



EXCELLENCE FOR ALL

ANNUAL REPORT
2020

Welcome to NSCN

We are the Nova Scotia College of Nursing and we ensure the public that all nurses in Nova Scotia have the education and skills to provide safe, competent, ethical and compassionate nursing care.

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PURPOSE

We lead to inspire excellence to uphold public confidence.

VISION

To be the leader in regulatory excellence.

MISSION

Protecting the public of Nova Scotia through regulating nursing services by:

- Setting practice standards;
- Providing registration and licensure;
- Approving education programs;
- Intervening to preserve safe practice; and
- Governing and operating with the highest integrity.

VALUES



ACCOUNTABILITY

- Being courageous and committed to making evidence-informed decisions
- Being accountable and responsible for the decisions we make



TRANSPARENCY

- Engaging in a participatory, collaborative and respectful way
- Disseminating clear, relevant and useful information and guidelines



INTEGRITY

- Being truthful, honest and engaging in respectful dialogue
- Performing all activities in a fair and consistent way, precluding bias against anyone



AGILITY

- Anticipating and responding with an open mind
- Fostering a mindset of collaboration, openness and innovation



RELATIONAL

- Cultivating and sustaining relationships by being respectful, inclusive, genuine and consistent
- Behaving in a manner that encompasses diversity and reflects professionalism

A large, stylized rainbow graphic with curved bands of blue, purple, red, and yellow, arching across the top of the page.

Nurses in Nova Scotia

4,675
LPNs

LICENSED PRACTICAL
NURSES

10,494
RNs

REGISTERED
NURSES

238
NPs

NURSE
PRACTITIONERS



OVER 15,000 NURSES IN NOVA SCOTIA
as of October 31, 2020 for the 2020 licensure year.

Message from Board Chair and CEO & Registrar

2020 was a year that we will not soon forget. In March of 2020, the World Health Organization declared COVID-19 a global pandemic, impacting all corners of the world. It was also the year that WHO designated as the “International Year of the Nurse and Midwife” which with the benefit of hindsight seems particularly fitting.

As COVID-19 first made its presence known last year, nurses stepped into a time of great uncertainty and provided care and innovation that continues to make a difference. The nurses of Nova Scotia helped to mitigate the public health effects of the virus by moving to the areas of greatest need in the health system. We also saw a record number of retired nurses selflessly answer the call to lend their support at a time of great need. While the challenges posed by the pandemic were many, so too were the endeavours of the nursing community to make a positive difference in the lives of others.

In June of 2020, we reached our first anniversary as Nova Scotia’s nursing regulator. In addition to continuing to build upon the foundational work required of a new organization, we seamlessly maintained our day-to-day regulatory work on the governance and operational levels, while responding to the impact of COVID-19. In fact, we believe we owe much of the success for our pandemic response last year to being the one nursing regulator for all nurses in Nova Scotia. The challenges of 2020 allowed us the opportunity to deliver on what we promised to stakeholders when we first embarked on the journey to create NSCN. This past year, during the time of the global pandemic, we leveraged the opportunity to:

- respond quickly and mitigate risks in order to uphold our mandate of public protection
- develop a flexible approach to solutions to address the needs of the health system
- create and disseminate consistent resources and support materials to stakeholders including the public, nurses and government
- speak with one voice to the public, nurses, government and media.

2020 was also a year that will be remembered for accelerating society’s much needed conversations about diversity, equity and inclusion. Diversity, inclusion and cultural competence were identified as a priority for the Board and staff of NSCN when these critical issues were incorporated into NSCN’s first strategic plan in 2019. Evidence shows that health care systems that embrace diversity, equity and inclusion not only improve our health care systems but they also deliver better outcomes for clients. We are proud that the nursing community recognizes that we all have an active role to play in making changes that positively impact Nova Scotians, including the many diverse individuals and communities in our province.

While 2020 will be remembered as a year with many challenges, it also was a year that laid a path of innovation and success and we look ahead with optimism for what we can do together. We are pleased to share highlights of some of our accomplishments from this past year in this report. On behalf of the public that we serve, NSCN is appreciative of all our nurses as they continue to provide safe, competent, ethical and compassionate care to Nova Scotians.



Charmaine McPherson, RN, PhD
Board Chair

A handwritten signature in black ink, appearing to read "Charmaine".



