

# **Nova Scotia Association of Health Organizations (Association Fund)**

**Non-consolidated financial statements  
March 31, 2025**



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with confidence**

# Independent auditor's report

To the Members of the  
**Nova Scotia Association of Health Organizations (Association Fund)**

## Opinion

We have audited the non-consolidated financial statements of the **Nova Scotia Association of Health Organizations (Association Fund)** [the "Fund"], which comprise the non-consolidated statement of financial position as at March 31, 2025, and the non-consolidated statement of operations, non-consolidated statement of changes in net assets and non-consolidated statement of cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Fund as at March 31, 2025, and its non-consolidated financial performance and its non-consolidated 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 non-consolidated financial statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the non-consolidated 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 non-consolidated financial statements

Management is responsible for the preparation and fair presentation of the non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

## Auditor's responsibilities for the audit of the non-consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated 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 non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund'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 non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated 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.

Halifax, Canada  
July 7, 2025

*Ernst & Young LLP*

Chartered Professional Accountants

# Nova Scotia Association of Health Organizations (Association Fund)

## Non-consolidated statement of financial position

As at March 31

	2025	2024
	\$	\$
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents <i>[note 4]</i>	21,874,890	1,456,594
Accounts receivable <i>[note 5]</i>	3,869,987	4,539,255
Investment in subsidiary	10	10
Prepaid expenses	218,779	184,117
<b>Total current assets</b>	<b>25,963,666</b>	<b>6,179,976</b>
Capital assets, net <i>[note 6]</i>	3,727,908	4,093,831
Other assets	247	3,988
	<b>29,691,821</b>	<b>10,277,795</b>
<b>Liabilities and net assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities <i>[note 7]</i>	1,179,651	958,065
Deferred revenue	20,579,090	1,580,644
Current portion of leases and contractual agreements	327,936	313,384
<b>Total current liabilities</b>	<b>22,086,677</b>	<b>2,852,093</b>
Retirement allowance liability <i>[note 11]</i>	1,751,985	1,842,061
Leases and contractual agreements	412,680	740,616
<b>Total liabilities</b>	<b>24,251,342</b>	<b>5,434,770</b>
Commitments <i>[note 9]</i>		
<b>Net assets</b>		
Unrestricted	200,000	200,000
Restricted for capital purposes	865,110	157,974
Restricted for members	524,609	268,367
Restricted for other purposes <i>[note 8]</i>	300,000	300,000
Invested in capital assets	3,550,760	3,916,684
<b>Total net assets</b>	<b>5,440,479</b>	<b>4,843,025</b>
	<b>29,691,821</b>	<b>10,277,795</b>

See accompanying notes

On behalf of the Board:

Director

Director

## Nova Scotia Association of Health Organizations (Association Fund)

### Non-consolidated statement of operations

Year ended March 31

	2025	2024
	\$	\$
<b>Revenue</b>		
Clinical engineering	1,090,801	5,149,546
Labour relations	1,765,011	2,912,455
Membership dues	1,365,971	1,250,059
Dividend from Igility	266,025	645,778
Nova Scotia Health Employee Pension Plan recoveries <i>[note 10]</i>	—	51,310
Igility recoveries <i>[note 10]</i>	992,389	459,601
Member and partner engagement	384,583	165,219
Education solutions	1,806,422	1,381,138
Shared financial services	82,256	133,484
Payroll services	453,941	—
Recruitment and retention	2,342,839	—
Government Programs	3,272,190	—
Transfers from other reserves	163,620	215,519
	<b>13,986,048</b>	<b>12,364,109</b>
<b>Expenses</b>		
Clinical engineering	782,282	4,138,032
Labour relations	1,647,710	2,542,920
Member and partner engagement	906,854	874,380
Education solutions	1,689,179	1,284,572
Indirect costs [Board, building, finance, information technology, executive and administrative]	1,132,746	2,119,691
Igility	992,390	459,604
Nova Scotia Health Employee Pension Plan	—	51,310
Dividend for members	9,783	71,739
Shared financial services	146,289	229,473
Payroll services	632,601	—
Recruitment and retention	2,108,894	—
Government programs	3,026,772	—
Equity transfer to allocated centres	102,327	80,595
Dues allocated to group benefit solutions	245,793	47,547
	<b>13,423,620</b>	<b>11,899,863</b>
<b>Excess of revenue over expenses for the year</b>	<b>562,428</b>	<b>464,246</b>

See accompanying notes

Nova Scotia Association of Health Organizations (Association Fund)

