

2022

ANNUAL REPORT

**NOVA SCOTIA
COLLEGE OF
NURSING**

EXCELLENCE FOR ALL



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WELCOME TO NSCN

We are the Nova Scotia College of Nursing and we assure 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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Nova Scotia College of Nursing
300-120 Western Parkway, Bedford, NS B4B 0V2
902-444-6726 | 1-833-267-6726
information@nscn.ca

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PURPOSE. VISION. MISSION.



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.

OUR 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

NSCN BY THE NUMBERS



5,141

Licensed Practical Nurses

11,081

Registered Nurses

338

Nurse Practitioners

282

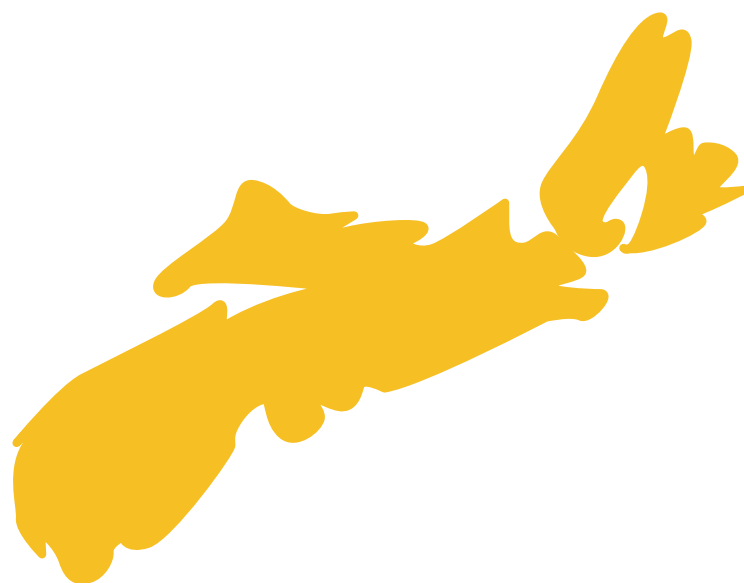
International applicants
licensed for the first time
in 2022

513

Canadian applicants
outside of Nova Scotia
licensed for the first time
in 2022

592

Nova Scotia nursing
grads licensed for the
first time in 2022



JOINT MESSAGE

FROM BOARD CHAIR AND CEO & REGISTRAR



As Nova Scotia's nursing regulator, the NSCN Board and staff are adept at being responsive to the evolving needs of the health care system and environments in which we work. As active members of the health care system in our province, it is incumbent on us to anticipate changes in the regulatory environment and respond to challenges and opportunities while ensuring Nova Scotians receive safe and competent nursing care from qualified nurses.

Throughout 2022, NSCN continued to focus significant efforts on adding to the supply of nurses by reviewing and revising our processes that enable us to register and licence safe and qualified nurses as quickly as possible. We challenged ourselves to rethink our approach to nursing regulation ensuring our decisions were guided by appropriate safeguards that would prioritize public safety. We continued our collaboration with health system partners on developing greater opportunities to collectively enhance health care for Nova Scotians.

The NSCN Board made considerable progress in its ongoing development opportunities putting into practice what was learned about emerging trends in governance and changes in legislation that support the modernization of health regulation in Nova Scotia. All of this information enables the Board to continue its journey to fulfill its governance role on behalf of the public.

2022 was also a year when NSCN made considerable progress on our Strategic Plan, which is guided by the Strategic Ends set by the NSCN Board. We were pleased to report NSCN's performance metrics to all stakeholders, evaluating the success of the organization with quarterly Key Performance Indicator Reports. Recognizing how well the current strategic directions have served NSCN, the Board made the decision to extend the Ends for another five years.

NSCN's equity, diversity and inclusion (EDI) journey continued to be a priority for the Board and staff and our commitment was demonstrated in many ways. Our EDI committee continued to identify, plan and implement NSCN's work and goals, including creating programs and services that meet the diverse needs of those we serve.

As CEO & Registrar, I want to acknowledge that Jason's term as Board Chair will end on May 31, 2023, and I would like to thank him for his leadership over the last eight years. A previous member of the College of Licensed Practical Nurses of Nova Scotia Board, Jason played a pinnacle role in the creation of one nursing regulator in Nova Scotia. On behalf of our Board and NSCN staff, I want to extend our sincerest appreciation for his commitment and for the difference he has made in nursing regulation in Nova Scotia.