Sue Smith, RN, BN, MAOL
Chief Executive Officer and Registrar

A handwritten signature in black ink, appearing to read "Sue Smith".

NSCN Strategic Plan

NSCN Vision

To be the leader in regulatory excellence

EFFECTIVE REGULATION

OVERSIGHT

Adopt, endorse and use standards to proactively guide and evaluate NSCN processes, services and regulatory approaches.

- Adapt PSA Standards
- Review of Enterprise Risk Management Framework

COORDINATION

Increase coordination of NSCN functions in support of all NSCN processes, services and regulatory approaches across the organization.

- Consistent Interpretation and Application of Regulatory Approach
- Ongoing Organizational Structure Review
- Evolution of the Strategic Innovation Office
- Regulatory Committee Recruitment Process

EVALUATE

Build analytics capabilities to inform strategic decision-making and support, ongoing evaluation and optimization of NSCN processes, services and regulatory approaches.

- Development of measurements e.g., Key Performance Indicators (KPI's)
- KPIs for Enterprise Risk Management
- Registration System
- Process Reviews for Efficiencies and Effectiveness

TRANSPARENT REGULATION

CUSTOMER SERVICE FOCUS

Leverage technology and other tools to enable efficient customer service processes and enhance user experience.

- Communication Strategy
- Customer Experience Strategy

ENGAGE and INFORM

Engage the public, registrants and other stakeholders in the identification, development and evaluation of policy direction, guidelines and standards that prioritize public safety.

- Creation of a new NSCN regulatory policy framework
- Regulatory Policy Framework Implementation Plan
- Diversity, Inclusion and Cultural Competence

ACCOUNTABLE REGULATION

OPEN

Rationale for decisions are communicated clearly to the public, registrants and stakeholders.

- Public Linkages and Stakeholder Engagement
- Communication of the rationale for regulatory processes and decisions
- Website Development

GOVERNANCE

RIGHT-TOUCH REGULATION

ENTERPRISE WIDE ARCHITECTURE

OUR PURPOSE

We lead to inspire excellence to uphold public confidence

ACCOUNTABILITY

TRANSPARENCY

INTEGRITY

AGILITY

RELATIONAL



Objective 1: Effective Regulation

OVERSIGHT

Adopt, endorse and use standards to proactively guide and evaluate NSCN processes, services and regulatory approaches.

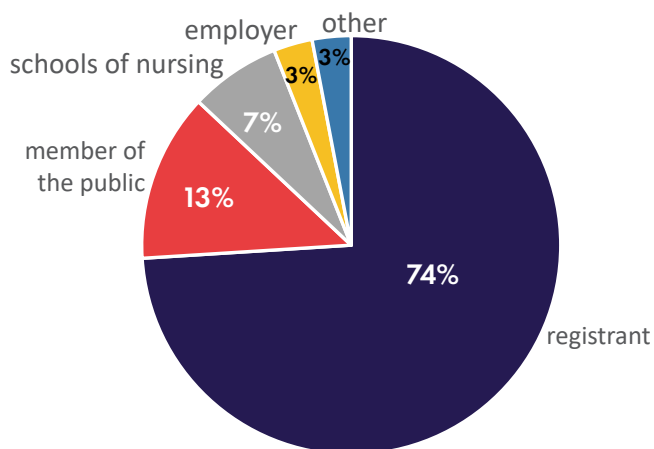
Example 1

As the first governing body of NSCN, one of the Board's priorities for 2020 was the development of new By-laws that govern the election process of registrants to the Board. All proposed By-laws received majority support during a 30-day public consultation period, with By-laws incorporating:

- Legislative and policy requirements
- Best practices that reflect accountability to the public
- A Board with diverse competencies, skills and qualities
- An open, transparent and participatory process for registrants.

After thoughtful consideration of all feedback, the Board approved By-laws governing the election of registrants to the Board last year. With elections set to take place in 2021, the By-laws were an important milestone in establishing a process and structure to secure the future of NSCN Boards.

Breakdown of Consultation Participant



Example 2

A significant oversight function of the NSCN Board is understanding and mitigating risk to the organization. This has been particularly important for NSCN as a new organization in 2020 with the emergence of the COVID-19 pandemic. In 2020, the Board conducted additional monitoring and oversight using Board policies to assess the risks posed to NSCN, the organization's response to the risks and maintaining all services of NSCN.

