

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. VISION. MISSION.

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
- Governing and operating with the highest integrity.





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

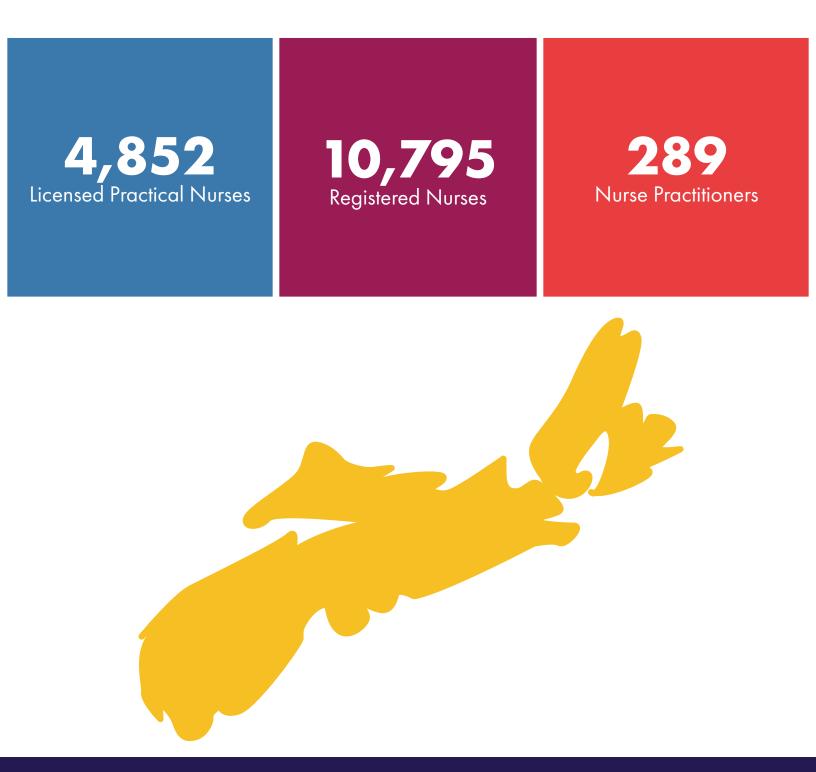
- Anticipating and responding with an open mind
- Fostering a mindset of collaboration, openness and innovation



RELATIONAL

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

NURSES IN NOVA SCOTIA



JOINT MESSAGE FROM BOARD CHAIR AND CEO & REGISTRAR

We are pleased to share with you NSCN's Annual Report for 2021. It has been said that the catalyst for innovation and change often comes from the emergence of extraordinary events. This certainly describes the ongoing COVID-19 pandemic and the response from the health care communities in Nova Scotia and around the world. As we reflect on 2021, we are struck not only by the unrelenting impact COVID-19 had on the lives of all Nova Scotians and our health care system but also by how nurses continued to overcome extraordinary challenges to provide care to the public.

Like our partners in the nursing community, NSCN was called upon in new and unprecedented ways during the second year of COVID-19. We built upon our learned experiences as the one nursing regulator for Nova Scotia and were proud to work collaboratively with our partners to align approaches and strategies to strengthen our collective actions. As the regulator for the largest group of health care professionals in the province, NSCN continued to work with others to prioritize the needs presented by COVID-19 while balancing our ongoing services on behalf of the public we serve. As an evolving new regulator, we viewed the challenges presented over this past year as opportunities to continue to "think outside the box" on how we deliver on our mandate while implementing solutions that had an immediate impact for Nova Scotians. What we do as a regulator on behalf of the public has not changed, however how we regulate the nursing profession presents an opportunity for positive change.

Amidst the challenges last year, the NSCN Board and staff continued to demonstrate commitment to our cultural competence and inclusion journey. Our work included the ongoing implementation of NSCN's 'Diversity and Inclusion Roadmap', which lays out NSCN's comprehensive plan for learning and education. Our learning provides the staff and Board with the resources to identify and help address systemic barriers in order to build a diverse and inclusive workforce in addition to providing the means to integrate diversity and inclusion values and practices into existing organizational processes, policies and decision-making.

