

**Canadian Nurses Association /  
Association des infirmières et  
infirmiers du Canada**



**Financial Statements**  
For the year ended December 31, 2020

**Canadian Nurses Association / Association des infirmières et  
infirmiers du Canada**  
**Financial Statements**  
For the year ended December 31, 2020

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## **Independent Auditor's Report**

**To the Members of  
Canadian Nurses Association / Association des infirmières et infirmiers du Canada**

### Opinion

We have audited the financial statements of Canadian Nurses Association / Association des infirmières et infirmiers du Canada, which comprise the statement of financial position as at December 31, 2020, and the statements of changes in net assets, operations 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 association as at December 31, 2020, 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 report. We are independent of the association 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 association'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 association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the association'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 association'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 association'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 association 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.

*Baker Tilly Ottawa LLP*

Chartered Professional Accountants, Licensed Public Accountants  
March 22, 2021  
Ottawa, Ontario

**Canadian Nurses Association / Association des infirmières et  
infirmiers du Canada  
Statement of Financial Position**

**December 31** 2020                      2019

**Assets**

**Current**

Cash and cash equivalents (Note 2)	\$ 1,548,681	\$ 3,917,464
Short-term investments (Note 3)	10,125,808	8,239,252
Accounts receivable (Note 4)	859,599	601,023
Prepaid expenses	93,601	78,214
Receivable from related party (Note 5)	24,827	55,221
Project funding receivable (Note 6)	65,329	107,412
	12,717,845	12,998,586

**Investments (Note 3)**

2,080,583                      2,002,578

**Capital assets (Note 7)**

4,581,446                      4,753,734

**Accrued pension benefits asset (Note 11)**

36,000                      -

**\$ 19,415,874                      \$ 19,754,898**

**Liabilities and Net Assets**

**Current**

Accounts payable and accrued liabilities	\$ 1,250,156	\$ 1,486,479
Deferred revenues (Note 8)	1,262,653	366,296
Deferred project funding (Note 6)	34,310	-
	2,547,119	1,852,775

**Research and development fund payable**

-                      43,053

**Accrued pension benefits obligation (Note 11)**

-                      4,259,000

**2,547,119                      6,154,828**

**Net assets**

Internally restricted net assets		
Net assets invested in capital assets	4,581,446	4,753,734
Net assets (deficit) for future pension obligations	36,000	(4,259,000)
Net assets designated for other obligations	853,550	3,336,550
Net assets designated for professional development	2,000,000	2,000,000
Unrestricted net assets	9,397,759	7,768,786
	16,868,755	13,600,070

**\$ 19,415,874                      \$ 19,754,898**

Approved on behalf of the board:



\_\_\_\_\_  
President



\_\_\_\_\_  
President Elect

**Canadian Nurses Association / Association des infirmières et infirmiers du Canada**  
**Statement of Changes in Net Assets**

For the year ended December 31

	Capital Assets	Future Pension Obligations (Deficit)	Other Obligations	Professional Development	Unrestricted Net Assets	Total 2020	Total 2019
<b>Balance, beginning of year</b>	\$ 4,753,734	\$ (4,259,000)	\$ 3,336,550	\$ 2,000,000	\$ 7,768,786	<b>\$ 13,600,070</b>	\$ 17,718,792
Excess (deficiency) of revenue over expenses for the year	(214,358)	-	-	-	1,111,291	<b>896,933</b>	1,494,278
Employee future benefits remeasurement adjustments	-	1,812,000	-	-	559,752	<b>2,371,752</b>	(5,613,000)
Pension contributions	-	2,483,000	(2,483,000)	-	-	-	-
Investment in capital assets	42,070	-	-	-	(42,070)	-	-
<b>Balance, end of year</b>	<b>\$ 4,581,446</b>	<b>\$ 36,000</b>	<b>\$ 853,550</b>	<b>\$ 2,000,000</b>	<b>\$ 9,397,759</b>	<b>\$ 16,868,755</b>	\$ 13,600,070