The Board reviewed detailed COVID-related risk and mitigation plans in April, June, September and December of 2020.

It is important on an operational level, in the face of emergency, that NSCN has the systems and procedures in place to maintain operations that enable us to act efficiently and effectively to ensure continuity of regulatory activities that protect the public. In 2020, the NSCN CEO and staff used the existing emergency response and preparedness plans from the legacy Colleges as a foundation to create an enhanced NSCN Business Continuity Plan. This plan allowed the organization to be prepared for the pandemic, manage disruptions and ensure efficient and effective reprioritization of work required to meet the ever-evolving needs of Nova Scotians.

Starting in March 2020, the NSCN leadership met weekly at a minimum to review COVID-19 risk and mitigation plans.

COORDINATION

Increase coordination of NSCN functions in support of all NSCN processes, services and regulatory approaches across the organization.

Example 1

With a mandate of public safety, NSCN developed a rapid online licensing process to permit qualified nurses to temporarily return to practice during the COVID-19 outbreak. In March of 2020 with the first wave of COVID-19, the process enabled qualified nurses who were previously licensed in NS as well as in other jurisdictions to temporarily practise in Nova Scotia. Responding to this urgent need of Nova Scotia's health system required fast mobilization as the province's nursing regulator and coordination across all areas of NSCN and with a variety of external stakeholders.

In 2020, **188** additional nurses responded to a call for support and were made eligible to return to the work force through emergency conditional licences to support the health care system during the first wave of COVID-19.

Example 2

On June 24, 2020, NSCN released the Sexual Misconduct Standard of Practice for Nurses. We developed the standard to meet our mandate of public safety and to help to prevent serious harm from occurring by having clearly defined expectations for nurses. In addition, the standard reflects the meaningful discussions within the nursing community and the public's zero tolerance towards sexual misconduct. NSCN developed the standard in collaboration with over 300 individuals representing the public, nurses, subject-matter-experts, unions, educators, employers and other key stakeholders. All stakeholders showed overwhelming support and we thank them for their contributions.

NSCN created **10** new resources to assist nurses in understanding their accountabilities and legal and professional expectations regarding sexual misconduct.

EVALUATE

Build analytics capabilities to inform strategic decision-making and support ongoing evaluation and optimization of NSCN processes, services and regulatory approaches.

Example 1

As part of our ongoing work to coordinate regulatory services, NSCN created an Annual Fee Task Force to identify and adopt new practices for NSCN related to various fees. Throughout 2020, the Task Force collaborated to identify continuous quality improvements, including the adoption of a two-step verification process for fees and new communications materials to inform stakeholders about fees and any changes, as required. We look forward to sharing these materials with the public, registrants, employers and others in advance of the 2022 licensure year.

The Licensure Fee Task Force identified **four** new practices to adopt in order to improve the renewal experience for all registrants.

Example 2

NSCN has established policies that provide guidance, consistency and clarity on how NSCN operates. These operating policies define goals and set expectations for adhering to processes in a consistent and efficient manner. In 2020, NSCN introduced a number of operating policies as a demonstration of our commitment to fostering a safe and ethical work environment, including a new Whistleblower Policy. The Whistleblower Policy helps to further set and sustain best practice and behaviours that are expected as well as those that should be reported. The policy is designed to provide assurance to the public and all stakeholders that breaches, misconduct or other wrongdoing are reported and in a manner that prioritizes confidentiality through review and investigation.

11 new operating policies in 2020.

Objective 2: Transparent Regulation

CUSTOMER SERVICE FOCUS

Leverage technology and other tools to enable efficient customer service processes and enhance user experience.

Example 1

With the public as our top priority, media relations enables NSCN to connect directly with the public and share important updates and information. NSCN developed a media relations strategy that enhances how the organization proactively engages and responds to the media on behalf of the public. This strategy helped to shape our response to a number of media requests NSCN received in 2020.

Did you know? In 2020, NSCN responded to all media requests the same day they were received.

Example 2

At NSCN, we are committed to finding new and innovative solutions to deliver on our mandate of public protection and to be responsive to the public, registrants and other key stakeholders. As part of this work, we initiated an eight-week pilot period for 'Live Chat' in 2020. Post-pilot evaluation demonstrated that 'live chat' is a useful and viable online customer service tool that allows stakeholders to engage with our Customer Experience Coordinator in real time. The tool was implemented as a standing feature on our website in 2020 and allows us to provide support to stakeholders immediately.

