



Annual Report 2015



Table of Contents:

Messages

03 Board Chair

04 Transition Team

Taking a Closer Look

05 Accomplishments and Activities

08 2014-15 Service Volumes, Activities & Performance

09 More about NNAS

10 NNAS Board Members

11 NNAS Members

Audited Financial Statements 2014-15

12 Independent Auditor's report

13 Financial Statements



NNAS is a not-for-profit corporation established to coordinate a consistent national approach to the assessment of internationally educated nurses' eligibility for registration/licensure by Canadian provincial and territorial nursing regulatory bodies.

Board Chair Message

The National Nursing Assessment Service (NNAS) marked a major milestone in the journey toward establishing a single, on-line portal for internationally educated nurses applying for licensure in Canada. On August 12, 2014, NNAS officially launched development phase and opened our portal to international educated nurse applicants and the response has been exceptional! Tremendous effort in the days, weeks and months leading up to this year of implementation by the NNAS Board and leadership team, our funders at the Foreign Recognition Credentials Program (FCRP) by way of Employment and Skills Development Canada (ESDC), our project managers - the Atkinson Group, our partners at CGFNS International and our member nurse regulatory boards has brought our vision to a reality. Thank you to each of you for your enduring commitment through thick and thin!

As I reflect on our journey over the past eight years, on the many individuals who gave of their time and expertise, on the will to harmonize and simplify for the sake of access, fairness and transparency, and on the many partnerships built, I marvel at what we have achieved; and the great potential in front of us.

This past year has demonstrated that our vision for a nationally harmonized approach for internationally educated nurses seeking licensure in Canada utilizing a self-sustaining business model is achievable, highly functional and financially sound. NNAS has demonstrated that a fully virtual organization is a stable and highly efficient model. We are also well set for further development work on behalf of our member nurse regulatory boards.

While NNAS has much to celebrate, we do appreciate there are challenges from time to time. Refinements of our assessment tools and advisory reports will be necessary to achieve a continuum of quality improvement. As regulators, we know that these processes are iterative and I am confident we will discover the best methodologies and implement them in the same collaborative way we have in the past. Over the past year, NNAS was also challenged by changes in our executive leadership at a crucial time in our implementation. I wish to extend on behalf of the NNAS Board of Directors, our appreciation to the Atkinson Group for their assistance during this period of leadership transition.

As the Board Chair, I remain optimistic and thankful to be part of such a courageous and innovative organization. Our upcoming year will see increased engagement with our regulatory body owners, ongoing efforts to build our strong governing Board and the continued evaluation for our organization vision for the NNAS. Congratulations to all on a truly stellar year!

Mary-Anne Robinson, RN, BN, MSN
Board Chair
National Nursing Assessment Service.



Transition Team Message

This has been an exciting year for the nursing community in Canada with the official launch of the National Nursing Assessment Service; more than a decade after nurses began discussions on their vision for one national approach to support internationally educated nurse (IEN) applicants.

The continued leadership and guidance of the NNAS Board of Directors and the dedication and active collaboration of member regulatory bodies this year has been phenomenal. The ability to maintain the vision while continuing to respect jurisdictional accountabilities remains central to discussions to ensure NNAS provides value to both IENs and its members.

As NNAS' vendor, CGFNS International continues to play a vital role in the ongoing development and evolution of the NNAS suite of services to international applicants and our member regulatory bodies. This past year we have worked collaboratively with CGFNS to implement a custom solution for NNAS. Based on the volume of applications, CGFNS continues to build system capacity and functionality and together we are exploring areas for continuing development.

Since opening our doors for business in August over 16,000 IENs have created online accounts with NNAS and the response to the new single window online application portal has been very favourable. Through feedback and suggestions received from IENs and NNAS member regulatory bodies, we continued to make improvements to the application portals this year, as we pilot the new system. Since creating its administrative structure in August 2014, NNAS is on track to meet its goal of being a self-sustaining organization. It has been a distinct pleasure to be part of this innovative venture and help bring this vision to reality for nursing in Canada.