**Canadian Nurses Association / Association des infirmières et  
infirmiers du Canada  
Statement of Operations**

<b>For the year ended December 31</b>	<b>2020 Budget</b>	<b>2020 Actual</b>	<b>2019 Actual</b>
<b>Revenue</b>			
Membership fees	\$ 6,104,000	\$ 5,530,061	\$ 8,127,991
Certification fees	1,274,100	1,124,485	1,378,182
Advertising	33,000	74,557	24,388
Subscriptions	1,500	14,531	3,074
Publications	2,600	2,665	3,705
Registration fees	469,300	25,849	4,767
Consulting fees	6,000	17,531	17,170
Grants/affinity/sponsorship (Note 12)	311,200	602,076	349,597
Investment income	115,000	299,705	428,189
Other income	177,500	136,560	164,590
Accreditation	42,700	35,600	37,500
Project funding	582,300	426,971	199,171
	<b>9,119,200</b>	<b>8,290,591</b>	<b>10,738,324</b>
<b>Expenses</b>			
Salaries and benefits	3,836,600	3,522,500	4,061,945
Committee meetings	150,700	28,006	255,465
Travel non-committee	268,700	73,128	241,625
Affiliation fees	478,300	523,231	477,774
Consulting fees	541,900	522,784	853,156
Translation and interpretation	87,700	74,751	44,623
Books/online databases	45,500	3,709	4,642
Printing	14,800	2,040	38,319
Publicity and promotion	145,000	67,261	94,380
General administration	160,500	81,856	221,395
Equipment	480,700	337,030	424,538
Computer services	314,900	291,634	294,871
Building/space rental	297,900	179,707	278,047
Legal, audit and insurance	149,500	130,353	122,932
Hospitality	259,100	176	53,992
Sundry	37,700	93,303	31,608
Property improvements/furniture	13,000	-	-
Exam development and administration	1,100,200	777,932	1,325,377
Project expenses	582,300	426,971	199,171
	<b>8,965,000</b>	<b>7,136,372</b>	<b>9,023,860</b>
<b>Excess of revenue over expenses before amortization and sale of subsidiary</b>	<b>154,200</b>	<b>1,154,219</b>	<b>1,714,464</b>
<b>Less amortization of capital assets</b>	<b>(253,700)</b>	<b>(214,358)</b>	<b>(320,186)</b>
<b>Add contingent gain (loss) on sale of subsidiary</b>	<b>100,000</b>	<b>(42,928)</b>	<b>100,000</b>
<b>Excess of revenue over expenses for the year</b>	<b>\$ 500</b>	<b>\$ 896,933</b>	<b>\$ 1,494,278</b>

**Canadian Nurses Association / Association des infirmières et  
infirmiers du Canada  
Statement of Cash Flows**

<b>For the year ended December 31</b>	<b>2020</b>	<b>2019</b>
<b>Cash flows from (used in) operating activities</b>		
Excess of revenue over expenses for the year	\$ 896,933	\$ 1,494,278
Adjustments for non-cash items		
Amortization of capital assets	214,358	320,186
Remeasurement adjustments to pension obligation	2,371,752	(5,613,000)
	<b>3,483,043</b>	<b>(3,798,536)</b>
Change in non-cash working capital items		
Accounts receivable	(258,576)	321,760
Prepaid expenses	(15,387)	33,113
Project funding receivable	42,083	(107,412)
Accounts payable and accrued liabilities	(236,322)	(110,177)
Deferred revenues	896,357	79,699
Deferred project funding	34,310	-
Research and development fund payable	(43,053)	-
Pension benefit asset	(36,000)	-
Pension benefit obligation	(4,259,000)	4,259,000
Payable to related party	30,394	(99,085)
	<b>(362,151)</b>	<b>578,362</b>
<b>Cash flows from (used in) investing activities</b>		
Purchase of investments	(1,964,561)	(234,971)
Purchase of capital assets	(42,071)	(78,162)
	<b>(2,006,632)</b>	<b>(313,133)</b>
<b>Increase (decrease) in cash and cash equivalents during the year</b>	<b>(2,368,783)</b>	<b>265,229</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>3,917,464</b>	<b>3,652,235</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,548,681</b>	<b>\$ 3,917,464</b>



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# Canadian Nurses Association / Association des infirmières et infirmiers du Canada

## Notes to the Financial Statements

December 31, 2020

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### 1. Significant Accounting Policies

#### **Purpose of the Association**

Canadian Nurses Association - Association des infirmières et infirmiers du Canada is the national and global professional voice of Canadian nursing, advancing the practice of nursing and the profession to improve health outcomes in a publicly funded, not-for-profit health system by unifying the voices of nurses; strengthening nursing leadership; promoting nursing excellence and a vibrant profession; advocating for healthy public policy and a quality health system; and serving the public interest.