We received **255** inquiries through 'Live Chat' when the program was introduced from November 16, 2020 - December 31, 2020.

ENGAGE AND INFORM

Engage the public, registrants and other stakeholders in the identification, development and evaluation of policy direction, guidelines and standards that prioritize public safety.

Example 1

NSCN is committed to creating and fostering respectful environments where diverse voices from all communities are sought, heard and incorporated in meaningful ways as a nursing regulator and employer. We all have a role to play in this work and the internal part of our journey includes the learning and development of our staff. In 2020, we created a staff Diversity and Inclusion Working Group and developed NSCN's Diversity and Inclusion Framework. The framework provides staff with resources, tools and supports to identify and address barriers and to assist NSCN in building a more diverse and inclusive workforce. It also provides a base for future work that integrates diversity and inclusion values and practices into existing organizational processes and delivery of services.

The NSCN Board and leadership team are very supportive of the NSCN Diversity and Inclusion Framework and are committed to the necessary actions that will accomplish the framework's objectives.

Example 2:

During the COVID-19 pandemic, NSCN created a COVID-19 communications hub on our website to distribute timely, personalized information for the public, registrants, employers, nurses returning temporarily to practice, and others. The hub included COVID-19 practice guidelines and scenarios, the rapid relicensing process, public health directives, and more. As the pandemic evolved, we continued to keep the hub updated with new, fresh content. The hub and the immediacy of our information and tools was so successful that many nursing regulators across Canada requested use of our materials. Our leadership during the COVID-19 pandemic enabled us to engage with the public, registrants and others and helped to support the public and healthcare system needs. Thank you to all the nurses in Nova Scotia who demonstrated leadership, competence and compassion during this time.

NSCN created a website presenting **25** COVID-19 related tools and resources to support stakeholders



Objective 3: Accountable Regulation

OPEN

Rationale for decisions are communicated clearly to the public, registrants and stakeholders

Example 1

In 2020, we developed common orientation and education programs for the new NSCN regulatory committees, with particular emphasis on roles, legislative authority and decision-making principles and processes. This consistent and formalized approach to committee orientation and training provided information committee members required to fulfill their role, increased the effectiveness and consistency of NSCN's regulatory committees and their decision-making process in support of the public.

79 Regulatory Committee members completed one of NSCN's comprehensive orientation sessions.



Example 2

In spring 2020, NSCN joined the Steering Committee for the Nurse Practitioner Framework Implementation Plan Project (NPR-FIPP) commissioned by the Canadian Council of Registered Nurse Regulators (CCRNR). CCRNR is composed of representatives from all nursing regulators who oversee the practice of NPs.

The project is a multi-year, multi-faceted initiative to develop a common NP regulatory framework across Canada, including:

- Common NP standards of practice;
- One national entry-level exam for all NPs;
- One NP registration category based on entry-level competencies;
- Formal graduate level programs in nursing that prepare RNs to meet the NP entry-level competencies across the life span and diverse practice settings; and
- Common principles for continuing competence, entry-level competencies and re-entry to practice.

The project builds upon the work of two previous NP initiatives in Canada, both projects including NSCN leadership and the participation of NPs from our province. The Steering Committee formed a Stakeholder Panel in order to bring key voices and perspectives to inform project leaders and activities. NSCN continues to share project information, consultation opportunities and decisions in NSCN's monthly newsletter and a dedicated page on our website.

The NPR-FIPP Steering Committee held **10** meetings in 2020.



Audited Financial Statements



Financial Statements

Nova Scotia College of Nursing

December 31, 2020

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Independent auditor's report

To the registrants of
Nova Scotia College of Nursing

Opinion

We have audited the financial statements of the Nova Scotia College of Nursing ("NSCN"), which comprise the statement of financial position as at December 31 2020, and the statements of operations, changes in net assets and cash flows for the year ended December 31, 2020, 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 NSCN as at December 31, 2020, and its results of its operations and its cash flows for the year ended December 31, 2020 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 NSCN in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing NSCN'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 NSCN or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing NSCN'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 NSCN'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 NSCN'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 NSCN 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.