In closing, we would both like to acknowledge the nurses of Nova Scotia and our health care partners for the important role you continue to play in the care of Nova Scotians. Thank you, as well, to the public of Nova Scotia for being the driving force behind the work we do as Nova Scotia's nursing regulator.

We invite you to read more about all of NSCN's work in our 2022 Annual Report.

Thank you.



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

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.

Highlight of how NSCN delivered on 'oversight' as a demonstration of Effective Regulation in 2022.

Effective Regulation

We create clear standards, policies and expectations in order to regulate nursing services provided to Nova Scotians. The public can be confident that we will act appropriately and efficiently when nursing practice is unacceptable.

Transparent Regulation

We provide relevant, credible, accurate, timely and accessible information that enhances the public's ability to make decisions, improves public protection and safety and enhances the public's trust in NSCN.

Accountable Regulation

We have fair, consistent and evidence-informed processes where justification for decisions is provided and feedback is welcomed.

Example:

The NSCN Board sets the strategic direction for NSCN by setting purpose-driven Ends that are the foundation of the NSCN's Strategic Plan. The first NSCN Board established a three-year plan for NSCN's inaugural Strategic Ends – Effective Regulation, Transparent Regulation and Accountable Regulation. Extended by the Board for one year in 2022, the Board comprehensively reviewed the intent and success of the existing Ends and made the strategic decision in the Fall of 2022 to renew them for the next five years. The Board based this decision by reflecting on how well the Strategic Ends have served the organization's past and current needs on behalf of the public. The NSCN Ends are based on principles of Right-Touch Regulation, which remain unchanged and continue to be appropriate directions that ensure regulators, like NSCN, prioritize protecting the public and maintaining public confidence in the nursing profession. The current Ends were chosen based on significant consultation by the Board and feedback from more than 2000 stakeholders, including the public and registrants. These Ends represent priorities stakeholders believe are important for successful regulation.

At each Board meeting, the Board hears about current regulatory issues and trends at a provincial, national and international level and discusses how this information impacts their work and the direction of NSCN.

OBJECTIVE 1: EFFECTIVE REGULATION



COORDINATION

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

Highlight of how NSCN executed on 'coordination' as a demonstration of Effective Regulation in 2022.

Example:

In 2022, NSCN continued to implement a new Regulatory Information System to provide a user-friendly portal for applicants, registrants and the public. The new system will further streamline our processes to positively impact the experience of our stakeholders and increase coordination to maximize workplace efficiencies. This work delivers on a goal NSCN set when creating one nursing regulator in the province and it lays the foundation for a consistent and more efficient user-experience. It will also support NSCN's ability to generate specific statistics, demographics and trends that will help evaluate and enhance NSCN's priorities, programs and services. Building on work from last year, a comprehensive Request for Proposal (RFP) for the new regulatory information system was conducted and a vendor for the work was selected. A milestone was achieved when NSCN launched the pilot of the regulatory system in June. After a successful three-month pilot, we began implementing our first of four planned phases, starting with Registration Services, which will positively impact the public, nurses and other stakeholders in Nova Scotia.

The regulatory information system implementation is made of four phases, with work including:



When implementing the first of our four planned phases, Registration Services, NSCN staff transferred over 67,000 registrant files from our legacy systems from the College of Registered Nurses of Nova Scotia and the College of Licensed Practical Nurses of Nova Scotia to NSCN's new regulatory information system.

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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.

Highlight of how NSCN contributed to the ongoing evaluation and optimization of processes, services and approaches as a demonstration of Effective Regulation in 2022.

Example:

Expanding on our work of creating key performance indicators (KPIs) in 2021, NSCN developed a reporting system to share performance results of the KPIs with the public in 2022. NSCN's KPIs are a metric that enables the measurement of our organization's success while tracking our progress towards achieving both strategic and operational goals. Beginning in 2022, the new KPI report was shared with the public, the NSCN Board, registrants, and other stakeholders via the NSCN website and on our social media platforms each quarter. Each report reflects the current status of each indicator to the target NSCN strives to achieve. A new key performance indicator webpage was created to ensure we demonstrate accountability in meeting our strategic objectives and display how we build evaluation into our work to better assess areas for improvement.

**NSCN had four KPI reports in 2022 and in our final quarter (Q4),
NSCN met and/or exceeded all performance measurements.**

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OBJECTIVE 2: TRANSPARENT REGULATION



CUSTOMER SERVICE FOCUS

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

Highlight of how NSCN delivered on our 'customer service focus' as a demonstration of Transparent Regulation in 2022.