Non-consolidated statement of changes in net assets

Year ended March 31

	2025					2024	
	Unrestricted	Internally restricted for capital purposes	Internally restricted for other purposes	Internally restricted for members' use	Invested in capital assets	Total	Total
	\$	\$	\$	\$	\$	\$	\$
	<i>[note 8]</i>						
<b>Balance, beginning of year</b>	<b>200,000</b>	<b>157,974</b>	<b>300,000</b>	<b>268,367</b>	<b>3,916,684</b>	<b>4,843,025</b>	4,801,171
Excess (deficiency) of revenue over expenses for the year	<b>806,764</b>	—	—	—	<b>(244,336)</b>	<b>562,428</b>	464,246
Transfer to revenue	—	—	<b>(70,660)</b>	<b>(9,783)</b>	<b>(103,553)</b>	<b>(183,996)</b>	(295,025)
Remeasurement	<b>219,022</b>	—	—	—	—	<b>219,022</b>	(127,367)
Investment in capital assets/purchases	<b>18,035</b>	—	—	—	<b>(18,035)</b>	—	—
Dividend from Igility	<b>(266,025)</b>	—	—	<b>266,025</b>	—	—	—
Rebalancing of equity accounts [net asset policy]	<b>(777,796)</b>	<b>707,136</b>	<b>70,660</b>	—	—	—	—
<b>Balance, end of year</b>	<b>200,000</b>	<b>865,110</b>	<b>300,000</b>	<b>524,609</b>	<b>3,550,760</b>	<b>5,440,479</b>	4,843,025

See accompanying notes

## Nova Scotia Association of Health Organizations (Association Fund)

### Non-consolidated statement of cash flows

Year ended March 31

	2025	2024
	\$	\$
<b>Operating activities</b>		
Excess of revenue over expenses for the year	562,428	464,246
Add (deduct) items not involving cash		
Amortization of capital assets	347,889	221,137
Capital assets written off	276,735	—
Transfers from other reserves	(183,996)	(295,025)
Change in value of retirement allowance	(90,077)	139,441
Net change in non-cash working capital items related to operations	19,854,638	(1,769,479)
Net change in other assets	3,741	1,058
<b>Cash provided by (used in) by operating activities</b>	<b>20,771,358</b>	<b>(1,238,622)</b>
<b>Investing activities</b>		
Capital assets acquired	(258,700)	(392,144)
Remeasurement	219,022	(127,367)
<b>Cash provided by (used in) investing activities</b>	<b>(39,678)</b>	<b>(519,511)</b>
<b>Financing activities</b>		
Leased furniture and equipment	(313,384)	629,469
<b>Cash provided by (used in) financing activities</b>	<b>(313,384)</b>	<b>629,469</b>
<b>Net increase (decrease) in cash during the year</b>	<b>20,418,296</b>	<b>(1,128,664)</b>
Cash and cash equivalents, beginning of year	1,456,594	2,585,258
<b>Cash and cash equivalents, end of year</b>	<b>21,874,890</b>	<b>1,456,594</b>

See accompanying notes

## **Nova Scotia Association of Health Organizations (Association Fund)**

### **Notes to the non-consolidated financial statements**

March 31, 2025

#### **1. Nature of the association**

The Nova Scotia Association of Health Organizations [the "Association" or "NSAHO"], operating as Health Association Nova Scotia, is incorporated under a *Special Act* of the Province of Nova Scotia, operates to assist member institutions in providing quality health care to the community and provides technical support to the member institutions. The Association claims a tax exemption as a not-for-profit organization under subsection 149(1)(l) of the *Income Tax Act* (Canada).

The Association has a wholly owned subsidiary, known as Igility. Igility provides services to member and non-member organizations to drive business efficiency through its cloud-based shared financial services, business advisory services, clinical engineering services provided to non-members, and executive search services. The Association is the sole shareholder of Igility.

#### **2. Summary of significant accounting policies**

The following is a summary of the significant accounting policies followed by management of the Association Fund [the "Fund"] of the NSAHO in the preparation of these non-consolidated financial statements.

##### **Basis of presentation**

The non-consolidated financial statements of the Fund are prepared on a going concern basis and represent all general activities of the Association, with the exception of the activities carried out in the funds and plans noted below, and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

These non-consolidated financial statements also include certain operations of the Association's Group Benefits Solutions Administration department and the recovery of costs related thereto from the NSHAO Pension Plan, the Waiver of Life Premium Fund, the Long-Term Disability Plan, and the Health and Other Benefits Fund. These funds and plans are reported upon separately.

##### **Measurement uncertainty**

The preparation of non-consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the non-consolidated financial statements and the reported amounts of changes in net assets available for benefits during the year. Actual results could differ from these estimates, resulting in material error.