We are also proud to report that the NSCN Board held its first Board elections, welcoming new faces to the NSCN Board table. The Board approved a new two-year governance plan, which includes a governance review and a new process for recruitment of regulatory committee members. This two-year plan allows the Board to build on the governance plan that was first introduced when NSCN was created and it acts as the instrument that will enable the Board to continue to enhance governing on behalf of all Nova Scotians. We would like to acknowledge and thank Charmaine McPherson, for her guidance and leadership as she fulfilled her two-year term as the first Board Chair of NSCN.

Thank you to NSCN registrants and our partners in health care for the perseverance you have shown during such challenging circumstances and for the role you have played in NSCN's accomplishments last year.

And, finally, to the public of Nova Scotia - thank you for being the inspiration and driving force behind all that we do as Nova Scotia's nursing regulator.

und bener



Jason Reeves, LPN Board Chair (June 2021 – present)



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

NSCN STRATEGIC PLAN

NSCN Vision

To be the leader in regulatory excellence

			č ,						
	EFFECTI	VE REGULATION	TRANSPARENT REGULA	TION ACCOUN	TABLE REGULATION				
	 processes, services and regulato Adapt PSA Standards Review of Enterprise Risk Material Review of Enterprise Risk Material Review of Enterprise Risk Material Review of Enterprise Risk Material Regulatory approace Consistent Interpretation and Ongoing Organizational Struct Evolution of the Strategic Inrest Regulatory Committee Recruine Evolution of the Strategic Inrest Regulatory Committee Recruine Evolution and the Strategic Inrest Regulatory approaches. 	anagement Framework unctions in support of all NSCN processes, hes across the organization. d Application of Regulatory Approach cture Review novation Office hitment Process form strategic decision-making and d optimization of NSCN processes, services nts e.g., Key Performance Indicators (KPI's) agement	 CUSTOMER SERVICE FOCUS Leverage technology and other tools to customer service processes and enhance Communication Strategy Customer Experience Strategy ENGAGE and INFORM Engage the public, registrants and other the identification, development and eva direction, guidelines and standards that safety. Creation of a new NSCN regulatory p Regulatory Policy Framework Implem Diversity, Inclusion and Cultural Com 	e user experience. the public, registran Public Linkages a Communication processes and de Website Develop prioritize public olicy framework hentation Plan	oment	RIGHT-TOUCH REGULATION			
			ENTERPRISE WIDE ARCHITECTURE						
	OUR PURPOSE We lead to inspire excellence to uphold public confidence								
_	ACCOUNTABILITY	TRANSPARENCY	INTEGRITY	AGILITY	RELATIONAL				

GOVERNANCE

OBJECTIVE 1 EFFECTIVE REGULATION

OVERSIGHT

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



The first three registered nurses completed their RN prescriber education in December 2021.

40 Over 40 nurses submitted their name for an opportunity to join the NSCN Board.

Highlights of how NSCN delivered on 'oversight' as a demonstration of effective regulation in 2021.

The roles and responsibilities of health care professionals are always evolving to meet the needs of the public. Since 2016 NSCN has been a part of a provincial committee, "Improving Access to Care: RN Prescribing Committee", with other stakeholders. The goal is to improve access to health care services by enabling RNs with specialized education and skills to prescribe medications within their specific area of expertise, practice setting and client population. The RN prescriber provides care independently within the health care team and is responsible for their prescribing decisions. The NSCN Board approved new By-laws, which enabled RN Prescribing for qualified registrants and set out the requirements for the approved education RNs must complete in order to prescribe. The first RN prescribers graduated in December 2021 and NSCN developed new processes and practice support tools for RN prescribers.

NOVA SCOTIA COLLEGE OF NURSING The NSCN Board held its first nominations and elections process to successfully welcome new registrant members to the Board. Over 40 registrants put their names forward for three registrant positions seeking an opportunity to be part of the NSCN Board, which speaks to the level of commitment to nursing in Nova Scotia. The process resulted in the introduction of three new registrant Board members who began their terms June 1, 2021. The Board also selected the new executive -Chair, Jason Reeves, an LPN, and Vice-Chair, Anne-Marie DeLorey, a public representative. Selecting a new executive comprised of both registrant and public representatives demonstrates the Board's ongoing commitment to regulating in the public interest, and underscores the importance of public representatives to the Board and NSCN as a whole.

2021

OBJECTIVE 1 EFFECTIVE REGULATION

COORDINATION

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



NSCN issued 370 licences to nursing applicants coming to Nova Scotia for the first time from within Canada and 151 licences to international nursing applicants.