Example:

At NSCN, our Board and staff are committed to enhancing how the public, registrants and other stakeholders experience NSCN. Expanding on the development of our customer service strategy, from August to October in 2022, we held a Customer Experience Survey for all stakeholders to help gather data to better understand the needs of our customers and how to continue to deliver excellent customer service. 74% of survey respondents indicated they were somewhat satisfied or extremely satisfied with their customer experience and 90% of respondents noted they would contact NSCN for support again in the future. Data and feedback revealed common themes that NSCN stakeholders value, including knowledgeable staff, prompt attention, and empathetic support. Based on data and feedback from the survey, in December 2022, all staff completed customer service training to enhance the experience of NSCN stakeholders. The customer service training supports the increased demands in stakeholder engagement that has been occurring due to rapidly evolving environments and changes in the health care system.

Did you know we have more than 100 practice support tools available to support nurses in providing safe, competent, compassionate and ethical care? 94.74% of survey respondents who were given resources and tools provided by NSCN staff found them helpful.

"I felt the staff were excellent with their communication. Clear, concise and prompt" was one of the comments we received from a survey respondent.

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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.

Highlight of how NSCN 'engaged and informed' stakeholders as a demonstration of Transparent Regulation in 2022.

Example:

NSCN's equity, diversity and inclusion (EDI) vision is to support the development of an ongoing respectful and supportive regulator that contributes in creating programs and services that reflect and assist in meeting the diverse needs of those we serve. Building on the past three years of NSCN's EDI journey, in 2022, we completed many initiatives to work towards this vision.

NSCN continued to consult with third-party EDI consultants to help identify and plan NSCN's future work and overall goals for culture, workforce diversification, communication, community engagement, system processes, learning and education. NSCN achieved a milestone in 2022 by conducting an EDI survey of staff. The survey gathered baseline data and evaluated the integration of EDI values and practices into NSCN's existing organizational processes. 100% of the NSCN staff participated in the survey, demonstrating how committed the NSCN team is to the organization's EDI journey.

In 2022, NSCN's EDI Committee facilitated three development sessions with equity-deserving groups to support ongoing learning and education. The NSCN Board also held education sessions to further its EDI and public linkage goals to better understand how nursing regulation can impact our communities.

While NSCN's EDI journey to date has largely been internally focused, the foundational learning and development at the organization level is crucial for the next phase of our EDI work, which will involve external stakeholders, beginning in 2023.

90% of staff survey respondents agreed that NSCN values equity, diversity and inclusion and 87% felt they could be their authentic self while performing their role and in the workplace.

OBJECTIVE 3: ACCOUNTABLE REGULATION



OPEN

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

Highlight of how NSCN contributed to clear and 'open' communication with stakeholders as a demonstration of Accountable Regulation in 2022.

Example:

Building on our innovative solutions to register and license nurses quickly during the early days of COVID-19, we comprehensively reviewed registration and licensing processes to ensure they are relevant, flexible and positively contributing to the supply of nurses. In 2022, NSCN continued to recognize the rapidly evolving changes to our health care system, specifically the shortage of nurses in Nova Scotia. As quoted by the Professional Standards Authority (PSA) (Fall 2022), "In the past, we have held the firm view that professional regulation should not be drawn into adapting standards to respond to workforce issues. We now view that the lack of workers may pose a greater risk to patient and service user safety than any changes in standards. It may be justifiable to adapt regulatory approaches to allow more people into the workforce – cautiously, and with the appropriate safeguards". Like the PSA, NSCN also recognized the need to respond to the workforce demands of the health care system and needs of the public.

In August 2022, NSCN further streamlined registration and licensure processes for international nurses and changes were made to:

- Add more options to meet the English language proficiency registration requirement
- Provide earlier access to the National Registration Exam
- Authorize earlier entry and return to practice and other policy and process changes

Using the Canadian Free Trade Agreement (CFTA), NSCN made changes to registration processes to ensure nurses registered and licensed in other Canadian provinces can obtain licensing in Nova Scotia within 24 hours or less. NSCN also continued to collaborate with many health system partners towards ongoing nursing workforce mobility, including expanding international nurse registration and licensure.

In 2022, NSCN registered and licensed 282 international nurses as an LPN, NP, or RN. NSCN registered more international nurses in 2022 than in 2019, 2020 and 2021 combined.

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AUDITED FINANCIAL STATEMENTS





Financial Statements

Nova Scotia College of Nursing

December 31, 2022

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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 2022, 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, 2022, 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.