The Executive Transition Management Team

Anne Marie Atkinson, BN, MBA

Patrick Mason, MBA





Accomplishments & Activities

Service and Business Model Development

In 2013-2015, as a result of financial support from its regulatory body members and the federal Economic Social Development of Canada, NNAS was able to engage in the development and implementation of the services delivery and business model that would enable sustainability of the organization once the developmental stages were complete. The business and service delivery model and framework developed included a fee-for-service service delivery model (fees charged to the internationally educated nurses (IENs) for an assessment), provision of services through third-party service providers and central NNAS administration infrastructure and supports to ensure a continued pan-Canadian forum for its 22 regulatory membership framework.

Development of IEN Assessment Components

The 2014-15 saw a flurry of activity in developing the key components of the assessment service delivery model and testing of the IEN assessment system. The development of these components included the development of an Education Curricular Assessment Tool and Advisory Reports. These components were applied during the 2014-15 developmental stage to IEN applicants seeking licensure with the twenty-two regulatory members.

1. Education Curricular Assessment Tool

With support and direction from the regulatory body members, an assessment tool to evaluate education credentials of IEN applicants was developed by our service provider, CGFNS. The approach to develop the tool was rigorous, based on evidence and followed key principles to ensure equity, fairness and consistency for IEN applicants. The developmental approach incorporated information from Canadian nursing school program curricula, the use of regulatory body subject matter experts, significant dialogue and examination which reflected the national entry-to-practice competencies, and extensive data analysis. The methodology for tool development is rigorous, structured and defensible. Upon completion it was applied to the 2014-15 IEN applicants.

2. The IEN Advisory Reports

IEN Advisory Reports were also first produced in 2014-15. They are final assessment reports that support decision-making for the NNAS regulatory body members in determining the next stage for the IEN applicant in the licensure pathways. These reports collate and analyze all the relevant information components required for IEN applicant assessment including education curricular assessment, work experience and language competency. The reports provide a summary of the documentation and conclusions on applicant qualifications to support regulatory body decision-making regarding nursing licensure. A truncated version of these reports are also provided to the IEN applicant upon completion. The first of the reports were published in January 2014, including French versions where required.

Development of the on-line Single Point of Entry Website Application Portal for Iens and Regulatory Bodies

In August 2014, the NNAS website went live as the common IEN application and regulatory body portal, and was presented in both official languages (French and English). The website content was created and designed with Internationally Educated Nurses (IENs) in mind. The design included individual service portals for IENs and regulatory bodies. The website acts as the virtual single and common point of entry for applicants from around the world who wish to initiate their journey towards licensure within any of the nine jurisdictions in Canada, and for any of the 3 nursing groups (registered nurse, licensed practical nurse and registered psychiatric nurse) within each jurisdiction, where applicable. For IENs, the website acts a source of information in the first step in the licensure process, and is also the virtual portal whereby they can submit their application on line. IENs can use the site to learn about the progress of their application and access their final Advisory Report. The same website was also designed and developed the link to the regulatory body portal, which allows regulators to view and download completed applicant information including relevant IEN documentation.

Change Management Initiative

A change management plan had been created and implemented to support the successful development and implementation of the pilot IEN curricula assessment services. The change management initiative involved over 60 staff from across the regulatory body membership and required coordination of a number of activities. These activities included: coordinating a comprehensive communication plan with each of the organizational members, the Internationally Educated Nurses (IEN) and key stakeholders (i.e., government); coordinating the closure of each of the original RB application processes with the opening of the NNAS application processes; and the go-live of the on-line web portal for the IEN applicants and regulatory body members. The change management initiative was successful and allowed for the opening of the on-line application portal on August 12, 2014 for IENs, and the production of the first Advisory Reports, that reflect the summary of IEN assessment to the IENs and the RBs in January 2015. As a result, over 4000 IEN applications were initiated from August 2014 to March 31, 2015. Applicants came from over 130 countries, including the Philippines, India, United States of America, Nigeria and the United Kingdom.

Other Key 2014-15 Activities: Knowledge Exchange And Transfer Activities

In 2014-15, NNAS engaged in a number of knowledge exchange and transfer activities to showcase and share lessons learned on the implementation of this pioneer initiative. The following were key events where NNAS presented.

September 2014 – Collaboration as a supporting organization in CARE Centre for Internationally Educated Nurses (Ontario) in their funding proposal “PASS” (Pre-arrival Supports and Services).

