



# **Financial Statements**

For the year ended December 31, 2023



**Canadian Nurses Foundation -  
Fondation des infirmières et infirmiers du Canada**  
**Financial Statements**  
For the year ended December 31, 2023

**Contents**

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## **Independent Auditor's Report**

### **To the Members of the Canadian Nurses Foundation - Fondation des infirmières et infirmiers du Canada**

#### Qualified Opinion

We have audited the financial statements of Canadian Nurses Foundation - Fondation des infirmières et infirmiers du Canada (the "Foundation") which comprise the statement of financial position as at December 31, 2023, and the statements of general fund operations, restricted fund operations, changes in fund balances 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 effect of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2023, 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 Qualified Opinion

In common with many charitable organizations, the Foundation derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Foundation. Our audit opinion on the financial statements for the year ended December 31, 2022 was also qualified because of the possible effects of this limitation in scope. Therefore we were not able to determine whether any adjustments may be necessary to the Foundation's donation revenue, the operating fund excess (deficiency) of revenue over expenses and cash flows from operations for the years ended December 31, 2023 and 2022, assets as at December 31, 2023 and 2022, and the operating fund balances at both the beginning and end of the December 31, 2023 and 2022 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 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)

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:

- 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.

*Baker Tilly Ottawa LLP*

Chartered Professional Accountants, Licensed Public Accountants  
June 17, 2024  
Ottawa, Ontario

**Canadian Nurses Foundation -  
Fondation des infirmières et infirmiers du Canada  
Statement of Financial Position**

December 31	2023	(Restated) 2022
<b>Assets</b>		
<b>Current</b>		
Cash (Note 1)	\$ 246,535	\$ 548,782
Accounts receivable (Note 2)	56,204	89,315
Prepaid expenses	31,422	10,196
	334,161	648,293
<b>Long-term investments (Note 3)</b>	<b>5,448,850</b>	<b>5,420,669</b>
	<b>\$ 5,783,011</b>	<b>\$ 6,068,962</b>

**Liabilities and Fund Balances**

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 139,533	\$ 50,650
Deferred contributions (Notes 4 and 5)	9,000	50,000
	148,533	100,650
<b>Fund Balances</b>		
Unrestricted		
General Fund (Note 5)	(641,734)	(449,195)
Internally restricted		
Internal Fund (Note 5)	843,960	843,960
Externally restricted		
Annual Scholarship Fund (Note 5)	276,672	468,614
Equity Research Fund	35,180	64,083
Other Fund (Note 5)	745,521	709,794
Endowment Fund (Note 5)	4,374,879	4,331,056
	5,634,478	5,968,312
	<b>\$ 5,783,011</b>	<b>\$ 6,068,962</b>

On behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**Canadian Nurses Foundation -  
Fondation des infirmières et infirmiers du Canada  
Statement of Changes in Fund Balances**

**For the year ended December 31** (Restated)  
2023 2022

	<u>Internally Restricted</u>		<u>Externally Restricted</u>				Total	Total
	General Fund	Internal Fund	Annual Scholarship Fund	Equity Research Fund	Other Fund	Endowment Fund		
<b>Fund balance</b> , beginning of year, as previously stated	\$ (474,195)	\$ 963,650	\$ 169,114	\$ 64,083	\$ 365,317	\$ 4,330,843	\$ 5,418,812	\$ 6,253,825
<b>Prior period correction</b> (Note 4 and 5)	25,000	(119,690)	299,500	-	344,477	213	549,500	200,000
<b>Fund balance</b> , beginning of year, as restated	(449,195)	843,960	468,614	64,083	709,794	4,331,056	5,968,312	6,453,825
<b>Excess (deficiency) of revenue over expenses for the year</b>	(192,539)	-	(191,942)	(28,903)	35,727	43,823	(333,834)	(485,513)
<b>Fund balance</b> , end of year	\$ (641,734)	\$ 843,960	\$ 276,672	\$ 35,180	\$ 745,521	\$ 4,374,879	\$ 5,634,478	\$ 5,968,312

**Canadian Nurses Foundation -  
Fondation des infirmières et infirmiers du Canada  
Statement of General Fund Operations**

