

## ASSOCIATION OF NURSES AND NURSE PRACTITIONERS OF BRITISH COLUMBIA

**Financial Statements**  
**Three-Month Period Ended March 31, 2024**  
**(Unaudited)**

<u>Index</u>	<u>Page</u>
Independent Practitioners' Review Engagement Report	1
<b>Financial Statements</b>	
Statement of Financial Position	2
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 11

**INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT**  
**TO THE MEMBERS OF ASSOCIATION OF NURSES AND NURSE PRACTITIONERS**  
**OF BRITISH COLUMBIA**

We have reviewed the accompanying financial statements of Association of Nurses and Nurse Practitioners of British Columbia (the "Association") that comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets and cash flows for the three-month period 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.

***Practitioners' Responsibility***

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioners perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Association of Nurses and Nurse Practitioners of British Columbia as at March 31, 2024, and the results of its operations and its cash flows for the three-month period then ended in accordance with Canadian accounting standards for not-for-profit organizations.

***Other Matter***

The statement of financial position presents audited comparative information as at December 31, 2023 on which we issued an unqualified audit report on June 26, 2024. The statement of operations presents comparative information for the three-month period ended March 31, 2023, which was not audited nor reviewed.

*Smythe LLP*

Chartered Professional Accountants

Vancouver, British Columbia  
September 17, 2024

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**ASSOCIATION OF NURSES AND NURSE PRACTITIONERS OF BRITISH  
COLUMBIA**  
**Statement of Financial Position**  
**(Unaudited)**

	<b>March 31, 2024</b>	<b>December 31, 2023</b>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 2,716,074	\$ 2,344,018
Accounts receivable	106,945	137,038
Prepaid expenses	945	13,568
	<b>2,823,964</b>	<b>2,494,624</b>
<b>Capital assets (note 4)</b>	67,820	75,821
<b>Deposit</b>	12,623	12,623
	<b>\$ 2,904,407</b>	<b>\$ 2,583,068</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 5)	\$ 894,527	\$ 96,593
Deferred revenue (note 6)	817,148	1,528,593
Current portion of deferred lease inducement (note 7)	10,212	10,212
	<b>1,721,887</b>	<b>1,635,398</b>
<b>Deferred lease inducement (note 7)</b>	17,021	19,574
	<b>1,738,908</b>	<b>1,654,972</b>
<b>Net Assets</b>		
<b>Unrestricted</b>	<b>1,165,499</b>	<b>928,096</b>
	<b>\$ 2,904,407</b>	<b>\$ 2,583,068</b>
<b>Commitment (note 11)</b>		

Approved on behalf of the Board

 Director  
 Director

**ASSOCIATION OF NURSES AND NURSE PRACTITIONERS OF BRITISH  
COLUMBIA**  
**Statement of Operations**  
**(Unaudited)**

	Three-Month Period Ended March 31, 2024	Three-Month Period Ended March 31, 2023
<b>Revenues</b>		
Ministry and Health Authority contracts	\$ 2,225,755	\$ 318,000
Membership dues	395,714	394,902
Other income (note 8)	157,000	157,100
Insurance management fees	108,823	108,323
Administrative fees on Ministry contracts	88,045	3,217
Job posting	3,700	4,900
NP restricted fund	-	134,790
	<hr/> 2,979,037	<hr/> 1,121,232
<b>Expenditures</b>		
Ministry and Health Authority contracts	2,225,755	515,703
Salaries and benefits	361,549	210,279
Facilities (rent) and equipment	36,863	48,651
Consultants/HR expenses	19,473	14,210
Professional practice support	16,170	22,124
Information systems	14,042	5,777
Professional fees - review	13,500	-
Government relations	12,600	3,382
Insurance and legal support	9,547	6,214
Interest, processing fee and bank charges	8,760	8,828
Office and administration	5,443	6,855
NP restricted	4,960	36,288
Engagement	2,936	21,991
Nursing awards	1,350	15,172
Council governance	643	5,464
General communication	42	572
Board governance	-	1,211
Amortization	8,001	-
	<hr/> 2,741,634	<hr/> 922,721
<b>Excess of revenues over expenditures for period</b>	<b>\$ 237,403</b>	<b>\$ 198,511</b>