September 24th-Ottawa: National Consultation Participant - Pan Canadian Framework on the Assessment and Recognition of Foreign Qualifications

October 21, 22-Ottawa: Presentation at the Canadian Health Workforce Conference. Topic: NNAS from Concept to Implementation.

October 28 – Montreal: Participating in Panel discussion relating to the QAF as a tool in the development of Service Agreements (with Vendors).



2014-15 Service Volumes, Activities & Performance

Services and Activities	2014-15 Data
Total IEN Applications initiated	4027 Applications
Total Number of Calls / Inquiries	10,147 Calls
Total number of Emails received	3,170 Emails
Average processing time from time of IEN application start to time of final Advisory Report issued was	102 Business Days
Percentage of IENs who strongly agreed or agreed that their overall NNAS experience has been positive	89% (average over the year)*



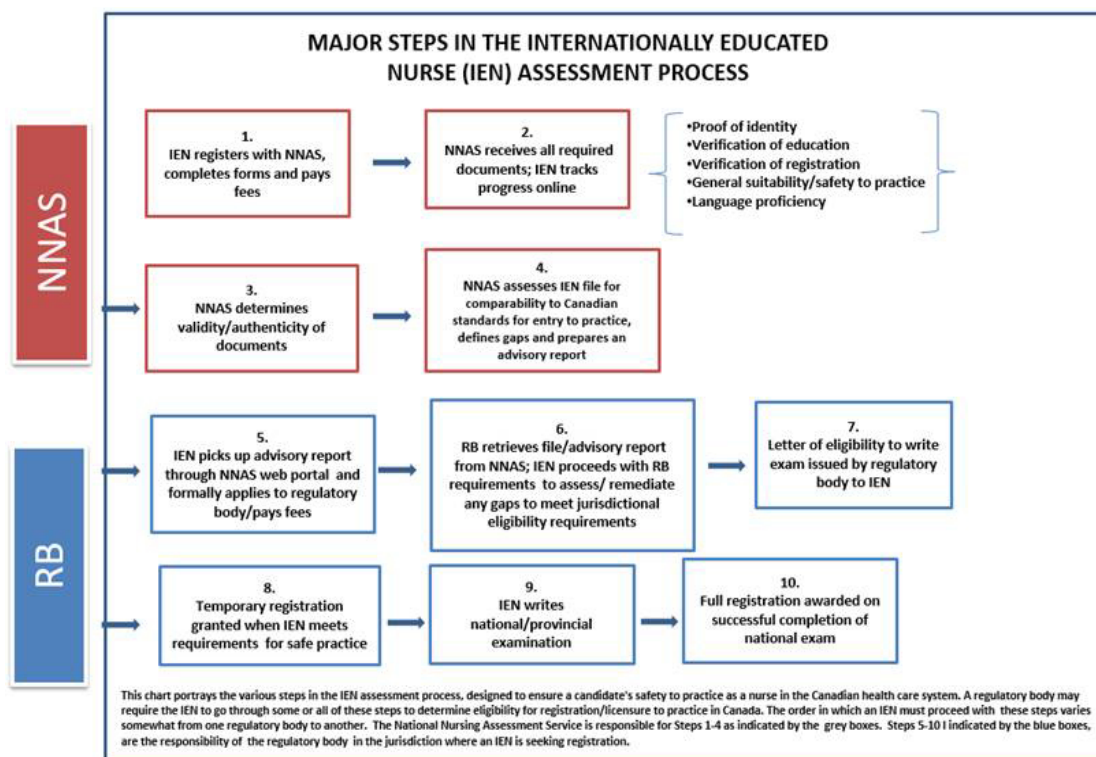
More about NNAS

NNAS is an incorporated national organization of member nurse regulatory bodies made up of three distinct streams of nursing; registered nurses (RNs), licensed practical nurses (LPNs) and registered psychiatric nurses (RPNs) and is responsible for the initial assessment of internationally educated nurses (IENs) seeking registration and licensure in Canada.