248 NSCN added 248 Emergency conditional licence holders to the health system.

Highlights of how NSCN executed on 'coordination' as a demonstration of effective regulation in 2021.

NSCN is accountable for ensuring those who are granted a nursing licence are qualified and prepared to be a safe and competent nurse in Nova Scotia. Committed to the ongoing assessment of processes and quality improvements, NSCN leveraged our nimble and innovative Nursing Act to modernize and streamline the way applicants are able to demonstrate that they meet registration requirements for licensure. The enhancements are creating innovative pathways to licensure. As our primary mandate is public protection, our focus was on creating opportunities that also ensured public safeguards to enable qualifying applicants to have earlier:

- access to their registration exam;
- entry to the profession; or,
- re-entry to practice.

Our approach is used with both internationally and domestically educated applicants and engages employers of these individuals as well. When COVID-19 pandemic began in 2020, NSCN quickly adapted to the changing needs of the health system by developing a registration process to rapidly re-instate qualified former nurses by granting an Emergency Conditional Licence (ECL). This process was discontinued in June of 2020 as COVID-19 cases decreased.

When needs in the system began to re-emerge in early 2021, NSCN, building on previous learnings, collaborated with stakeholders and developed another innovative solution to support the supply of nurses. The introduction of Nova Scotia's provincial vaccination program last year presented an opportunity for NSCN to expand the ECL requirements to include former nurses who had been out of practice longer than those added to the system in 2020. These former nurses had valuable skills to contribute and were granted emergency conditional licences with conditions and restrictions (CR), a second type of conditional licensure developed by NSCN. ECL/CR holders were able to practice in COVID Support Roles and played a key role in providing relief where required during the pandemic.

This innovative solution supported the health care system while ensuring safeguards were in place protecting the public.

NOVA SCOTIA

COLLEGE OF

NURSING

OBJECTIVE 1 EFFECTIVE REGULATION

EVALUATE

Build analytics capabilities to inform strategic decision-making and support ongoing evaluation and optimization of NSCN processes, services and regulatory approaches. Staff identified key functional requirements that the new regulatory information system must have to meet the needs of stakeholders, enhance user experience and support protection of the public.

NSCN established 9 key performance indicators to measure how effectively NSCN achieves its key strategic objectives.

Highlights of how NSCN contributed to the ongoing 'evaluation' and optimization of processes, services and approaches as a demonstration of effective regulation in 2021.

In 2021, NSCN began the important work of defining a new regulatory information system that will assist in meeting our mandate of public protection. Last year, we thoroughly evaluated our processes and identified the technical requirements to support a solution that will evolve with the needs of our stakeholders. The new system will replace the separate databases transitioned from the College of Licensed Practical Nurses of Nova Scotia (CLPNNS) and the College of Registered Nurses of Nova Scotia (CRNNS) and create one new platform to support NSCN's operations and strategic objectives.

NSCN created its first key performance indicators (KPIs), providing a focus for strategic and operational enhancements and enabling the measurement of the organization's progress on critical indicators. The work to establish KPIs involved assessing the strategic objectives contributing to NSCN's regulatory mandate, identifying the data required, identifying the intended results of the objectives in a quantifiable manner and assigning ownership of the KPIs at the operational level. The KPIs were developed along with a 'scorecard' that will allow NSCN to report performance results in 2022.



OBJECTIVE 2 TRANSPARENT REGULATION

CUSTOMER SERVICE FOCUS

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



100% of NSCN staff have participated in cybersecurity training.

87%

87% of survey respondents were very satisfied with the information they received during individual consultation and 85% stated they were satisfied or very satisfied with the information provided as part of group consultations.

Highlights of how NSCN delivered on our 'customer service focus' as a demonstration of transparent regulation in 2021.

With the increase of cyber threats worldwide, NSCN implemented an updated cybersecurity program with a number of safety components for added security to protect the integrity of NSCN systems and confidential information. These enhanced security measures established a more secure connection between NSCN systems and the internet, reducing the risk of cyber attacks and ensuring that our systems would be accessible to the public, registrants and other stakeholders. Cybersecurity training was rolled out for all NSCN staff to assist in recognizing potential red flags and reduce the risk of data breaches at the individual level. Committed to ongoing enhancement of NSCN processes, NSCN staff sought feedback last year from registrants that would help us to better understand the experiences of our customers. The goal was to determine if customers were satisfied with their experience and the resources provided by NSCN Practice Consultants. NSCN developed an online survey that evaluated NSCN practice support tools, consultation advice, consultation sessions, webinars and online education modules. The evaluation period took place over six months and 776 registrants shared their feedback through the online tool.