The association is incorporated under the Canada Not-for-profit Corporations Act. The association qualifies as a not-for-profit organization as defined in Section 149(1)(L) of the Income Tax Act and accordingly is exempt from income taxes.

#### **Basis of Presentation**

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations which are part of Canadian generally accepted accounting principles and include the following significant accounting policies.

#### **Management Responsibility and the Use of Estimates**

The financial statements of the association are the representation of management prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. The preparation of periodic financial statements necessarily involves the use of estimates and assumptions. The major financial statement areas that require estimates and assumptions are: 1) fair value of financial instruments; 2) amortization of capital assets; and 3) employee pension plan. Actual results could differ from management's best estimates and assumptions as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known.

#### **Financial Instruments**

##### Measurement of financial instruments

Financial instruments are financial assets or liabilities of the association where, in general, the association has the right to receive cash or another financial asset from another party or the association has the obligation to pay another party cash or other financial assets.

The association initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions that are measured at the exchange amount.

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# Canadian Nurses Association / Association des infirmières et infirmiers du Canada

## Notes to the Financial Statements

December 31, 2020

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### 1. Significant Accounting Policies (continued)

#### Financial Instruments (continued)

##### Measurement of financial instruments (continued)

The association subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenue over expenses.

Financial assets and financial liabilities measured at amortized cost include cash and cash equivalent, investments, accounts receivable, receivable from related party, government remittances receivable, and accounts payable and accrued liabilities.

##### Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down, if any, is recognized in excess of revenue over expenses. The previously recognized impairment loss may be reversed, to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost. The amount of the reversal is recognized in the excess of revenue over expenses.

##### Transaction costs

The entity recognizes its transactions costs in the excess of revenue over expenses in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

#### Revenue Recognition

##### Membership fees

Membership fees are recognized as revenue over the fiscal year.

##### Certification fees, advertising and publications

Revenue is recognized when the service is rendered or at the time of shipment.

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# Canadian Nurses Association / Association des infirmières et infirmiers du Canada

## Notes to the Financial Statements

December 31, 2020

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### 1. Significant Accounting Policies (continued)

#### Revenue Recognition

##### Subscriptions

Subscriptions to the Canadian Nurse online magazine are included in CNA membership fees. Subscriptions from non-members are recognized as revenue over the period of the subscriptions. The liability for the portion of subscription revenue received but not yet earned is recorded as deferred revenue.

##### Registration fees

Registration fees for attendance at CNA events is recognized as revenue when the event is held. The liability for the portion of fees received during the year for CNA events not yet held is recorded as deferred revenue.

##### Consulting fees

Consulting fees revenue is recorded on a percentage of completion basis.

##### Grants, sponsorship, affinity, investment and other income

Revenue is recognized when earned.

##### Project funding

The association uses the deferral method of accounting for project funding which are restricted contributions. These contributions are recognized as revenue in the year in which the related expenses are incurred.

#### Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, bank balances, guaranteed investment certificates and short-term investments with maturity dates of three months or less at the time of acquisition

#### Capital Assets

Capital assets are recorded at cost. The Organization provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Building	30 years
Computers	2 years
Equipment	4 years
Intangible capital assets - software	2 years

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**Canadian Nurses Association / Association des infirmières et  
infirmiers du Canada**  
**Notes to the Financial Statements**

**December 31, 2020**

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**1. Significant Accounting Policies (continued)**

**Capital Assets (continued)** Depending on the category or the timing of the acquisition during the year, either one-half of the above rates or the full rate is used in the year of acquisition.

The amount of assets fully amortized by the end of the previous year are deducted from capital assets cost and accumulated amortization in the current year.

**Employee Pension Plan** As set out in Note 10, CNA has two registered pension plans. The defined contribution plan was established on April 1, 2019. The defined benefit pension plan was wound-up effective March 29, 2019. The wind-up valuation as at December 31, 2020 represents the final obligations of the plan.

**Internally Restricted Net Assets** A portion of the association's net assets has been restricted in accordance with specific directives as approved by the association's board of directors. The purpose of each is as follows:

*Designated for capital assets*

Designated for capital assets comprises the net book value of capital assets.

*Designated for future pension obligations*

Designated for future pension obligations comprises the accrued pension benefit obligation.

*Designated for other obligations*

Designated for other obligations of the association to be used at the discretion of the board of directors.

*Designated for professional development*

Designated for professional development to be used at the discretion of the board of directors.