There are 10 primary steps required to assess internationally educated nurses and NNAS is responsible for steps one through four with the remaining six steps completed by the regulatory body (RB). The four steps covered by NNAS include IEN online registration, payment and form completion; receipt of all documentation; validating and authenticated documents provided by the IEN and their education, language and employment contacts; and, finally, NNAS assesses each IEN file for comparability to Canadian standards for entry to practice, defines gaps and prepares an advisory report.

The overarching benefit of the NNAS is increased access for IENs based on multiple delivery channels, enhanced online capabilities, and faster turnaround time for basic processes. NNAS is a virtual organization with corporate staff members located throughout Canada. The actual IEN assessment process is carried out with the support of CGFNS International.

IEN Assessment Pathway Towards Licensure in Canada



NNAS Board Members

NNAS is governed by a 12 member board with appointees elected through individual member regulator organizations, specifically the Canadian Council for Registered Nurse Regulators, The Canadian Council for Practical Nurse Regulators and the Registered Psychiatric Nurse Regulators of Canada.

Anne Coghlan (RN)

Executive Director and Chief Executive Officer
College of Nurses of Ontario

Donna Denney (RN)

Executive Director
College of Nurses of Nova Scotia

Karen Eisler (RN)

Executive Director
Saskatchewan Registered Nurses Association

Paul Fisher (LPN)

Executive Director/Registrar
College of Licensed Practical Nurses of
Newfoundland and Labrador

JoAnne Graham (LPN)

Executive Director
Association of New Brunswick Licensed
Practical Nurses

Cynthia Johansen (RN)

Registrar/Chief Executive Officer
College of Registered Nurses of British Columbia

Barbara Lowe (RPN)

Executive Director
College of Registered Psychiatric Nurses of
Alberta

Ann Mann, Board Vice-chair (LPN)

Executive Director/Registrar
College of Licensed Practical Nurses of
Nova Scotia

Laura Panteluk (RPN)

Executive Director/Registrar
College of Registered Psychiatric Nurses of
Manitoba

Mary-Anne Robinson, Board Chair (RN)

Chief Executive Officer
College and Association of Registered Nurses of
Alberta

Linda Stanger (LPN)

Executive Director/Registrar
College of Licensed Practical Nurses of Alberta

Roxanne Tarjan (RN)

Executive Director
Nurses Association of New Brunswick

“The work of NNAS has been a total success in creating a standardized approach to assessing education of internationally educated nurses. NNAS and its members have laid a great foundation that can be further built upon in the vision towards harmonization.”

Becky Gosbee, Executive Director
Association of Registered Nurses of Prince Edward Island

NNAS Members

Registered Nurse Member Organizations

- Association of Registered Nurses of Newfoundland and Labrador
- Association of Registered Nurses of Prince Edward Island
- College of Registered Nurses of Nova Scotia
- Nurses Association of New Brunswick
- College of Nurses of Ontario
- College of Registered Nurses of Manitoba
- Saskatchewan Registered Nurses' Association
- College and Association of Registered Nurses of Alberta
- College of Registered Nurses of British Columbia

Registered Psychiatric Nurse Member Organizations

- College of Registered Psychiatric Nurses of Manitoba
- Registered Psychiatric Nurses Association of Saskatchewan
- College of Registered Psychiatric Nurses of Alberta
- College of Registered Psychiatric Nurses of British Columbia

Licensed Practical Nurse/Registered Practical Nurse Member Organizations

- College of Licensed Practical Nurses of Newfoundland and Labrador
- Licensed Practical Nurses Association of Prince Edward Island
- College of Licensed Practical Nurses of Nova Scotia
- Association of New Brunswick Licensed Practical Nurses
- College of Nurses of Ontario
- College of Licensed Practical Nurses of Manitoba
- Saskatchewan Association of Licensed Practical Nurses
- College of Licensed Practical Nurses of Alberta
- College of Licensed Practical Nurses of British Columbia

“Through a collaborative commitment to excellence, twenty-two nursing regulatory bodies have created a world class service for IENs seeking licensure in Canada.”

Linda Stanger, Executive Director/Registrar
College of Licensed Practical Nurses of Alberta

Audited Financial Statements 2014-15



Independent Auditor's Report

To the Members of

National Nursing Assessment Service / Service National D'évaluation Infirmière

We have audited the accompanying financial statements of National Nursing Assessment Service / Service National D'évaluation Infirmière, which comprise the statement of financial position as at March 31, 2015, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of National Nursing Assessment Service / Service National D'évaluation Infirmière as at March 31, 2015, 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.