OBJECTIVE 2 TRANSPARENT REGULATION

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.

In 2021, NSCN welcomed representatives from the Black community, Indigenous peoples and communities, 2SLGBTQI+ community to share their lived experiences with NSCN staff and Board.

NSCN engaged with

stakeholders conducting seven consultations via NSCN's online Public Consultation Forum. Stakeholder feedback helps to ensure our work is collaborative, reflective of the current environment and in the best interest of the public.

Highlights of how NSCN delivered on our 'engaged and informed' as a demonstration of transparent regulation in 2021.

As part of NSCN's diversity and inclusion journey, NSCN implemented the comprehensive 'Diversity and Inclusion Roadmap' in 2021, which enabled staff and the NSCN Board to take ownership of learning and education focusing on identified equity seeking groups. As part of the three-phase plan, NSCN's Diversity and Inclusion Working Group facilitated four breakout sessions to explore and discuss key learnings related to racism, bias and privilege in relation to the identified groups. Last year, NSCN also welcomed three guest speakers from various diverse communities to support staff to learn from the lived experiences of others. Finally, we partnered with local diversity, equity and inclusion consultant, 'Crayon Strategies' who conducted their 'Change Canvas Workshop' to assist all staff in identifying areas for possible change at the operational level.

Input and feedback from our stakeholders is very important to NSCN and we consider all perspectives and factors before we make decisions. In 2021, NSCN conducted seven consultations with stakeholders for a minimum of 30-days; each about matters ranging from NSCN's Quality Assurance Program to By-law amendments. This included Bylaws modified to adopt and reflect revised Standards of Practice for Licensed Practical Nurses and Entry-Level Competencies for Licensed Practical Nurses.



OBJECTIVE 3 ACCOUNTABLE REGULATION

OPEN

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

5 Chairs and Vice-Chairs of NSCN's Regulatory Committees and 6 NSCN staff members participated in a regulatory decision writing workshop.

In 2021, NSCN Practice Consultants received 189 COVID-19-related stakeholder calls for information and resources.

Highlights of how NSCN contributed to clear and 'open' communication with stakeholders as a demonstration of accountable regulation in 2021.

Regulatory committees and NSCN staff issue regulatory decisions on a regular basis. As part of our commitment to ensure that our decisions are communicated clearly, several regulatory committee Chairs, Vice-chairs and NSCN staff members participated in training provided by the regulatory legal expert Richard Steinecke, on the skill of writing reasons for decisions. The outcome of this training is that it has assisted regulatory committees and NSCN staff in drafting regulatory decisions that provide clear and comprehensive reasons for the decision. This contributes to recipients of the decision, such as applicants, registrants and members of the public in understanding the rationale for these decisions. Ensuring the public, registrants and other stakeholders have access to up-to-date, credible and comprehensive information during the COVID-19 pandemic has been crucial for the largest group of health professionals in the province. At strategic times in 2021, with COVID-19 precautions debated in the public realm, NSCN developed and disseminated factual statements with respect to mandatory vaccinations and the importance of public health measures for nurses. These statements reinforced the vital role nurses play in the delivery of safe, competent, ethical and compassionate nursing services to Nova Scotians, and demonstrated NSCN's accountability to the public to ensure that its registrants were following evidence and sciencebased advice with respect to COVID-19.



AUDITED FINANCIAL STATEMENTS





Financial Statements

Nova Scotia College of Nursing

December 31, 2021

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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 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of NSCN as at December 31, 2021, and its results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of 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.