Grant Thornton LLP

Chartered Professional Accountants

Halifax, Canada
April 22, 2021

Nova Scotia College of Nursing

Statement of operations

As at December 31	2020	211 day period ending Dec 31 2019
Revenues		
Licensing fees	\$ 6,690,087	\$ 4,180,878
Investment income (Note 3)	299,185	127,314
Other	117,098	53,685
	<u>7,106,370</u>	<u>4,361,877</u>
Expenditures		
Administrative	635,527	334,346
Legislated services	3,692,264	2,408,771
Registrant services	1,857,363	1,154,019
Premises	556,998	322,264
Amortization	107,132	65,701
	<u>6,849,284</u>	<u>4,285,101</u>
Excess of revenues over expenditures	\$ <u>257,086</u>	\$ <u>76,776</u>

Nova Scotia College of Nursing

Statement of financial position

As at December 31

2020

2019

Assets

Current

Cash and cash equivalents	\$ 326,405	\$ 37,477
Short term investments (Note 4)	904,911	1,634,186
Receivables	82,120	101,960
Prepays	499,456	120,907
	<u>1,812,892</u>	<u>1,894,530</u>

Long term investments (Note 4)	7,540,854	6,898,460
Property and equipment (Note 5)	<u>395,110</u>	<u>480,573</u>
	<u>\$ 9,748,856</u>	<u>\$ 9,273,563</u>

Liabilities

Current

Payables and accruals (Note 6)	\$ 304,542	\$ 394,177
Deferred revenue	<u>5,315,270</u>	<u>5,077,393</u>
	<u>5,619,812</u>	<u>5,471,570</u>

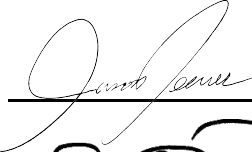
Deferred lease incentive	52,780	58,756
Retirement benefits (Note 7)	<u>643,216</u>	<u>523,517</u>
	<u>6,315,808</u>	<u>6,053,843</u>

Net assets

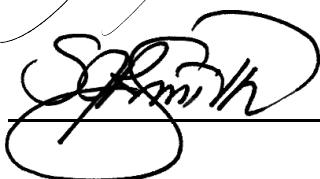
Net investment in property and equipment	395,111	480,573
Net investment in liquidity reserve	504,125	544,272
Continuing Education Trust Fund	56,736	54,796
Unrestricted fund	<u>2,477,076</u>	<u>2,140,079</u>
	<u>3,433,048</u>	<u>3,219,720</u>
	<u>\$ 9,748,856</u>	<u>\$ 9,273,563</u>

Commitments (Note 8)

On behalf of the Board



Chair



CEO & Registrar

Nova Scotia College of Nursing

Statement of changes in net assets

As at December 31

	Investment in Property and Equipment	Investment in Liquidity Reserve	Unrestricted	Continuing Education Trust Fund	2020 Total	2019 Total
Net assets, beginning of period	\$ 480,573	\$ 544,272	\$ 2,140,079	\$ 54,796	\$ 3,219,720	\$ -
Transfers of legacy entities	-	-	-	-	-	3,142,944
Excess (deficiency) of revenues over expenditures	(107,133)	-	364,219	-	257,086	76,776
Purchase of property and equipment	21,671	-	(21,671)	-	-	-
Remeasurements and other items	-	-	(43,758)	-	(43,758)	-
Transfer to Continuing Education Trust Fund	-	-	(1,940)	1,940	-	-
Transfers to liquidity reserve	-	(40,147)	40,147	-	-	-
Net assets, end of period	\$ <u>395,111</u>	\$ <u>504,125</u>	\$ <u>2,477,076</u>	\$ <u>56,736</u>	\$ <u>3,433,048</u>	\$ <u>3,219,720</u>

See accompanying notes to the financial statements.