**ASSOCIATION OF NURSES AND NURSE PRACTITIONERS OF BRITISH  
COLUMBIA**  
**Statement of Changes in Net Assets**  
**(Unaudited)**

	Unrestricted	Three-Month Period Ended March 31, 2024	Year-Ended December 31, 2023
Balance, beginning of period	\$ 928,096	\$ 928,096	\$ 1,413,919
Excess of revenues over expenditures for the three-month ended March 31	237,403	237,403	198,511
Deficiency of revenues over expenditures for the nine-month period ended December 31, 2023	-	-	(684,334)
<u>Balance, end of period</u>	<u>\$ 1,165,499</u>	<u>\$ 1,165,499</u>	<u>\$ 928,096</u>

**ASSOCIATION OF NURSES AND NURSE PRACTITIONERS OF BRITISH  
COLUMBIA**  
**Statement of Cash Flows**  
**(Unaudited)**

	Three-month Period Ended March 31, 2024	Year-Ended December 31, 2023
<b>Operating activities</b>		
Excess of revenues over expenditures	\$ 237,403	\$ 198,511
Deficiency of revenues over expenditures for the nine-month period ended December 31, 2023	- (684,334)	
Items not involving cash		
Amortization of capital assets	8,001	32,001
Amortization of deferred lease inducement	(2,553)	(10,212)
	<u>242,851</u>	<u>(464,034)</u>
Changes in non-cash working capital		
Accounts receivable	30,093	(4,025)
Prepaid expenses	12,623	(12,623)
Accounts payable and accrued liabilities	797,934	24,099
Deferred revenue	(711,445)	1,357,757
Deposit	-	10,900
	<u>129,205</u>	<u>1,376,108</u>
<b>Inflow of cash</b>	<b>372,056</b>	<b>912,074</b>
<b>Cash, beginning of period</b>	<b>2,344,018</b>	<b>1,431,944</b>
<b>Cash, end of period</b>	<b>\$ 2,716,074</b>	<b>\$ 2,344,018</b>

# ASSOCIATION OF NURSES AND NURSE PRACTITIONERS OF BRITISH COLUMBIA

## Notes to Financial Statements Three-Month Period Ended March 31 (Unaudited)

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### 1. OPERATIONS

The Association of Nurses and Nurse Practitioners of British Columbia (the "Association" or "NNPBC") was incorporated under the *Societies Act* (British Columbia) on August 24, 2018. The Association is exempt from income tax under 149(1)(l) of the *Income Tax Act* (Canada).

NNPBC brings together Licensed Practical Nurses, Nurse Practitioners, Registered Nurses, and Registered Psychiatric Nurses who work in hospitals, clinics, care homes, schools, communities, prisons, and countless other health and health focused organizations across the province under a voluntary fee structure commencing January 1, 2020.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Association were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

#### (a) Revenue recognition

The Association follows the deferral method of accounting for contributions including donations and NP funding. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured.

Contracted service revenues and job posting revenues are recognized as revenue in the fiscal year to which they relate or when services have been rendered. Revenue received in advance has been recorded as deferred revenue.

Membership dues and administrative fees are recognized as revenue in the fiscal year in which they are earned.

Other revenues and insurance management fees are recognized in the fiscal year in which they are earned.

Interest income is recognized as it is earned in accordance with the terms of the instrument.

#### (b) Net assets

The unrestricted fund represents cumulative excess of revenues over expenses available for use for day-to-day operations of the Association.