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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

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Halifax, Canada April 28, 2022

Nova Scotia College of Nursing Statement of operations				
Year ended December 31		2021		2020
Revenues Licensing fees Investment income (Note 3) Other	\$	7,076,632 180,387 <u>102,230</u> 7,359,249	\$	6,690,087 299,185 <u>117,098</u> 7,106,370
Expenditures Administrative Legislated services Registrant services Premises Amortization		571,081 2,802,565 2,803,846 567,903 <u>132,367</u> 6,877,762	-	635,527 3,692,264 1,857,363 556,998 107,132 6,849,284
Excess of revenues over expenditures	\$.	481,487	\$	257,086

Nova Scotia College of Nursing Statement of financial position

Statement of financial position	2021	2020
Assets Current Cash and cash equivalents	\$ 286,939	\$ 326,405
Short term investments (Note 4) Receivables Prepaids	200,000 277,119 132,843 <u>737,962</u> 1,434,863	\$20,403 904,911 82,120 <u>499,456</u> 1,812,892
Long term investments (Note 4) Property and equipment (Note 5)	9,013,531 <u>408,466</u>	7,540,854 395,110
	\$ 10,856,860	\$ 9,748,856
Liabilities Current		
Payables and accruals (Note 6) Deferred revenue	\$ 545,133 <u> </u>	\$ 304,542 <u>5,315,270</u> 5,619,812
Deferred lease incentive Retirement benefits (Note 7)	46,804 <u>639,177</u> <u>6,906,924</u>	52,780 643,216 6,315,808
Net assets Net investment in property and equipment	408,466	395,110
Net investment in liquidity reserve Continuing Education Trust Fund Unrestricted fund	502,263 58,438 <u>2,980,769</u>	504,125 56,736 <u>2,477,077</u>
	<u>3,949,936</u> \$ 10,856,860	<u>3,433,048</u> \$ <u>9,748,856</u>

Commitments (Note 8)

On behalf of the Board

Machonald (arting Chair) Chanda

Nova Scotia College of Nursing Statement of changes in net assets

Year ended December 31

		nvestment in Property and <u>Equipment</u>	Investment in Liquidity <u>Reserve</u>	Unrestricted	Continuing Education Trust Fund	2021 <u>Total</u>	2020 <u>Total</u>
Net assets, beginning of period	\$	395,110	\$ 504,125	\$ 2,477,077	\$ 56,736	5 3,433,048	\$ 3,219,720
Excess (deficiency) of revenues over expenditures		(132,367)	-	613,854	-	481,487	257,086
Purchase of property and equipment, net		145,723	-	(145,723)	-	-	-
Remeasurements and other items		-	-	35,401	-	35,401	(43,758)
Transfer to Continuing Education Trust Fun	d	-	-	(1,702)	1,702	-	-
Transfers to liquidity reserve			(1,862)	1,862			
Net assets, end of period	\$	408,466	\$ 502,263	\$ <u>2,980,769</u>	\$ 58,438	3,949,936	\$ <u>3,433,048</u>

Nova Scotia College of Nursing Statement of cash flows Year ended December 31		2021		2020
Increase (decrease) in cash and cash equivalents				
Operating Excess of revenues over expenditures Remeasurements and other items Amortization Decrease in deferred lease incentive Unrealized gain on investments Loss on disposal of capital assets Increase (decrease) in retirement benefits liability	\$	481,487 35,401 132,367 (5,976) (605) 1,222 (4,039) 639,857	\$	257,086 (43,758) 107,132 (5,976) (154,427) - <u>119,699</u> 279,756
Change in non-cash operating working capital (Note 9)	-	<u>311,902</u> 951,759	-	<u>(210,466</u>) 69,290
Investing Purchase of property and equipment, net (Acquisition) sale of investments, net	-	(146,945) <u>(844,280</u>) (991,225)	-	(21,667) <u>241,305</u> 219,638
Net change in cash and cash equivalents		(39,466)		288,928
Cash and cash equivalents Beginning of period	-	<u>326,405</u>		37,477
End of period	\$	286,939	\$	326,405

December 31, 2021

1. Nature of operations and dissolution of operations

Nova Scotia College of Nursing ("NSCN") is the professional regulatory body for licensed practical nurses, registered nurses and nurse practitioners 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 **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 **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, and payables and accruals.

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 short term and long term investments held, which are measured at fair value. The financial instruments measured at amortized cost are cash and cash equivalents, receivables, and payables and accruals.

December 31, 2021

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

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, 2021 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 with fixed interest rates ranging from 1.64% - 3.75% with maturity dates between January 2022 to June 2027. Sensitivity to a plus or minus 1% change in rates would not have a significant effect on NSCN's operations.

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.