Toronto, Ontario
August 21, 2015

Chartered Professional Accountants
Licensed Public Accountants

**NATIONAL NURSING ASSESSMENT SERVICE
SERVICE NATIONAL D'EVALUATION INFIRMIERE**

Statement of Financial Position

March 31	2015	2014
	\$	\$
ASSETS		
Current assets		
Cash		374,323
Contributions receivable	1,092,480	56,350
Prepaid expenses	472,208	-
Prepaid consultant fees	3,166	-
Prepaid assessment fees	-	282,400
HST recoverable (note 3)	1,702,250	-
	-	41,593
	<u>3,270,104</u>	<u>754,666</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities		
HST payable (note 3)	545,004	415,041
Deferred funding contributions (note 4)	74,632	-
Deferred application fees	51,067	339,625
	<u>2,559,848</u>	<u>-</u>
	<u>3,230,551</u>	<u>754,666</u>
	<u>39,553</u>	<u>-</u>
NET ASSETS	<u>3,270,104</u>	<u>754,666</u>

Approved on behalf of the Board:



Mary-Anne Robinson, Board Chair

**NATIONAL NURSING ASSESSMENT SERVICE
SERVICE NATIONAL D'EVALUATION INFIRMIERE**

Statement of Operations

Year ended March 31	2015	2014
	\$	\$
Revenue		
Funding (note 4)	1,227,256	2,186,116
Application fees	175,714	-
	<u>1,402,970</u>	<u>2,186,116</u>
Expenses		
Consultant fees	1,016,959	2,052,397
Professional fees	116,874	16,122
Assessment fees	74,700	-
Service charges	65,708	-
Internet and website	45,725	2,869
Conferences and workshops	12,308	98,344
Telephone	9,835	5,748
Insurance	8,829	-
Consultant travel	7,404	8,323
Office	5,075	2,313
	<u>1,363,417</u>	<u>2,186,116</u>
Excess of revenue over expenses for year	<u>39,553</u>	<u>-</u>

Statement of Changes in Net Assets

Year ended March 31	2015	2014
	\$	\$
Net assets, beginning of year	-	-
Excess of revenue over expenses for year	39,553	-
Net assets, end of year	<u>39,553</u>	<u>-</u>

NATIONAL NURSING ASSESSMENT SERVICE SERVICE NATIONAL D'ÉVALUATION INFIRMIÈRE

Statement of Cash Flows

Year ended March 31, 2015	2015 \$	2014 \$
Cash flows from operating activities		
Excess of revenue over expenses for year	39,553	-
Adjustments to determine net cash provided by (used in) operating activities		
ESDC funding recognized as revenue	(755,048)	(2,186,116)
	(715,495)	(2,186,116)
Change in non-cash working capital items		
Increase in contributions receivable	(415,858)	-
Increase in prepaid expenses	(3,166)	-
Decrease in prepaid consultant fees	282,400	827,600
Increase in prepaid assessment fees	(1,702,250)	-
Decrease (increase) in HST recoverable	41,593	(30,188)
Increase (decrease) in accounts payable and accrued liabilities	129,963	(244,762)
Increase in HST payable	74,632	-
Increase in deferred application fees	2,559,848	-
	251,667	(1,633,466)
Cash flows from financing activities		
Receipt of ESDC contributions	466,490	879,541
Net change in cash	718,157	(753,925)
Cash, beginning of year	374,323	1,128,248
Cash, end of year	1,092,480	374,323

NATIONAL NURSING ASSESSMENT SERVICE SERVICE NATIONAL D'ÉVALUATION INFIRMIÈRE

Notes to Financial Statements

March 31, 2015

Nature and description of the organization

National Nursing Assessment Service / Service National D'évaluation Infirmière (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' eligibility for registration/licensure by the provincial and territorial nursing regulatory bodies.

The Organization has entered into a contribution agreement with the Foreign Credential Recognition program of Human Resources and Skills Development Canada to fund the establishment of the systems and commence operations. Upon becoming fully operational the Organization will be self-funded, supported by the fees earned from the assessment of credentials.

