

**National Nursing Assessment Service / Service national d'évaluation
infirmière
Financial Statements
For the Year Ended March 31, 2024**

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Independent Auditor's Report

To the Members of National Nursing Assessment Service/ Service National D'évaluation Infirmiere

Opinion

We have audited the financial statements of National Nursing Assessment Service/Service National D'évaluation Infirmiere (the "Organization"), which comprise the statement of financial position as at March 31, 2024, 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 Organization as at March 31, 2024, 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 Organization 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 these 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario
July 18, 2024

**National Nursing Assessment Service / Service national d'évaluation
infirmière
Statement of Financial Position**

March 31 **2024** **2023**

Assets

Current

Cash	\$ 613,792	\$ 2,680,402
Amounts receivable	318,682	307,974
Prepaid expenses	39,540	11,638
Prepaid assessment fees	2,113,875	7,622,026
Short-term investments (Note 2)	4,578,909	5,345,391

7,664,798 15,967,431

Long-term investments (Note 2) 11,243,000 8,530,943

\$18,907,798 \$ 24,498,374

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$ 656,229	\$ 1,132,420
Deferred application fees	3,465,036	12,908,730
Deferred program funding	295,500	65,825

4,416,765 14,106,975

Net Assets

Internally restricted (Note 3)	4,100,000	4,100,000
Unrestricted	10,391,033	6,291,399

14,491,033 10,391,399

\$18,907,798 \$ 24,498,374

On behalf of the Board:

_____ Board Chair

_____ Executive Director

**National Nursing Assessment Service / Service national d'évaluation
infirmière
Statement of Changes in Net Assets**

For the year ended March 31	Internally Restricted (Note 3)	Unrestricted	2024 Total	2023 Total
Balance, beginning of the year	\$ 4,100,000	\$ 6,291,399	\$10,391,397	\$ 8,637,877
Excess of revenue over expenses	-	4,099,634	4,099,634	1,753,520
Balance, end of the year	\$ 4,100,000	\$10,391,033	\$14,491,031	\$ 10,391,397

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

**National Nursing Assessment Service / Service national d'évaluation
infirmière
Statement of Operations**

For the year ended March 31	2024	2023
Revenue		
Application fees	\$17,100,081	\$ 9,411,919
Program funding	151,392	272,408
Interest and other income	577,430	273,136
Foreign exchange gain	20,151	197,004
	<u>17,849,054</u>	<u>10,154,467</u>
Expenses		
Assessment fees	10,085,120	5,857,430
Conference	61,863	1,099
Consultant fees	1,649,647	712,375
Information technology	64,500	43,447
Insurance	7,661	7,975
Office and miscellaneous	21,400	51,264
Professional fees	356,503	573,453
Service charges	171,358	307,805
Telephone	21,590	8,804
Travel	168,503	190,396
Wages and benefits	1,141,275	646,899
	<u>13,749,420</u>	<u>8,400,947</u>
Excess of revenue over expenses	\$ 4,099,634	\$ 1,753,520

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

**National Nursing Assessment Service / Service national d'évaluation
infirmière
Statement of Cash Flows**

For the year ended March 31	2024	2023
Cash flows from operating activities		
Excess of revenue over expenses	\$ 4,099,634	\$ 1,753,520
Changes in non-cash working capital:		
Amounts receivable	(10,708)	(304,071)
Prepaid expenses	(27,902)	683
Prepaid assessment fees	5,508,151	(2,090,866)
Accounts payable and accrued liabilities	(476,192)	199,528
Deferred application fees	(9,443,694)	3,926,421
Deferred program funding	229,675	(201,675)
	(121,036)	3,283,540
Cash flows from investing activities		
Purchase of investments	(1,945,575)	(8,894,562)
Net decrease in cash	(2,066,611)	(5,611,022)
Cash, beginning of the year	2,680,403	8,291,425
Cash, end of the year	\$ 613,792	\$ 2,680,403

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

National Nursing Assessment Service / Service national d'évaluation infirmière

Notes to Financial Statements

March 31, 2024

1. Significant Accounting Policies

Nature and Purpose of Organization National Nursing Assessment Service / Service National D'évaluation Infirmiere (the "Organization") was incorporated on June 13, 2012 under the Canada Not-for-Profit Corporations Act.

The purpose of the Organization is to coordinate a consistent national approach to the assessment of internationally educated nurses' education credentials to support registration/licensure by the provincial nursing regulatory bodies.

The members of the Organization are certain entities that regulate the practice of licensed practical and registered practical nurses, registered nurses, and registered psychiatric nurses and include:

- i) Licensed Practical Nurse and Registered Practical Nurse Regulatory Bodies;
- ii) Registered Nurse Regulatory Bodies; and
- iii) Registered Psychiatric Nurse Regulatory Bodies.

The Organization is a not-for-profit organization, as described in Section 149(1)(l) of the Income Tax Act, and therefore is not subject to income taxes.

Basis of Accounting The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Revenue Recognition The Organization follows the deferral method of accounting for contributions.

Contributions

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Application fees

Fees from the assessment of education credentials for individuals are recognized as revenue at the time the assessment is completed or at the expiration date of the application. Application fees received in advance of the completion of an assessment are recorded as deferred application fees.