December 31, 2021

2. Summary of significant accounting policies (continued)

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 \$353,426 (2020 - \$357,536) and are recognized as an expense in the period.

Revenues

NSCN follows the deferral method of accounting for contribution revenues.

Licensing fees

Licensing fees are recognized as revenue over the period of licensure when collection is reasonably assured. Recoveries of hearing expenses are recorded when received. The registrant licensing period is from November 1 to October 31 of each year.

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.

December 31, 2021

2. Summary of significant accounting policies (continued)

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.

3. Investment income

	<u>2021</u>	<u>2020</u>
Interest Dividends Changes in the fair value of investments	\$ 21,688 152,644 <u>6,055</u>	\$ 49,836 94,922 154,427
Investment income	\$ 180,387	\$ 299,185
4. Investments	<u>2021</u>	<u>2020</u>
Total investments Less: Investments maturing within the next year	\$ 9,290,650 (277,119)	\$ 8,445,765 (904,911)
Long term investments	\$ 9,013,531	\$ 7,540,854

5. **Property and equipment**

		<u>Cost</u>	cumulated	2021 Net book <u>value</u>	2020 Net book <u>value</u>
Furniture and fixtures Leasehold improvements Computer equipment Computer software	\$	284,651 188,398 202,215 <u>36,898</u>	\$ 115,518 45,476 111,478 <u>31,224</u>	\$ 169,133 142,922 90,737 <u>5,674</u>	\$ 177,140 153,003 47,948 <u>17,019</u>
	\$_	712,162	\$ 303,696	\$ 408,466	\$ 395,110

December 31, 2021

6. Payables and accruals

		<u>2021</u>	<u>2020</u>
Trade Miscellaneous Government remittances	\$	343,410 201,723 -	\$ 104,069 163,831 <u>36,642</u>
	\$_	545,133	\$ 304,542

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, 2021. 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, 2021. Next full extrapolation to be December 31, 2022.

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

Defined benefit obligation	<u>2021</u>	<u>2020</u>
Post-retirement health subsidy benefit Retirement allowance	\$ 115,551 523,626	\$ 108,680 <u>534,536</u>
Total	\$ 639,177	\$ 643,216

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

	Retirement Allowance				Post-Retirement health subsidy benefit			
		2021		2020		2021		2020
Employer current service cost	\$	56,290	\$	49,464	\$	13,638	\$	11,950
Finance cost		12,436	_	14,540	_	2,663	_	2,964
Defined benefit cost		68,726		64,004		16,301	_	14,914
Remeasurements and other items	\$	(28,493)	\$	35,344	\$	(6,908)	\$	8,414

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7. Retirement benefits (continued)

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

	Retirement Allowance		Post-Retirement health subsidy benefit		
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
Discount rate for benefit expense Rate of compensation increase for	2.20%	2.20%	2.20%	2.20 %	
benefit expense	3.25%	3.25%	3.25%	3.25%	
Health care inflation	-	-	4.50%	4.50%	

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:

_0_0	2022 2023 2024 2025 2026	\$ 586,451 588,213 593,519 595,116 600,636

9. Supplemental cash flow information

	<u>2021</u>	<u>2020</u>
Change in non-cash operating working capital Receivables Prepaids Payables and accruals Deferred revenue	\$ (50,723) (238,506) 240,591 <u>360,540</u>	\$ 19,840 (378,549) (89,635) <u>237,878</u>
	\$ 311,902	\$ (210,466)

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10. Government contributions

During the period, NSCN received government contributions as follows:

		<u>2021</u>		<u>2020</u>
Nova Scotia Department of Health - Nursing School Transcripts	\$	14,400	\$	14,400
Deferred contributions, beginning of period Deferred contributions, end of period	_	3,600 <u>3,600</u>	_	3,600 <u>3,600</u>
Government contributions earned during the period	\$	14,400	\$	14,400

Of the total government contributions earned during the period, \$14,400 (2020 - \$14,400) is recognized in the statement of operations.

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11. Allocation of administrative expenditures

	Registrant services	Legislated services	Administration	Total Total 2021 2020
Finance, information technology and human resources	\$ 571,082	\$ 571,082	\$ 571,082	\$1,713,246 \$1,919,664

12. Comparative figures

Certain comparative figures have been adjusted from those previously presented to conform to the presentation of the 2021 financial statements.

NOVA SCOTIA COLLEGE OF NURSING

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