#### (c) Amortization

Capital assets are recorded at cost less accumulated amortization and are amortized on a straight-line method at the following estimated useful life:

Furniture and equipment	5 years
Leasehold improvements	7.42 years (89 months)

**ASSOCIATION OF NURSES AND NURSE PRACTITIONERS OF BRITISH  
COLUMBIA**  
**Notes to Financial Statements**  
**Three-Month Period Ended March 31**  
**(Unaudited)**

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**2. SIGNIFICANT ACCOUNTING POLICIES — continued**

**(d) Financial instruments**

The Association initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Association subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenues over expenditures. In the event a previously recognized impairment loss should be reversed, the amount of the reversal is recognized in excess of revenues over expenditures provided it is not greater than the amount prior to write-down.

For any financial instrument that is measured at amortized cost, the instrument's cost is adjusted by the transaction costs that are directly attributable to their origination, issuance, or assumption. These transaction costs are amortized into income on a straight-line basis over the term of the instrument. All other transaction costs are recognized in excess of revenues over expenditures in the period incurred.

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

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

The Association has not designated any financial instruments to be measured at fair value.

**(e) Use of estimates**

The preparation of these financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates include collectability of accounts receivable, useful lives of capital assets, and completeness of accrued liabilities. While management believes these estimates are reasonable, actual results could differ from the estimates and could impact future results of operations and cash flows.

**(f) Impairment of long-lived assets**

The Association tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

# ASSOCIATION OF NURSES AND NURSE PRACTITIONERS OF BRITISH COLUMBIA

Notes to Financial Statements  
Three-Month Period Ended March 31  
(Unaudited)

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## 2. SIGNIFICANT ACCOUNTING POLICIES — continued

### (g) Pension plan

The Association and its employees contribute to a multi-employer defined benefit pension plan. Under the terms of the plan, each employer is required to make contributions based on a percentage of eligible employees' wages. From time to time, the employers may be required to make additional payments to cover the plan's solvency deficiency. The actuary does not attribute the net assets or unfunded liability of the plan to individual employers. As a result, the Association does not record an asset or liability associated with its participation in the pension plan. All contributions to the pension plan are expensed when due.

## 3. FINANCIAL INSTRUMENTS

### (a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Association is exposed to credit risk with respect to its cash balance. The Association has mitigated this risk by holding cash with a major financial institution. The Association is not exposed to significant credit risk with respect to its accounts receivable as the majority of its receivables are from government agencies.

### (b) Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities.

The Association is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Association manages liquidity risk by budgeting and maintaining adequate cash resources. As at March 31, 2024, the Association had sufficient current assets to settle its current liabilities.

### (c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

Interest rate risk consists of two components:

- (i) To the extent that prevailing interest rates differ from the interest rate on the Association's monetary assets and liabilities, the Association is exposed to interest price risk.
- (ii) To the extent that payments made or received on the Association's monetary assets and liabilities are affected by changes in prevailing market interest rates, the Association is exposed to interest rate cash flow risk.

The Association is not exposed to significant interest rate risk.

**ASSOCIATION OF NURSES AND NURSE PRACTITIONERS OF BRITISH COLUMBIA**  
**Notes to Financial Statements**  
**Three-Month Period Ended March 31**  
**(Unaudited)**

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**4. CAPITAL ASSETS**

		<b>March 31, 2024</b>		<b>December 31, 2023</b>	
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net</b>	<b>Net</b>	
Furniture and equipment	\$ 21,775	\$ 21,134	\$ 641	\$ 1,730	
Leasehold improvements	205,042	137,863	67,179	74,091	
	<b>\$ 226,817</b>	<b>\$ 158,997</b>	<b>\$ 67,820</b>	<b>\$ 75,821</b>	

**5. GOVERNMENT REMITTANCES PAYABLE**

Included in accounts payable and accrued liabilities are government remittances payable of \$36,649 (December 31, 2023 - \$3,812).

**6. DEFERRED REVENUE**

Deferred revenue represents unspent funding from Ministry and Health Authority contracts for programs administered by the Association.