Nova Scotia College of Nursing

Statement of cash flows

As at December 31

2020

2019

Increase (decrease) in cash and cash equivalents

Operating		
Excess of revenues over expenditures	\$ 257,086	\$ 76,776
Remeasurements and other items	(43,758)	-
Amortization	107,132	65,701
Decrease in deferred lease incentive	(5,976)	(3,459)
Unrealized gain on investments	(154,427)	(14,523)
Increase (decrease) in retirement benefits liability	<u>119,699</u>	<u>(8,576)</u>
	279,756	115,919
Change in non-cash operating working capital (Note 9)	<u>(210,466)</u>	<u>2,068,614</u>
	69,290	2,184,533
Investing		
Purchase of property and equipment, net	(21,667)	(19,559)
Sale (acquisition) of investments, net	241,305	(2,933,949)
Transfer of cash from legacy entities	<u>-</u>	<u>806,452</u>
	219,638	(2,147,056)
Net increase in cash and cash equivalents	288,928	37,477
Cash and cash equivalents		
Beginning of period	<u>37,477</u>	<u>-</u>
End of period	\$ 326,405	\$ 37,477

Nova Scotia College of Nursing

Notes to the financial statements

December 31, 2020

1. Nature of operations and dissolution of operations

Nova Scotia College of Nursing ("NSCN") is the professional regulatory body for registered nurses, nurse practitioners and licensed practical nurses licensed to practice in Nova Scotia. NSCN is a non-profit organization exempt from tax under paragraph 149(1)(L) of the Income Tax Act and, therefore, is not required to pay income taxes.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The significant accounting policies are detailed as follows:

Fund accounting

The accounts are maintained in accordance with the principles of fund accounting. This method ensures observance of restrictions, if any, on the use of the resources by maintaining separate accounts for each fund. Funds that have limitations placed on their use by internal or external parties are classified as restricted.

The following provides a brief description of each fund group:

The **Continuing Education Trust Fund** represents a restricted amount to be held separately in guaranteed investments. The interest from the investments is to be used for the advancement of the interests of the profession.

The **Unrestricted** fund is for general operating funds.

The **net investment in liquidity reserve** represents an estimate of one month of operating expenditures net of non-cash and externally funded expenditures allocated to fund a future wind-down or contingencies.

The **net investment in property and equipment** is the balance in capital assets less associated amortization.

Financial instruments

Initial measurement

NSCN's financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred. Financial instruments consist of cash and cash equivalents, receivables, short term and long term investments, payables and accruals and deferred revenue.

Nova Scotia College of Nursing

Notes to the financial statements

December 31, 2020

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

Subsequent measurement

At each reporting date, NSCN measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for investments held, which are measured at fair value. The financial instruments measured at amortized cost are cash and cash equivalents, receivables, payables and accruals and deferred revenue.

For financial assets measured at cost or amortized cost, NSCN regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and NSCN determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

NSCN's main financial instrument risk exposure is detailed as follows:

Credit risk

Credit risk on financial instruments is the risk of financial loss occurring as a result of default or insolvency of a counterparty on its obligations to NSCN. NSCN's credit risk is primarily attributable to receivables. Receivables are managed by closely monitoring delinquent contributors and ensuring that any late payments or deviations are investigated.

Liquidity risk

Liquidity risk is the risk that NSCN will not be able to pay financial instrument liabilities as they come due. NSCN's liquidity risk from financial instruments is its need to meet operating requirements for payables and accruals. The majority of assets held by NSCN are invested in securities that can be readily disposed of as liquidity needs arise.

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. For purposes of this disclosure, NSCN segregates market risk into three categories: interest rate risk, currency risk and other price risk. NSCN is not exposed to significant currency or other price risk.

Interest rate risk

NSCN is exposed to interest rate risk through the cash and interest bearing investments held. NSCN manages its portfolio investments based on its cash flow needs and with a view to optimizing its interest income. The investments held as of December 31, 2020 are invested in guaranteed investment certificates, money market funds, medium term investments, long term investments, fixed income mutual funds, principal protected notes, fixed income mutual funds, Canadian common shares & equivalents and Canadian equity mutual funds with fixed interest rates ranging from 1.64% - 3.75% with maturity dates between January 2020 to June 2027. Sensitivity to a plus or minus 1% change in rates would not have a significant effect on NSCN's operations.

Nova Scotia College of Nursing

Notes to the financial statements

December 31, 2020

2. Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks.

Investments

Investments are measured at fair market value at the date of the statement of financial position.

Property and equipment

Property and equipment is recorded at its original cost and subsequently measured at cost less accumulated amortization. Property and equipment is amortized over its estimated useful life. Management reviews estimates of the useful lives of property and equipment and adjusts the estimates as required. When a capital asset no longer contributes to NSCN's ability to provide services, its carrying amount is written down to its residual value. Management regularly reviews assets for impairment and adjusts as necessary.