(Restated)  
2023 2022

**For the year ended December 31**

	<u>Unrestricted</u>	<u>Internally Restricted</u>		
	<u>General Fund</u>	<u>Internal Fund</u>	<u>Total</u>	<u>Total</u>
<b>Revenue</b>				
Donations	\$ 195,719	\$ -	\$ 195,719	\$ 98,200
Investment income	44,077	16,387	60,464	45,165
Processing and administration fees (Note 5)	126,762	-	126,762	103,797
Realized gains on investments	61,705	25,709	87,414	90,112
Programs, projects, and campaigns	41,208	-	41,208	352,321
Gala	75,506	-	75,506	175,846
	<b>544,977</b>	<b>42,096</b>	<b>587,073</b>	<b>865,441</b>
<b>Expenses</b>				
Board and committee meetings	214	-	214	45,070
Fundraising and special events	143,172	-	143,172	184,107
Insurance	5,500	-	5,500	7,196
Office	45,222	-	45,222	53,346
Professional fees	32,055	-	32,055	68,728
Public relations and communications	14,568	-	14,568	32,281
Rent	23,551	-	23,551	23,039
Salaries and benefits (Note 7)	503,766	-	503,766	510,715
Scholarships and certifications	14,000	42,096	56,096	64,041
Programs, projects, and campaigns	27,492	-	27,492	89,604
Travel	2,206	-	2,206	3,103
	<b>811,746</b>	<b>42,096</b>	<b>853,842</b>	<b>1,081,230</b>
<b>Excess (deficiency) of revenue over expenses before unrealized gains (loss) on investments</b>	<b>(266,769)</b>	<b>-</b>	<b>(266,769)</b>	<b>(215,789)</b>
<b>Unrealized gains (loss) on investments</b>	<b>74,230</b>	<b>-</b>	<b>74,230</b>	<b>(252,414)</b>
<b>Excess (deficiency) of revenue over expenses for the year</b>	<b>\$ (192,539)</b>	<b>\$ -</b>	<b>\$ (192,539)</b>	<b>\$ (468,203)</b>

**Canadian Nurses Foundation -  
Fondation des infirmières et infirmiers du Canada  
Statement of Restricted Fund Operations**

(Restated)  
2023 2022

**For the year ended December 31**

	<u>Externally Restricted Funds</u>					Total
	Annual Scholarship Fund	Equity Research Fund	Other Fund	Endowment Fund	Total	
<b>Revenue</b>						
Donations (Note 5)	\$ 112,536	\$ -	\$ 344,651	\$ 33,476	\$ 490,663	\$ 588,541
Investment income	-	-	-	43,371	43,371	50,732
Realized gains on investments	-	-	-	68,042	68,042	160,030
	<b>112,536</b>	<b>-</b>	<b>344,651</b>	<b>144,889</b>	<b>602,076</b>	<b>799,303</b>
<b>Expenses</b>						
Salaries and benefits (Note 6)	-	-	54,848	-	54,848	-
Scholarships	304,478	-	11,000	101,066	416,544	368,350
Programs, projects, and campaigns	-	-	243,076	-	243,076	-
Research	-	28,903	-	-	28,903	-
	<b>304,478</b>	<b>28,903</b>	<b>308,924</b>	<b>101,066</b>	<b>743,371</b>	<b>368,350</b>
<b>Excess (deficiency) of revenue over expenses before unrealized gains (loss) on investments</b>	<b>(191,942)</b>	<b>(28,903)</b>	<b>35,727</b>	<b>43,823</b>	<b>(141,295)</b>	<b>430,953</b>
<b>Unrealized gains (loss) on investments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(448,263)</b>
<b>Excess (deficiency) of revenue over expenses for the year</b>	<b>\$ (191,942)</b>	<b>\$ (28,903)</b>	<b>\$ 35,727</b>	<b>\$ 43,823</b>	<b>\$ (141,295)</b>	<b>\$ (17,310)</b>



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**Canadian Nurses Foundation -  
Fondation des infirmières et infirmiers du Canada**  
**Statement of Cash Flows**