National Nursing Assessment Service / Service national d'évaluation infirmière

Notes to Financial Statements

March 31, 2024

1. Significant Accounting Policies (continued)

Financial Instruments	<p>Financial instruments are recorded at fair value at initial recognition.</p> <p>In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in operations. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.</p> <p>Financial instruments for the Organization include cash, short-term and long-term investments, which are shown at fair value, and accounts receivable, accounts payable and accrued liabilities and HST payable, which are shown at amortized cost.</p>
Contributed Services	<p>Volunteers contribute many hours per year to assist the Organization in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.</p>
Prepaid Expenses	<p>Prepaid expenses primarily comprise advance payments made to vendors in the current fiscal year for services to be received in the next fiscal year. Prepaid expenses are recognized as expenses in the period when the services are received.</p>
Investments	<p>Short-term investments Short-term investments consist of guaranteed investment certificates with maturity dates within one year.</p> <p>Long-term investments Long-term investments consist of guaranteed investment certificates and corporate bonds with maturity dates greater than one year.</p>
Use of Estimates	<p>The preparation of financial statements in accordance 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The principal estimates made in the preparation of these financial statements are the accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.</p>

**National Nursing Assessment Service / Service national d'évaluation
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Notes to Financial Statements**

March 31, 2024

1. Significant Accounting Policies (continued)

Foreign Currency Translation	Foreign currency transactions are translated at the rates of exchange in effect at the dates of the transaction. Resulting foreign currency denominated monetary assets and liabilities are translated at the rates of exchange in effect at the balance sheet date. Gains and losses on translation of monetary assets and liabilities are included in operations.
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**National Nursing Assessment Service / Service national d'évaluation
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Notes to Financial Statements**

March 31, 2024

2. Investments

The carrying amounts of investments at market value are comprised of the following:

	<u>2024</u>	<u>2023</u>
Short-term investments		
GICs held at various financial institutions, 1.909%-5.70%, maturing between July 2024 and March 31, 2025	\$ 4,440,565	\$ -
Toronto Dominion Bank GIC, 1.909% maturing July 18, 2023	-	796,936
RBC Investment Savings Account Mutual Funds	138,344	4,548,455
	<u>4,578,909</u>	<u>5,345,391</u>
Long-term investments		
GICs held at various financial institutions, 1.15%-4.9%, maturing between October 17, 2025 and March 3, 2028	8,066,292	-
GICs held at various financial institutions, 1.15%-4.9%, maturing between February 8, 2024 and March 3, 2028	-	5,275,180
Royal Bank of Canada corporate bond, 2.352% maturing July 2, 2024	-	79,055
CIBC corporate bond, 1.1% maturing January 19, 2026	394,256	394,256
Bank of Montreal corporate bond, 1.758%, maturing March 10, 2026	798,679	798,679
Enbridge Gas Distribution corporate bond, 2.5%, maturing August 5, 2026	184,468	184,468
Bank of Nova Scotia corporate bond, 2.95%, maturing March 8, 2027	799,305	799,305
Royal Bank of Canada corporate bonds, 4.6%, maturing February 17, 2028	1,000,000	1,000,000
	<u>11,243,000</u>	<u>8,530,943</u>
	<u>\$15,821,909</u>	<u>\$ 13,876,334</u>

Of the amounts invested, \$4,100,000 (2022 - \$4,100,000) is internally restricted (see Note 3).

**National Nursing Assessment Service / Service national d'évaluation
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Notes to Financial Statements

March 31, 2024

2. Investments (continued)

3. Internally Restricted Net Assets

	<u>2024</u>	<u>2023</u>
Operating reserve	\$ 2,500,000	\$ 2,500,000
Development reserve	1,500,000	1,500,000
Foreign exchange reserve	100,000	100,000
	<u>\$ 4,100,000</u>	<u>\$ 4,100,000</u>

The Board of Directors has internally restricted net assets of \$2,500,000 as a reserve of approximately six months' of operating expenses for the Organization, \$1,500,000 as a development reserve and \$100,000 to mitigate foreign currency risk.

4. Economic Dependence

During the year, 74% (2023 - 71%) of the Organization's expenses were incurred to one provider of assessment services.

5. Financial Instruments

Credit risk

The Organization is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or if financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Organization's financial instruments that are exposed to concentrations of credit risk relate primarily to its amounts receivable. The majority of the Organization's receivables are from a third party provider of services, collection of which can be accomplished by a reduction in payments made to the party.

The Organization is also exposed to credit risk arising from its bank accounts being held at one financial institution and the balance exceeds insured deposits of up to \$100,000.

There have not been any changes in the risk from the prior year.

**National Nursing Assessment Service / Service national d'évaluation
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Notes to Financial Statements**

March 31, 2024

5. Financial Instruments (continued)

Interest rate risk

The Organization is exposed to interest rate risk on its fixed rate financial instruments. Fixed interest instruments subject the Organization to a fair value risk.

The Organization is exposed to changes in interest rates related to its investments in guaranteed investment certificates. The Organization's primary objective is to ensure the security of principal amounts invested and provide for a high degree of liquidity, while achieving a satisfactory return.

The Organization mitigates interest rate risk on investments by diversifying the durations of the fixed-income investments that are held at a given time.

There have not been any changes in the risk from the prior year.

Currency risk

The Organization transacts in foreign currencies due to application fees received being denominated in U.S. dollars (USD); however, the majority of the Organization's expenses are in Canadian dollars. Consequently, some assets are exposed to foreign exchange fluctuations.

Cash is exposed to currency risk in connection with U.S. denominated balances which amount to \$367,949 (\$280,412 USD) (2022 - \$1,057,178 (\$781,445 USD)).

The Organization does not use derivative financial instruments to manage its exposure to currency risk.

There have not been any changes in the risk from the prior year.