##### **Investment in subsidiary**

The Association holds 10 shares valued at \$1 per share in Igility. The Association's investments in Igility are accounted for on a cost basis through an intercompany [accounts receivable] account.

##### **Cash and cash equivalents**

Short-term investments, which consist of investments with maturities of less than one year, are considered to be cash equivalents and are recorded at cost, which approximates market value.



## **Nova Scotia Association of Health Organizations (Association Fund)**

### **Notes to the non-consolidated financial statements**

March 31, 2025

#### **Revenue recognition**

Membership dues are billed semi-annually and recorded as revenue in that year.

Revenue from the provision of services to member institutions is recognized as revenue when the services are provided. Amounts received prior to year-end for services that will be performed in subsequent fiscal years are deferred and recognized when the services are provided.

#### **Internal restrictions**

Upon approval by the Board of Directors, unrestricted net assets may be internally restricted for certain purposes. Such transfers are recorded in the non-consolidated statement of changes in net assets. When the internally restricted funds are spent, these expenditures are recorded in the non-consolidated statement of operations along with a corresponding amount of revenue transferred from internally restricted net assets.

#### **Capital assets**

Purchased capital assets are recorded at cost. Repairs and maintenance costs are charged to expenses. Betterments that extend the estimated useful life of an asset are capitalized.

Capital assets are amortized using the following annual rates:

Building	5%
Office furniture and equipment	15%
Tools and equipment	20%
Computer equipment	40%
Leasehold improvements	5-10 years
Leased AV equipment	5 years
Leased furniture and equipment	10 years

#### **Expenditure allocation**

Expenditures of a shareable nature, paid by the Fund, have been allocated to and received from each fund on a systematic and rational basis.

In addition, building expenditures are allocated to and received from other funds based on their occupied square footage. Amortization is charged to clinical engineering services, labour relations and building. Office supplies, equipment rental, long-distance telephone services and internet are allocated to each fund based on estimated usage.

## **Nova Scotia Association of Health Organizations (Association Fund)**

### **Notes to the non-consolidated financial statements**

March 31, 2025

#### **Employee future benefits**

The Fund provides pension and non-pension retirement benefits to its employees, including a retiring allowance, retiree health subsidies and supplemental employee retirement benefits. Health Association of Nova Scotia has adopted the funding going concern basis for the purposes of preparing the financial disclosure information. The discount rate used in the measurement of the supplemental employee retirement benefit is set by reference to high-quality corporate bond yields as required by the newly adopted Accounting Standard for Not-for-Profit Organizations ["ASPNO"] 3463. The discount rate used in the measurement of the retirement allowance obligation and health subsidy is determined on the Fund's own benefit cash flows. The plan cost for the year is recognized in the non-consolidated statement of operations. Remeasurements and other items, which include actuarial gains and losses, are recognized directly in net assets in the non-consolidated statement of financial position rather than in the non-consolidated statement of operations. Remeasurements and other items are not reclassified to the non-consolidated statement of operations in a subsequent period.

#### **3. Financial instruments and risk management**

Financial instruments, including accounts receivable and accounts payable and accrued liabilities, are initially recorded at their fair value and are subsequently measured at amortized cost, net of any provisions for impairment.

##### **Risk management objectives**

In managing capital, the Fund focuses on liquid resources available for operations. The Fund's objective is to have sufficient liquid resources to continue operating despite events with adverse financial consequences and to provide it with the flexibility to take advantage of opportunities that will advance its purposes. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to the budget. As at March 31, 2025, the Fund has met its objective of having sufficient liquid resources to meet its current obligations.

The Fund continues to manage its capital structure and makes adjustments to it in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the year ended March 31, 2025.

##### **Credit risk**

Credit risk is the risk of loss in the event the counterparty to a transaction fails to discharge an obligation and causes the other party to incur a loss. The Fund is exposed to credit risk with respect to its accounts receivable. The Fund has credit evaluation, approval and monitoring processes intended to mitigate potential credit risks and maintains provisions for potential credit losses that are assessed on an ongoing basis.

##### **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Fund is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and its long-term retirement allowance liability.

## Nova Scotia Association of Health Organizations (Association Fund)

### Notes to the non-consolidated financial statements

March 31, 2025

#### 4. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	2025 \$	2024 \$
Cash	3,198,755	1,456,594
Cash invested in GICs	18,676,135	—
	<b>21,874,890</b>	<b>1,456,594</b>

Cash invested in GICs is restricted funding received from the government for various projects and programs.