The members that the Organization is authorized to establish are the entities that regulate the practice of registered nurses, licensed practice 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 a described in Section 149(1)(l) of the Income Tax Act, and therefore is not subject to either federal or provincial income taxes.

1. Significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured

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

(b) Development costs

Expenditures on internally generated intangible assets during the development phase are expensed as incurred.

NATIONAL NURSING ASSESSMENT SERVICE SERVICE NATIONAL D'ÉVALUATION INFIRMIÈRE

Notes to Financial Statements (continued)

March 31, 2015

1. Significant accounting policies (continued)

(c) Contributed services

The value of services is recorded as revenue and expense in the financial statements when the fair value can be reasonably estimated and when the services would otherwise be purchased if not donated.

The work of the Organization is dependent on the voluntary service of many individuals. Since volunteer time is not purchased, these contributed services are not recognized in the financial statements.

(d) Financial instruments

(i) Measurement of financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by the amount of transaction costs directly attributable to the instrument.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Amortized cost is the amount at which a financial asset or financial liability is measured at initial recognition minus principle repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

Financial assets measured at amortized cost include cash and contributions receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(ii) Impairment

At the end of each reporting period, the Organization assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that comes to the attention of the Organization, including but not limited to the following events: significant financial difficulty of the issuer; a breach of contract, such as a default or delinquency in interest or principal payments; and bankruptcy or other financial reorganization proceedings.

When there is an indication of impairment, the Organization determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset.

NATIONAL NURSING ASSESSMENT SERVICE SERVICE NATIONAL D'ÉVALUATION INFIRMIÈRE

Notes to Financial Statements (continued)

March 31, 2015

1. Significant accounting policies (continued)

When the Organization identifies a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it reduces the carrying amount of the asset to the greater of the following:

- the present value of the cash flows expected to be generated by holding the asset discounted using a current market rate of interest appropriate to the asset; and
- the amount that could be realized by selling the asset at the statement of financial position date.

Any impairment of the financial asset is charged to income in the period in which the impairment is determined.

When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent of the improvement, directly or by adjusting the allowance account. The amount of the reversal is recognized in income in the period the reversal occurs.

(e) Management estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. Actual results may differ from these estimates, the impact of which would be recorded in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

NATIONAL NURSING ASSESSMENT SERVICE
SERVICE NATIONAL D'ÉVALUATION INFIRMIÈRE

Notes to Financial Statements (continued)

March 31, 2015

2. Financial instrument risk management

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations.

The financial instruments of the Organization and the nature of the risks to which it may be subject are as follows:

Financial instrument	Risks			Market risk	
	Credit	Liquidity	Currency	Interest rate	Other price
Cash					
Contributions receivable	X			X	
Accounts payable and accrued liabilities	X		X		

Credit risk

The Organization is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the Organization could incur a financial loss. The Organization does not hold directly any collateral as security for financial obligations of counterparties.

The maximum exposure of the Organization to credit risk is as follows:

	2015	2014
	\$	\$
Cash	1,092,480	374,323
Contributions receivable	472,208	56,350
	1,564,688	430,673

The Organization reduces its exposure to the credit risk of cash by maintaining balances with a Canadian financial institution.

The Organization considers the credit risk of contributions receivable to be minimal as this amount is due from a funder.

Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they come due.

The Organization meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations and anticipated investing and financing activities.

NATIONAL NURSING ASSESSMENT SERVICE
SERVICE NATIONAL D'ÉVALUATION INFIRMIÈRE

Notes to Financial Statements (continued)

March 31, 2015

2. Financial instrument risk management (continued)

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 is comprised of currency risk, interest rate risk and other price risk.

Currency risk

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in foreign exchange rates.

The functional currency of the Organization is the Canadian dollar. The Organization transacts in foreign currencies due to the application fees received being denominated in foreign currencies.

Cash is exposed to currency risk in connection with U.S. denominated balances which amount to \$440,504 (\$347,319 U.S.) (2014 - \$nil (\$nil U.S.)).

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

Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

The Organization is exposed to interest rate risk on its cash.

Fluctuations in market rates of interest on cash do not have a significant impact on the Organization's results of operations.

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

Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

The Organization is not exposed to other price risk.