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 20, 2023

Nova Scotia College of Nursing

Statement of operations

Year ended December 31

2022

2021

Revenues

Licensing and other related fees	\$ 7,771,996	\$ 7,076,632
Investment (loss) income (Note 3)	(511,890)	180,387
Other	123,986	102,230
	<u>7,384,092</u>	<u>7,359,249</u>

Expenditures

Administrative	537,317	571,081
Legislated services	2,969,884	2,802,565
Registrant services	3,204,488	2,803,846
Premises	583,606	567,903
Amortization	111,474	132,367
	<u>7,406,769</u>	<u>6,877,762</u>

Excess of (expenditures over revenue) revenue
over expenditures

\$ (22,677)	\$ 481,487
<u>(22,677)</u>	<u>481,487</u>

Nova Scotia College of Nursing

Statement of financial position

December 31

2022

2021

Assets

Current

Cash and cash equivalents	\$ 232,857	\$ 286,939
Short term investments (Note 4)	43,718	277,119
Receivables	199,040	132,843
Prepays	<u>756,478</u>	<u>737,962</u>
	1,232,093	1,434,863

Long term investments (Note 4)	9,138,930	9,013,531
Property and equipment (Note 5)	<u>385,057</u>	<u>408,466</u>

	\$ 10,756,080	\$ 10,856,860
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Liabilities

Current

Payables and accruals (Note 6)	\$ 316,300	\$ 545,133
Deferred revenue	<u>5,802,265</u>	<u>5,675,810</u>
	6,118,565	6,220,943

Deferred lease incentive	40,829	46,804
Retirement benefits (Note 7)	<u>538,822</u>	<u>639,177</u>
	6,698,216	6,906,924

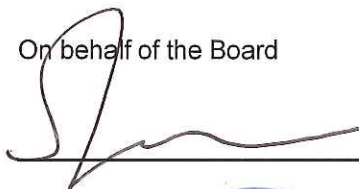
Net assets

Net investment in property and equipment	385,057	408,466
Net investment in liquidity reserve	531,484	502,263
Continuing Education Trust Fund	60,191	58,438
Unrestricted fund	<u>3,081,132</u>	<u>2,980,769</u>
	4,057,864	3,949,936

	\$ 10,756,080	\$ 10,856,860
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Commitments (Note 8)

On behalf of the Board


Chair


CEO & Registrar

Nova Scotia College of Nursing

Statement of changes in net assets

Year ended December 31

	Investment in Property and Equipment	Investment in Liquidity Reserve	Unrestricted	Continuing Education Trust Fund	2022 Total	2021 Total
Net assets, beginning of period	\$ 408,466	\$ 502,263	\$ 2,980,769	\$ 58,438	\$ 3,949,936	\$ 3,433,048
(Deficiency) excess of revenues over expenditures	(111,474)	-	88,797	-	(22,677)	481,487
Purchase of property and equipment, net	88,065	-	(88,065)	-	-	-
Remeasurements and other items	-	-	130,605	-	130,605	35,401
Transfer to Continuing Education Trust Fund	-	-	(1,753)	1,753	-	-
Transfers to liquidity reserve	-	29,221	(29,221)	-	-	-
Net assets, end of period	\$ <u>385,057</u>	\$ <u>531,484</u>	\$ <u>3,081,132</u>	\$ <u>60,191</u>	\$ <u>4,057,864</u>	\$ <u>3,949,936</u>

See accompanying notes to the financial statements.

Nova Scotia College of Nursing

Statement of cash flows

Year ended December 31

2022

2021

Increase (decrease) in cash and cash equivalents

Operating

Excess of (expenditures over revenue) revenues over expenditures	\$ (22,677)	\$ 481,487
Remeasurements and other items	130,605	35,401
Amortization	111,474	132,367
Decrease in deferred lease incentive	(5,975)	(5,976)
Unrealized loss (gain) on investments	863,254	(605)
Loss on disposal of capital assets	10,998	1,222
Decrease in retirement benefits liability	<u>(100,355)</u>	<u>(4,039)</u>
	987,324	639,857
Change in non-cash operating working capital (Note 9)	<u>(187,091)</u>	<u>311,902</u>
	<u>800,233</u>	<u>951,759</u>
Investing		
Purchase of property and equipment, net	(99,063)	(146,945)
Acquisition of investments, net	<u>(755,252)</u>	<u>(844,280)</u>
	<u>(854,315)</u>	<u>(991,225)</u>
Net change in cash and cash equivalents	(54,082)	(39,466)
Cash and cash equivalents		
Beginning of period	<u>286,939</u>	<u>326,405</u>
End of period	\$ <u>232,857</u>	\$ <u>286,939</u>

Nova Scotia College of Nursing

Notes to the financial statements

December 31, 2022

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.