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**Canadian Nurses Association / Association des infirmières et  
infirmiers du Canada**  
**Notes to the Financial Statements**

**December 31, 2020**

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**2. Cash and Cash Equivalents**

The association's bank accounts are held at Royal Bank of Canada and Caisse Desjardins.

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**3. Investments**

Short-term investments consist of market-linked guaranteed investment certificates and term deposits with interest rates ranging from 0.25% to 1.15% and maturing by October 2021.

Long-term investments consist of market-linked guaranteed investment certificates and term deposits with interest rates ranging from 0.00% and 5.00% maturing between June 2021 and April 2023.

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**4. Accounts Receivable**

	<u>2020</u>	<u>2019</u>
Accounts receivable	\$ 593,299	\$ 545,201
Government remittances receivable	16,024	55,822
CEWS receivable (Note 12)	<u>250,276</u>	-
	<u>\$ 859,599</u>	<u>\$ 601,023</u>

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**5. Receivable from Related Party**

Canadian Nurses Association Retirement Plan (CNARP) is a defined benefit pension plan administered by the Association. Amounts receivable from related party are for pension expenses charged to CNARP. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related party.

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**Canadian Nurses Association / Association des infirmières et  
infirmiers du Canada  
Notes to the Financial Statements**

**December 31, 2020**

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**6. Project Funding**

Restricted project funding received is recognized as revenue when related expenses are incurred. Unspent amounts for expenses to be incurred in subsequent years are recorded as deferred project funding at the end of the year. When expenses incurred are greater than the funding received during the year, the difference is recorded as project funding receivable at the end of the year. A summary of project activities for the year are as follows:

Project Funding Receivable

	Balance at Beginning of Year	Contributions Received	Amounts Recognized as Revenue	Balance at End of Year
Health Canada National Nursing Framework on the Legalization of Cannabis	\$ 107,412	\$ 395,983	\$ 353,900	\$ 65,329

Deferred Project Funding

	Balance at Beginning of Year	Contributions Received	Amounts Recognized as Revenue	Balance at End of Year
Canadian Nurses Foundation Nursing the Future	\$ -	\$ 107,381	\$ 73,071	\$ 34,310

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**7. Capital Assets**

	<b>2020</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
Land	\$ 3,180,000	\$ -	\$ 3,180,000
Building	2,017,277	672,426	1,344,851
Computers	340,000	340,000	-
Equipment	27,500	-	27,500
	<b>5,564,777</b>	<b>1,012,426</b>	<b>4,552,351</b>
Intangible capital assets - software	99,795	70,700	29,095
	<b>\$ 5,664,572</b>	<b>\$ 1,083,126</b>	<b>\$ 4,581,446</b>

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**Canadian Nurses Association / Association des infirmières et  
infirmiers du Canada**  
**Notes to the Financial Statements**

**December 31, 2020**

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**7. Capital Assets (continued)**

	2019		
	Cost	Accumulated Amortization	Net Book Value
Land	\$ 3,180,000	\$ -	\$ 3,180,000
Building	2,017,277	605,183	1,412,094
Computers	340,000	255,000	85,000
Equipment	61,821	14,043	47,778
	5,599,098	874,226	4,724,872
Intangible capital assets - software	164,043	135,181	28,862
	<b>\$ 5,763,141</b>	<b>\$ 1,009,407</b>	<b>\$ 4,753,734</b>

Fully amortized assets written off during the current fiscal year amount to \$106,319 (2019 - \$50,618).

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**8. Deferred Revenues**

Deferred revenues represent funds received in the current year that relate to operations of subsequent years.

	Balance at Beginning of Year	Additions During the Year	Amounts Recognized as Revenue	Balance at End of Year
Certification exam and renewal fees	\$ 41,179	\$ 1,188,129	\$ 1,124,485	\$ 104,823
Membership	228,229	981,029	365,758	843,500
Other	96,888	349,614	132,172	314,330
	<b>\$ 366,296</b>	<b>\$ 2,518,772</b>	<b>\$ 1,622,415</b>	<b>\$ 1,262,653</b>

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**9. Operating Line of Credit**

The association has access to a bank operating line of credit which is unsecured. The interest rate on the line of credit is at RBC prime and the authorized limit on the line of credit is \$250,000, none of which was utilized during the year.

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## Canadian Nurses Association / Association des infirmières et infirmiers du Canada

### Notes to the Financial Statements

**December 31, 2020**

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#### 10. Interfund Transfer

The board approved the interfund transfers as presented on the statement of changes in net assets.