#### 5. Accounts receivable

Accounts receivable consists of the following:

	2025 \$	2024 \$
<b>Third party</b>		
Nova Scotia Department of Health	—	429,755
Members and other organizations	642,696	671,836
Interest receivable	750,685	—
Other	526,971	429,315
	<b>1,920,352</b>	<b>1,530,906</b>
<b>Related party</b>		
Igility	516,025	500,000
NSAHO Waiver of Life Premium Fund	225,949	157,342
NSAHO Health and Other Benefits Fund	443,514	586,135
NSAHO Long-Term Disability Plan	764,147	1,764,872
	<b>1,949,635</b>	<b>3,008,349</b>
	<b>3,869,987</b>	<b>4,539,255</b>

## Nova Scotia Association of Health Organizations (Association Fund)

### Notes to the non-consolidated financial statements

March 31, 2025

#### 6. Capital assets

Capital assets consist of the following:

	2025		2024	
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Land	135,000	—	135,000	135,000
Building	4,857,391	1,931,255	2,926,136	2,984,843
Leasehold improvements	—	—	—	6,375
Office furniture and equipment	749,798	606,827	142,971	161,359
Tools and equipment	977,514	977,514	—	239,743
Computer equipment	3,114,127	2,939,322	174,805	163,721
Undepreciated capital	—	—	—	2,519
Leased furniture and equipment	438,727	89,731	348,996	400,271
	<b>10,272,557</b>	<b>6,544,649</b>	<b>3,727,908</b>	<b>4,093,831</b>

#### 7. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

	2025	2024
	\$	\$
Trade	760,709	444,857
Employee salaries and benefits	244,974	199,382
Other	173,968	313,826
	<b>1,179,651</b>	<b>958,065</b>

#### 8. Net assets internally restricted for other purposes

Net assets internally restricted for other purposes consist of the following:

	2025	2024
	\$	\$
Innovation fund	300,000	300,000

## Nova Scotia Association of Health Organizations (Association Fund)

### Notes to the non-consolidated financial statements

March 31, 2025

#### 9. Commitments

The Association has a three-year contractual agreement in place and is leasing AV equipment and office furniture under a financing lease, with the following lease commitments:

	\$
2025/2026	101,198
2026/2027	97,360
2027/2028	78,171
2028/2029	58,628
2029/2030	—

#### 10. Related party transactions

Expenses incurred by the Fund during the year, which totalled \$8,584,924 [2024 – \$8,070,075], relate to the NSAHO's Long-Term Disability Plan, Health and Other Benefits Fund, and Waiver of Life Premium Fund. These amounts have been recovered in full by charges to these entities and do not flow through the non-consolidated statement of operations.

Nova Scotia Health Employees' Pension Plan recoveries relate to rent totalling nil [2024 – \$30,892] and other charges incurred by the Fund totalling nil [2024 – \$20,418], which have been recovered by charges to this entity.

Igility recoveries relate to operating expenses totalling \$992,389 [2024 – \$459,601], which have been recovered by charges to this entity. Igility recoveries include a 10% administrative charge on the indirect cost allocation.

These transactions occur in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts due to/from related parties are non-interest bearing and have no set terms of repayment.

## Nova Scotia Association of Health Organizations (Association Fund)

### Notes to the non-consolidated financial statements

March 31, 2025

#### 11. Employee benefit liability

The Association provides a retirement allowance upon retirement of its eligible employees, health subsidies for eligible retirees and supplemental pension benefits for eligible employees. The continuity of the liabilities for the pension and non-pension plans is as follows:

	2025		2024	
	Retiring allowance and retiree health subsidy	Supplemental employee retirement benefits	Retiring allowance and retiree health subsidy	Supplemental employee retirement benefits
	\$	\$	\$	\$
<b>Liability, beginning of year</b>	<b>1,088,676</b>	<b>753,385</b>	1,095,281	607,339
Adjustment to beginning	—	—	—	—
Current service costs	139,231	36,690	142,191	46,638
Interest costs	—	—	—	—
Benefits paid	(27,555)	(19,420)	(158,978)	(17,777)
Past service cost	—	—	—	—
Actuarial loss (gain)	(344,245)	125,223	10,182	117,185
Liability, end of year	<b>856,107</b>	<b>895,878</b>	1,088,676	753,385
<b>Total liability, end of year</b>	<b>1,751,985</b>		1,842,061	

The significant actuarial assumptions adopted in measuring the Association's pension and non-pension programs are as follows:

	2025		2024	
	Retiring allowance/ retiree health	Supplemental employee retirement benefits	Retiring allowance/ retiree health	Supplemental employee retirement benefits
	%	%	%	%
Discount rate	4.50	4.81	4.80	4.87
				2023: 3.20
		2024–2026: 3.00		2024–2026: 3.00
Rate of compensation increase	3.20	Thereafter: 0	3.20	Thereafter: 0