NATIONAL NURSING ASSESSMENT SERVICE SERVICE NATIONAL D'EVALUATION INFIRMIERE

Notes to Financial Statements (continued)

March 31, 2015

2. Financial instrument risk management (continued)

Changes in risk

Currency risk has increased in the current year as a result of application fees received being denominated in U.S. dollars.

Otherwise there has been no significant change in the Organization's risk exposures from the prior year.

3. HST recoverable

HST recoverable claimed in the prior year was under the premise that the Organization will qualify for registration under the public service bodies' (PSB) rebate. During the year, the Organization was recognized by the Canadian Revenue Agency as a regular HST registrant. The Organization qualified for a complete refund in the amount of \$51,401 for fiscal 2014 and \$8,281 for fiscal 2013.

4. Funding

The Foreign Credential Recognition Program of Employment and Social Development Canada ("ESDC") entered into an agreement with the Organization and as per that agreement will contribute towards the implementation, development and set up of a program for a consistent assessment of internationally educated nurses. As per the contribution agreement a total sum of \$3,415,555 will be paid to the Organization during the fiscal years 2013-2016. The contribution covers the setting up of the processes, piloting and evaluating phases. As per the terms of this contribution agreement the members of the Organization will be responsible for the purchase of certain equipment, hardware and software necessary for the start up of the project. Title to any such equipment, hardware and software acquired or generated in pursuit of this project will be retained by the developers, CGFNS International.

The maximum amount of the contribution to be disbursed by ESDC in each fiscal year of the project period is as follows:

	\$
2013	1,457,900
2014	879,541
2015	466,490
2016	413,564
2017	198,060
	<u>3,415,555</u>

NATIONAL NURSING ASSESSMENT SERVICE SERVICE NATIONAL D'EVALUATION INFIRMIERE

Notes to Financial Statements (continued)

March 31, 2015

4. Funding (continued)

During the year, ESDC has agreed to accelerate the contribution rate which were scheduled for fiscal 2016 and 2017. ESDC contributed \$472,208 in addition to the 2015 contributions of \$466,490. According to the agreement, contributions of \$139,416 are available for future years.

The funding received and recognized as revenue in fiscal 2015 is as follows:

	Deferred funding contributions March 31, 2014	Funding received during the year	Funding recognized as revenue during the year	Deferred funding contributions March 31, 2015
	\$	\$	\$	\$
ESDC	288,558	938,698	1,227,256	-
Members	51,067	-	-	51,067
	<u>339,625</u>	<u>938,698</u>	<u>1,227,256</u>	<u>51,067</u>

5. Commitments

(a) A contract has been entered into between the Organization and Atkinson Group to provide project and change management advice for the setting up of the assessment service. The consultation will be required during the system initiation, development, pilot and a limited involvement in the launch and evaluation phases of the project. The total value of the contract is \$570,000 exclusive of travel expense reimbursements. Approximately 98% (2014 - 68%) of the contract services have been delivered at March 31, 2015.

Based on the contract payment schedule and the estimated timing of the deliverables pursuant to the contract, the following are the yearly commitments of the contract:

	\$
2013	77,000
2014	305,000
2015	178,000
2016	10,000
	<u>570,000</u>

**NATIONAL NURSING ASSESSMENT SERVICE
SERVICE NATIONAL D'ÉVALUATION INFIRMIÈRE**

Notes to Financial Statements (continued)

March 31, 2015

5. Commitments (continued)

- (b) A contract has been entered into between the Organization and CGFNS International to provide assessment services including setting up an applicant portal, developing an assessment protocol and setting up a call centre and assessment processes. The total value of the contract is \$2,500,000. Approximately 100% (2014 - 75%) of the contract services have been delivered at March 31, 2015.

Based on the contract payment schedule and the estimated timing of the deliverables pursuant to the contract, the following are the yearly commitments of the contract:

	\$
2013	1,256,000
2014	907,000
2015	337,000
	<u>2,500,000</u>





Corporate Office:

Phone Toll Free
(877) 215-9989
Email: info@nnas.ca

Our Mailing Address:

National Nursing Assessment Service
436-900 Greenbank Road
Ottawa, Ontario K2J 4P6

www.nnas.ca