Nova Scotia College of Nursing

Notes to the financial statements

December 31, 2022

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, 2022 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. 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.

Nova Scotia College of Nursing

Notes to the financial statements

December 31, 2022

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 \$361,126 (2021 - \$353,426) 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. 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 exams and projects are recognized as the related services are provided. Recoveries of hearing expenses are recorded when received.

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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 (loss) income

	<u>2022</u>	<u>2021</u>
Interest	\$ 44,414	\$ 21,688
Dividends	306,950	152,644
Changes in the fair value of investments	<u>(863,254)</u>	<u>6,055</u>
Investment income	\$ <u>(511,890)</u>	\$ <u>180,387</u>

4. Investments

	<u>2022</u>	<u>2021</u>
Total investments	\$ 9,182,648	\$ 9,290,650
Less: Investments maturing within the next year	<u>(43,718)</u>	<u>(277,119)</u>
Long term investments	\$ <u>9,138,930</u>	\$ <u>9,013,531</u>

5. Property and equipment

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>2022 Net book value</u>	<u>2021 Net book value</u>
Furniture and fixtures	\$ 270,667	\$ 141,691	\$ 128,976	\$ 169,133
Leasehold improvements	188,398	63,722	124,676	142,922
Computer equipment	248,520	160,370	88,150	90,737
Computer software	<u>75,978</u>	<u>32,723</u>	<u>43,255</u>	<u>5,674</u>
	\$ <u>783,563</u>	\$ <u>398,506</u>	\$ <u>385,057</u>	\$ <u>408,466</u>

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December 31, 2022

6. Payables and accruals

	<u>2022</u>	<u>2021</u>
Trade	\$ 183,183	\$ 343,410
Miscellaneous	<u>133,117</u>	<u>201,723</u>
	<u>\$ 316,300</u>	<u>\$ 545,133</u>

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, 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, 2022.

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

	<u>2022</u>	<u>2021</u>
Defined benefit obligation		
Post-retirement health subsidy benefit	\$ 76,321	\$ 115,551
Retirement allowance	<u>462,501</u>	<u>523,626</u>
Total	<u>\$ 538,822</u>	<u>\$ 639,177</u>

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

	Retirement Allowance		Post-Retirement health subsidy benefit	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Employer current service cost	\$ 53,672	\$ 56,290	\$ 12,976	\$ 13,638
Finance cost	<u>15,418</u>	<u>12,436</u>	<u>3,569</u>	<u>2,663</u>
Defined benefit cost	<u>69,090</u>	<u>68,726</u>	<u>16,545</u>	<u>16,301</u>
Remeasurements and other items	<u>\$ (76,898)</u>	<u>\$ (28,493)</u>	<u>\$ (53,707)</u>	<u>\$ (6,908)</u>

Nova Scotia College of Nursing

Notes to the financial statements

December 31, 2022

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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Discount rate for benefit expense	5.10%	2.20%	5.10%	2.20%
Rate of compensation increase for benefit expense	3.50%	3.25%	3.50%	3.25%
Health care inflation	-	-	6.50%	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:

2023	\$ 600,142
2024	606,000
2025	609,367
2026	615,090
2027	617,221

NSCN has also entered into an agreement to purchase a new computer software system. The remaining payment required for will be \$241,670 which is expected to occur in 2023.

9. Supplemental cash flow information

	<u>2022</u>	<u>2021</u>
Change in non-cash operating working capital		
Receivables	\$ (66,197)	\$ (50,723)
Prepays	(18,516)	(238,506)
Payables and accruals	(228,833)	240,591
Deferred revenue	<u>126,455</u>	<u>360,540</u>
	<u>\$ (187,091)</u>	<u>\$ 311,902</u>

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Notes to the financial statements

December 31, 2022

10. Government contributions

During the period, NSCN received government contributions as follows:

	<u>2022</u>	<u>2021</u>
Nova Scotia Department of Health - Nursing School Transcripts	\$ 14,400	\$ 14,400
Deferred contributions, beginning of period	3,600	3,600
Deferred contributions, end of period	<u>3,600</u>	<u>3,600</u>
Government contributions earned during the period	\$ <u>14,400</u>	\$ <u>14,400</u>

Of the total government contributions earned during the period, \$14,400 (2021 - \$14,400) 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 2022</u>	<u>Total 2021</u>
Finance, information technology and human resources	\$ <u>537,317</u>	\$ <u>537,317</u>	\$ <u>537,317</u>	<u>\$1,611,951</u>	<u>\$1,713,246</u>