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#### 11. Pension Benefits

CNA has two registered pension plans as at December 31, 2020.

##### Defined Contribution Plan

The defined contribution pension plan, registered as Canadian Nurses Association Pension Plan (CNAPP), was established on April 1, 2019. The association's contribution to the defined contribution plan for the year was \$161,894 (2019 - \$127,152).

##### Defined Benefit Plan

The valuation as at December 31, 2020 represents the final obligations of the Plan. Given the Plan wind-up and the 2020 benefit distribution, and reflecting that the remaining obligations consist only of one pending transfer to another Registered plan, and the final month's pension payment, no actuarial assumptions or methods were required to determine the obligations at December 31, 2020.

	2020	2019
Plan assets at fair value	\$ 413,000	\$ 36,625,000
Accrued benefit obligation	(377,000)	(40,884,000)
Funded status - surplus (deficit)	\$ 36,000	\$ (4,259,000)
	2020	2019
<b>Change in plan assets:</b>		
Fair value, beginning of the year	\$ 36,625,000	\$ 33,065,000
Return on plan assets	4,584,000	3,275,000
Employer contributions	2,483,000	1,437,000
Employees' contributions	-	59,000
Benefits paid	(1,404,000)	(1,211,000)
Settlement payments	(41,875,000)	-
Fair value, end of the year	\$ 413,000	\$ 36,625,000



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**Canadian Nurses Association / Association des infirmières et  
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**Notes to the Financial Statements**

**December 31, 2020**

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**11. Pension Benefits (continued)**

	2020	2019
Change in accrued benefit obligation:		
Balance, beginning of the year	\$ 40,884,000	\$ 27,694,000
Current service cost	-	83,000
Interest cost	1,231,000	1,231,000
Employees' contributions	-	59,000
Benefits paid	(1,404,000)	(1,211,000)
Settlement payments	(41,875,000)	-
Loss on settlements	1,541,000	-
Gain on curtailments	-	(748,000)
Actuarial loss	-	13,776,000
	<b>\$ 377,000</b>	<b>\$ 40,884,000</b>

Actuarial assumptions:

	2020	2019
Discount rate	3.01%	3.01%
Expected long-term rate of return on plan assets	n/a	2.90%

As the plan liquidated all of its investments during the year to distribute all obligations for its wind-up, it is no longer exposed to market, interest rate and foreign currencies risks.

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**12. Government Assistance**

The association qualified for \$250,276 for the Canada Emergency Wage Subsidy (CEWS) that was created by the federal government in response to the COVID-19 pandemic. Government assistance may be subject to audit under the terms and conditions of the wage subsidy program. Should an audit reveal that any of the qualifying criteria or expenses incurred are not in accordance with program guidelines, the federal government may require the association to reimburse a portion of the assistance.

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**Canadian Nurses Association / Association des infirmières et  
infirmiers du Canada**  
**Notes to the Financial Statements**

**December 31, 2020**

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**13. Financial Instruments Risks And Uncertainties**

The association is exposed to various risks through its financial instruments. The following analysis provides a measure of the association's risk exposure and concentrations as at December 31, 2020.

Credit risk

The association is exposed to credit risk in the event of non-payment by their customers for their accounts receivable. The association believes there is minimal risk associated with these amounts due to the diversity of its customers and there are no significant concentrations of accounts receivable with any group of customers that are related to each other.

Liquidity risk

Liquidity risk relates to the risk that the association will encounter difficulty in meeting its obligations associated with financial liabilities. Management closely monitors cash flow requirements to ensure that it has sufficient cash on demand to meet operational and financial obligations.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The association is mainly exposed to interest rate risk.

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 association is exposed to fair value risk on its investments with fixed interest rates.

Changes in risk

There have been no significant changes in the association's risk exposures from the previous fiscal year.

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**14. Comparative Amounts**

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 net assets.

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**Canadian Nurses Association / Association des infirmières et  
infirmiers du Canada  
Notes to the Financial Statements**

**December 31, 2020**

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**15. Uncertainty Due to COVID-19**

The emergence of a novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in certain emergency measures to combat the spread of the virus in Canada and other areas of the world, including implementation of social distancing measures, forced closure of businesses in certain industries and schools and travel bans. Any estimate of the length and severity of this pandemic is subject to significant uncertainty and accordingly it is unknown whether COVID-19 may materially and adversely impact the association’s operations, financial results and condition in future periods.

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