Property and equipment is amortized over the estimated useful life of the asset using the methods and rates as follows:

Furniture and fixtures	20%	declining balance
Leasehold improvements	straight line	over lease term
Computer equipment	40%	declining balance
Computer software	40%	declining balance

Deferred revenue

All registrant fees collected as at period end which relate to future fiscal periods are recorded as deferred revenue.

Employee future benefits

NSCN has a number of defined benefit plans that provide benefits to its employees. These include: the post-retirement health subsidy benefit, retirement allowance and participation in Nova Scotia Health Employees' Pension Plan.

NSCN accounts for the post-retirement health subsidy benefit and the retirement allowance using the immediate recognition approach. These plans are unfunded. The cost of pension benefits earned by employees are actuarially determined using the projected benefit method.

NSCN accounts for participation in the multi-employer Nova Scotia Health Employees' Pension Plan as a defined contribution plan. NSCN is not obligated for any unfunded liability, nor does NSCN have entitlement to any surplus that may arise in the plan. Contributions to this plan are required by both employees and NSCN. Total contributions made by NSCN during the period were \$357,536 (2019 - \$211,801) and are recognized as an expense in the period.

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2. Summary of significant accounting policies (continued)

Revenues

NSCN follows the deferral method of accounting for contribution revenues.

Licensing fees

Licensing fees, are recognized as revenue from the related deferred amount over the period of licensure or the service provided when collection is reasonably assured. Investment income is recognized as revenue when earned. Recoveries of hearing expenses are recorded when received.

Investment income

Investment income consists of interest income, dividend income and changes in the fair value of investments. Interest income is recognized on an accrual basis.

Other income

Income related to projects and professional development are recognized as the related services are provided.

Use of estimates

The preparation of the financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. Items subject to significant management estimates include useful lives of capital assets and the fair market value of investments.

Allocation of expenses

NSCN allocates its finance, information technology and human resources support expenses across administrative, legislative and registrant services. These allocations are determined annually based on the estimated amount of time the individuals within these support areas are working in each functional area. The amount allocated to each functional area is listed in note 11.

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3. Investment income	211 day period ended Dec 31	
	<u>2020</u>	<u>2019</u>
Interest	\$ 49,836	\$ 73,683
Dividends	94,922	39,108
Changes in the fair value of investments	<u>154,427</u>	<u>14,523</u>
Investment income	\$ <u>299,185</u>	\$ <u>127,314</u>

4. Investments	<u>2020</u>	<u>2019</u>
Total investments	\$ 8,445,765	\$ 8,532,646
Less: Investments maturing within the next year	<u>(904,911)</u>	<u>(1,634,186)</u>
Long term investments	\$ <u>7,540,854</u>	\$ <u>6,898,460</u>

5. Property and equipment			<u>2020</u>	<u>2019</u>
	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>	<u>Net book value</u>
Furniture and fixtures	\$ 250,372	\$ 73,232	\$ 177,140	\$ 221,425
Leasehold improvements	180,232	27,229	153,003	172,536
Computer equipment	100,441	52,493	47,948	58,246
Computer software	<u>36,898</u>	<u>19,879</u>	<u>17,019</u>	<u>28,366</u>
	\$ <u>567,943</u>	\$ <u>172,833</u>	\$ <u>395,110</u>	\$ <u>480,573</u>

6. Payables and accruals	<u>2020</u>	<u>2019</u>
Trade	\$ 104,069	\$ 196,113
Miscellaneous	163,831	152,379
Government remittances	<u>36,642</u>	<u>45,685</u>
	\$ <u>304,542</u>	\$ <u>394,177</u>

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7. Retirement benefits

Post-retirement health subsidy benefit

Retirees are eligible to apply for continuation of their Health Association of Nova Scotia ("HANS") extended health plan. NSCN shall pay 65% of an eligible retiree's HANS monthly premiums for medical and personal basic life insurance until the retiree reaches their 65th birthday. Such reimbursement shall be contingent upon the retiree having a minimum of 10 continuous years of service with NSCN, retiring after age 60, and being accepted in the HANS Retiree Health Plan. These age and service eligibility requirements are waived for the Chief Executive Officer of NSCN. The most recent accounting actuarial valuation of this plan was as of December 31, 2019, with an extrapolation performed as at December 31, 2020. Next full extrapolation to be December 31, 2022.

