\$	\$
Receiver General - GST	4,020	4,088
Contribution receivable	—	35,000
	4,020	39,088

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

4. INVESTMENTS

	2022		2021	
	Cost \$	Market Value \$	Cost \$	Market Value \$
Canadian fixed income funds	1,903,477	1,888,703	1,652,317	1,790,409
Canadian equity funds	—	—	442,960	504,668
Foreign equity funds	2,483,007	2,414,656	2,400,892	2,746,839
Guaranteed investment certificates	258,091	258,091	—	—
	4,644,575	4,561,450	4,496,169	5,041,916

The investments are professionally managed by an investment arm of a large Canadian financial institution. The Foundation's investment policy and asset mix is reviewed quarterly to ensure the proper balancing of risk and returns. The majority of the investments are held in various Russell Investments portfolios.

5. FINANCIAL INSTRUMENTS

The Foundation is exposed to various risks through its financial instruments:

Credit Risk

Credit risk is the risk that one party to the financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation's main credit risk relates to its cash and fixed income investments.

Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments.

The Foundation manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation is exposed to currency risk in its foreign equity funds investments.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

5. FINANCIAL INSTRUMENTS (CONT'D)

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-interest instruments subject the Foundation to a fair value risk while the floating rate instruments subject it to a cash flow risk. The interest rates and terms on bonds and value of other fixed income investments are disclosed in Note 3.

Other Price Risk

Other price risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or currency risk), whether those changes are caused by factors specific to individual financial or it's issuer, or factors affecting similar financial instruments traded in the market. The Foundation is exposed to other price risk though its investments in equity funds.

6. INTERNALLY RESTRICTED

The Foundation has internally restricted an amount of its net assets as an operating and general bursaries reserve to help fund the future operations. The activity during the year was as follows:

	2022	2021
	\$	\$
Balance, beginning of year	101,005	94,361
Investment income	3,047	5,878
Unrealized gains (losses) on investments	(1,536)	766
Transfer to (from) operating	(102,516)	—
Balance, end of year	—	101,005

7. DISCLOSURE OF REMUNERATION

Pursuant to the British Columbia Societies Act, the Foundation is required to disclose remuneration paid to employees and contractors who are paid \$75,000 or more during the fiscal year. In the fiscal year, one contractor was paid \$112,457. No employee exceeded this threshold and no remuneration was paid to any members of the board.