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	<b>Deferred revenue, January 1, 2024</b>	<b>Contributions received</b>	<b>Recognized as revenue</b>	<b>Deferred revenue, March 31, 2024</b>
<b>Ministry and Health Authority Contracts</b>				
Health Support Program - Vancouver Island Health Authority	\$ 93,256	\$ -	\$ -	\$ 93,256
Health Support Program - Fraser Health Authority	6,937	-	2,520	4,417
Bundled Services Program - Ministry of Health	703,379	1,434,000	2,137,379	-
Mental Health & Wellness program	476,893	-	5,546	471,347
Indigenous Health program	248,128	-	-	248,128
	<b>\$ 1,528,593</b>	<b>\$ 1,434,000</b>	<b>\$ 2,145,445</b>	<b>\$ 817,148</b>

**ASSOCIATION OF NURSES AND NURSE PRACTITIONERS OF BRITISH COLUMBIA**

**Notes to Financial Statements**  
**Three-Month Period Ended March 31**  
**(Unaudited)**

**6. DEFERRED REVENUE — continued**

	Deferred revenue, January 1, 2023	Contributions received	Recognized as revenue	Deferred revenue, December 31, 2023
<b>Ministry and Health Authority Contracts</b>				
Health Support Program - Vancouver Island Health Authority	\$ 93,256	\$ -	\$ -	\$ 93,256
Health Support Program - Fraser Health Authority	6,937	-	-	6,937
Bundled Services Program - Ministry of Health	70,643	3,800,519	3,167,783	703,379
Mental Health & Wellness program	-	500,000	23,107	476,893
Indigenous Health program	-	275,000	26,872	248,128
	\$ 170,836	\$ 4,575,519	\$ 3,217,762	\$ 1,528,593

**7. DEFERRED LEASE INDUCEMENT**

	March 31, 2024	December 31, 2023
Office lease	\$ 27,233	\$ 29,786
Less: current portion	(10,212)	(10,212)
	\$ 17,021	\$ 19,574

In 2019, the Association received six months free rent upon signing the lease for its Burnaby office premise. This inducement was recorded on the statement of financial position and is being amortized on a straight-line basis over the 89-month term of the lease as a reduction of rent expense. During the three-month period ended March 31, 2024, \$2,553 (December 31, 2023 - \$10,212) was recorded as a reduction of rent expense.

The remaining portion of the deferred lease inducement will be amortized into income as follows:

2024 - April to December	\$ 7,659
2025	10,212
2026	9,362
	\$ 27,233

# ASSOCIATION OF NURSES AND NURSE PRACTITIONERS OF BRITISH COLUMBIA

Notes to Financial Statements  
Three-Month Period Ended March 31  
(Unaudited)

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## 8. OTHER INCOME

	Three-Month Period Ended March 31, 2024	Three-Month Period Ended March 31, 2023
Professional Practice and Certified Practice Support	\$ 150,000	\$ 150,000
Engagement	7,000	7,000
Miscellaneous	-	100
	\$ 157,000	\$ 157,100

## 9. PENSION PLAN

The Association became a member of the Municipal Pension Plan (the "Plan") effective January 1, 2022, a defined benefit pension plan open to eligible employees. Benefits are based on an employee's highest five years of salary, length of service, and age at retirement. The Plan provides entitlement to a pension benefit after two years of enrolment. The Plan also provides survivor and disability benefits. At the last actuarial valuation on December 31, 2021, the Plan indicated an actuarial surplus. The actuary does not attribute the net assets or liabilities of the Plan to individual employers.

## 10. REMUNERATION OF DIRECTORS, EMPLOYEES AND/OR CONTRACTORS

During the three-month period ended March 31, 2024 and 2023, the Association did not pay any employees or contractors in excess of \$75,000. The Association does not provide remuneration to its Board of Directors.

## 11. COMMITMENTS

The Association is committed to payments for its Burnaby office premise lease expiring April 29, 2026. The minimum annual lease payments are as follows:

2024 - April to December	\$ 108,200
2025	144,267
2026	48,089
	\$ 300,556