Retirement allowance

Employees retiring after the age of 60 and who have been employed by NSCN for a minimum of ten continuous years are eligible to receive a retirement allowance. The allowance is equal to one week's pay for each year of full-time service, to a maximum of 30 weeks. If an eligible employee dies while actively employed, the retiring allowance will be paid to the employee's beneficiary or estate. No allowance is paid to a member who terminates employment prior to eligibility for benefits. The most recent accounting actuarial valuation of this plan was as of December 31, 2019, with an extrapolation performed as at December 31, 2020. Next full extrapolation to be December 31, 2022.

Information pertaining to NSCN's defined benefit plans is as follows:

Defined benefit obligation		<u>2020</u>	<u>2019</u>
Post-retirement health subsidy benefit	\$	108,680	\$ 88,329
Retirement allowance		<u>534,536</u>	<u>435,188</u>
Total	\$	<u>643,216</u>	\$ <u>523,517</u>

The defined benefit costs recognized during the period are as follows:

	Retirement Allowance		Post-Retirement health subsidy benefit	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Employer current service cost	\$ 49,464	\$ 28,497	\$ 11,950	\$ 6,887
Finance cost	<u>14,540</u>	<u>7,555</u>	<u>2,964</u>	<u>1,491</u>
Defined benefit cost	<u>64,004</u>	<u>36,052</u>	<u>14,914</u>	<u>8,378</u>
Remeasurements and other items	\$ <u>35,344</u>	\$ <u>(3,868)</u>	\$ <u>8,414</u>	\$ <u>(898)</u>

Actuarial assumptions used in measuring the benefit cost and accrued benefit obligations include the following:

	Retirement Allowance		Post-Retirement health subsidy benefit	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Discount rate for benefit expense	2.20 %	3.00%	2.20 %	3.00%
Rate of compensation increase for benefit expense	3.25 %	3.25%	3.25 %	3.25%
Health care inflation	-	-	4.50 %	4.50%

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8. Commitments

NSCN has entered into various lease agreements for premises and equipment. Minimum payments required over the next 5 years for the base rent of premises lease and equipment leases are as follows:

2021	\$ 581,141
2022	578,654
2023	578,763
2024	583,850
2025	586,857

9. Supplemental cash flow information

	<u>2020</u>	<u>2019</u>
Change in non-cash operating working capital		
Receivables	\$ 19,840	\$ 466,618
Prepays	(378,549)	211,249
Payables and accruals	(89,635)	(710,922)
Deferred revenue	<u>237,878</u>	<u>2,101,669</u>
	<u>\$ (210,466)</u>	<u>\$ 2,068,614</u>

10. Government contributions

During the period, NSCN received government contributions as follows:

	<u>2020</u>	<u>2019</u>
Nova Scotia Department of Health - Nursing School Transcripts	\$ 14,400	\$ 14,400
Deferred contributions, beginning of period	3,600	11,880
Deferred contributions, end of period	<u>3,600</u>	<u>3,600</u>
Government contributions earned during the period	<u>\$ 14,400</u>	<u>\$ 22,680</u>

Of the total government contributions earned during the period, \$14,400 (2019 - \$22,680) is recognized in the statement of operations.

11. Allocation of administrative expenditures

	<u>Registrant services</u>	<u>Legislated services</u>	<u>Administration</u>	<u>Total 2020</u>	<u>Total 2019</u>
Finance, information technology and human resources	<u>\$ 639,888</u>	<u>\$ 639,888</u>	<u>\$ 639,888</u>	<u>\$1,919,664</u>	<u>\$1,003,038</u>

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12. COVID-19

Since December 31, 2019, the outbreak of COVID-19 and related global responses have caused material disruptions to businesses around the world, leading to an economic slowdown. Global equity markets have experienced significant volatility and weakness. While governments and central banks have reacted with monetary and fiscal interventions designed to stabilize economic conditions, the duration and extent of the impact of the COVID-19 outbreak, as well as the effectiveness of government and central bank responses, remains unclear at this time.

There has been no significant impact experienced as a result of COVID 19 to date, nor is there a foreseeable impact to future operations at this time. NSCN will continue to monitor the economic situation.



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