For the year ended December 31	2023	(Restated) 2022
<b>Cash flows from operating activities</b>		
Excess (deficiency) of revenue over expenses for the year		
General fund operations	\$ (192,539)	\$ (468,203)
Restricted fund operations	(141,295)	(17,310)
Adjustments for		
Realized gain on disposals of investments	(155,456)	(250,142)
Unrealized (gain) loss on investments	(74,230)	700,677
	(563,520)	(34,978)
Changes in non-cash working capital items		
Accounts receivable	33,111	(13,944)
Prepaid expenses	(21,226)	12,148
Accounts payable and accrued liabilities	88,882	(76,306)
Deferred contributions	(41,000)	(305,212)
	(503,753)	(418,292)
<b>Cash flows from investing activities</b>		
Acquisition of investments	(2,083,469)	(2,311,085)
Proceeds on disposal of investments	2,284,975	2,876,933
	201,506	565,848
<b>Increase (decrease) in cash during the year</b>	(302,247)	147,556
<b>Cash, beginning of year</b>	548,782	401,226
<b>Cash, end of year</b>	\$ 246,535	\$ 548,782

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# Canadian Nurses Foundation - Fondation des infirmières et infirmiers du Canada

## Summary of Significant Accounting Policies

December 31, 2023

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### **Purpose of the Foundation**

Canadian Nurses Foundation - Fondation des infirmières et infirmiers du Canada is a not-for-profit Foundation established for the purpose of providing financial support primarily through the funding of research, continuing education and study awards to the Canadian nurses for the advancement of nursing knowledge in support of enhanced patient care for all Canadians. The Foundation is governed by the Canada Not-for-profit Corporations Act and is a registered charity under the Income Tax Act.

### **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.

### **Fund Accounting**

In accordance with the principles of fund accounting, the Foundation maintains its accounting records to ensure that limitations and restrictions placed on the use of available resources are observed. Under this method, all resources are classified for accounting and reporting purposes into funds that are in accordance with specific activities and objectives. Accordingly, separate accounts are maintained for the following funds: General Fund, Internal Fund, Annual Scholarship Fund, Equity Research Fund, Other Fund and Endowment Fund.

#### Unrestricted fund

The General Fund includes fundraising revenue, donation revenue, and investment income received for which there are no restrictions attached by donors.

#### Internally restricted fund

The Internal Fund (formerly Capital Trust Fund) accounts for funds that are held and used with Board approval.

#### Externally restricted funds

The Annual Scholarship Fund accounts for the externally restricted donations dedicated to providing academic support to nurses throughout Canada.

The Equity Research Fund accounts for the externally restricted contributions dedicated to providing research grants to nurses throughout Canada.

The Other Fund accounts for externally restricted funds for which there is no specific restricted fund setup (i.e. all other externally restricted funds).

The Endowment Fund account for externally restricted funds for which capital is held in perpetuity. Investment income earned is recorded in the appropriate fund.

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# Canadian Nurses Foundation - Fondation des infirmières et infirmiers du Canada

## Summary of Significant Accounting Policies

December 31, 2023

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

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statement and the reported amounts of revenue and expenses during the year. 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.

Estimates are used in determining the provision for bad debt, amount for accrued liabilities and the amount of investment income and other expenses allocated to certain funds.

### **Financial Instruments**

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

#### *Measurement of arm's length financial instruments*

The Foundation initially measures its arm's length financial assets and liabilities at fair value. The Foundation subsequently measures arm's length 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.

Arm's length financial assets and financial liabilities measured at amortized cost include cash, accounts receivable and accounts payable and accrued liabilities. There are no financial assets or financial liabilities measured at fair value.

#### *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 the original cost. The amount of the reversal is recognized in excess of revenue over expenses.

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# Canadian Nurses Foundation - Fondation des infirmières et infirmiers du Canada

## Summary of Significant Accounting Policies

December 31, 2023

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### Financial Instruments (continued)

#### Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in operations in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in operations over the life of the instrument using the straight-line method.

### Revenue Recognition

#### Contributions

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

Restricted contributions are recognized as revenue of the particular restricted fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions for which there is no restricted fund are set up as deferred contributions in the General Fund and recognized as revenue when the related expenses are incurred.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recognized as revenue in the Endowment Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### Investment income

Realized investment income which is required to be expended for restricted purposes is recognized in the appropriate fund based upon the requirements under the agreements for distribution of funds for the Other Fund, Equity Research Fund and Endowment Fund. The General Fund recognizes an administration fee equal to 15% of the net realized investment income earned, plus any realized unrestricted investment income earned. Unrealized gains/losses are reported in the General Fund until realized.

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**Canadian Nurses Foundation -  
Fondation des infirmières et infirmiers du Canada  
Summary of Significant Accounting Policies**

**December 31, 2023**

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**Revenue Recognition  
(continued)**

*Contributed materials and services*

Volunteers contribute many hours to assist the Foundation in carrying out its service delivery activities. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

The Foundation records the value of donated materials and services (value in kind) when a fair value can be reasonably estimated and when the materials and services would normally be purchased by the Foundation.

*Administration fees*

An administration fee is charged by the Foundation on restricted contributions received and investment income earned on restricted contributions, as agreed upon with the funders, and is recognized in the General Fund.

**Allocation of Costs**

The costs of each fund include the direct costs of the underlying programs as well as other allocated costs. The allocated costs include administrative salaries that are common to the administration of the Foundation as well as the underlying programs within the funds. The administrative salaries are allocated based on estimated usage by each program which is applied on a consistent basis each year.

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**Canadian Nurses Foundation -  
Fondation des infirmières et infirmiers du Canada  
Notes to Financial Statements**

**December 31, 2023**

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**1. Cash**

The Foundation's bank accounts are held at one Canadian chartered bank.

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**2. Accounts Receivable**

	2023	2022
Trade receivable	\$ 29,175	\$ 35,360
Interest receivable	13,739	12,985
HST receivable	13,290	40,970
	\$ 56,204	\$ 89,315

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**3. Investments**

The foreign content of the investment totals \$2,295,098 (2022 - \$2,232,159) and is comprised of \$1,847,170 (2022 - \$1,834,553) in American bonds, equities and money market funds, \$332,262 (2022 - \$308,727) in international bonds and equities, and \$115,666 (2022 - \$88,879) in foreign fixed income securities.

	2023			2022		
	Fair Value	Percentage of Fair Value	Cost	Fair Value	Percentage of Fair Value	Cost
Equities	\$ 3,758,560	69 %	\$ 2,643,963	\$ 3,726,245	69 %	\$ 2,662,556
Fixed Income	1,520,759	27 %	1,590,069	1,548,407	29 %	1,644,129
Short-term investments	169,531	3 %	172,621	146,017	3 %	146,017
	\$ 5,448,850	99 %	\$ 4,406,653	\$ 5,420,669	101 %	\$ 4,452,702

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**Canadian Nurses Foundation -  
Fondation des infirmières et infirmiers du Canada  
Notes to Financial Statements**

**December 31, 2023**

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**4. Deferred Contributions**

Deferred contributions consists of restricted operating funds received in the current period that relates to a subsequent period, as follows:

	<b>2023</b>	(Restated) 2022
Balance, beginning of year	<b>\$ 50,000</b>	\$ 355,212
Less amounts recognized as revenue during the year	<b>(41,000)</b>	(305,212)
Balance, end of year	<b>\$ 9,000</b>	\$ 50,000

During the 2021 and 2022 fiscal years, \$200,000 and \$299,500 respectively of donations restricted for scholarships were recorded as deferred revenue. As these amounts are recognized under the Annual Scholarship Fund, which is an externally restricted fund, the donation revenue should have been recorded as revenue of the fund in the year received. In addition, during the 2022 fiscal year, \$250,000 of restricted contributions were recorded as deferred revenue. As these amounts are recognized under the Other Fund, which is an externally restricted fund, the contribution revenue should have been recorded as revenue of the fund in the year earned.

As a result of correcting these errors:

- Deferred contributions at December 31, 2022 has been reduced by \$549,500
- Deferred contributions at December 31, 2021 has been reduced by \$200,000
- See Note 5 to these financial statements for the remaining impacts of these changes

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**5. Prior Period Correction**

As noted in Note 4, during the preparation of the December 31, 2023 financial statements, it was determined that the amounts previously reported in deferred contributions included scholarships and other externally restricted funds which should have been recognized when received within the Annual Scholarship Fund and the Other Fund respectively, rather than deferred.

In addition, during the preparation of the December 31, 2023 financial statements, it was determined that funds previously treated as endowments should have been treated as restricted funds, and funds previously treated as internal funds should have been treated as endowments. Opening net assets for 2023 was adjusted as a result.

As a result of correcting these misstatements, the General Fund, Annual Scholarship Fund, and Other Fund net assets were understated.

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**Canadian Nurses Foundation -  
Fondation des infirmières et infirmiers du Canada  
Notes to Financial Statements**

**December 31, 2023**

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**5. Prior Period Correction (continued)**

The impact of this change on the 2022 amounts is as follows:

	2022 balance, as previously stated	Prior period Correction	2022 balance, as restated
Deferred contributions	\$ 599,500	\$ (549,500)	\$ 50,000
Annual Scholarship Fund - Opening Net Assets	213,373	180,000	393,373
General Fund - Opening Net Assets (net of 2022 interfund transfer)	(228,777)	20,000	(208,777)
<b>Sub-total</b>	<b>584,096</b>	<b>(349,500)</b>	<b>234,596</b>
General Fund - Processing and administration fees	88,297	15,500	103,797
Annual Scholarship Fund - Donations	165,591	109,000	274,591
Other Fund - Donations	-	225,000	225,000
<b>Sub-total</b>	<b>253,888</b>	<b>349,500</b>	<b>603,388</b>

The changes have then re-stated the 2023 opening net asset balances as follows:

	2023 opening balance, as previously stated	Prior period Correction	2023 opening balance, as restated
General Fund - Net Assets	(474,195)	25,000	(449,195)
Annual Scholarship Fund - Net Assets	169,114	299,500	468,614
Other Fund - Net Assets	365,317	344,477	709,794
Endowment Fund - Net Assets	4,330,843	213	4,331,056
Internal Fund - Net Assets	963,650	(119,690)	843,960
<b>Sub-total</b>	<b>5,354,729</b>	<b>549,500</b>	<b>5,904,229</b>

Other certain amounts in the 2022 financial statements have been reclassified to conform with the basis of presentation used in 2023. These other changes do not impact earnings.

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**Canadian Nurses Foundation -  
Fondation des infirmières et infirmiers du Canada  
Notes to Financial Statements**

**December 31, 2023**

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**6. Cost Allocation**

As outlined in the Summary of Significant Accounting Policies, the Foundation allocates costs to programs where such costs can be incurred inline with the terms of the agreements. During the year, administrative salaries of \$54,848 were allocated to the Other Fund as a result of employees' efforts to facilitate certain programs within this fund.

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**7. Defined Contribution Pension Plan**

The Foundation participates in a Health of Ontario Pension Plan. Defined contribution plan accounting is applied to multi-employer plans, whereby contributions are expensed when due as the Foundation has insufficient information to apply defined benefit plan accounting. The amount of the plans' surpluses or deficits are not included in the Foundation's statements. The Foundation's employer contributions to the pension plans for the year were approximately \$34,265 (2022 - \$33,320).

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**8. Financial Instruments Risk and Concentrations**

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposure and concentrations as at December 31, 2023.

*Credit risk*

The Foundation is exposed to credit risk in the event of non-payment by their customers for their accounts receivable. The Foundation 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 Foundation 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 Foundation is exposed to interest rate risk, currency risk and other price risk.

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**Canadian Nurses Foundation -  
Fondation des infirmières et infirmiers du Canada  
Notes to Financial Statements**

**December 31, 2023**

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**8. Financial Instruments Risk and Concentrations (continued)**

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 fair value risk on its investments with fixed interest rates.

Other price risk

Other price risk is the risk that 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 risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to other price risk due to its marketable securities.

Currency risk

Currency risk is the risk that the fair value of the financial instruments or future cashflows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. The Foundation invests a portion of its investment portfolio in foreign equities as set out in Note 3. The Foundation mitigates its currency risk exposure by ensuring that its investment securities are compromised of multiple currencies.

Changes in risk

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

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