

**Immigrant Services Association of
Nova Scotia
Financial Statements
For the Year Ended March 31, 2026**

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Independent Auditor's Report

To the board of directors of Immigrant Services Association of Nova Scotia

Opinion

We have audited the financial statements of Immigrant Services Association of Nova Scotia (the Association), which comprise the statement of financial position as at March 31, 2026, the statements of changes in net assets, operations 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 the Association as at March 31, 2025, and its results of operations and 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 the Association 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.

Other Matter

The financial statements for the year ended March 31, 2025 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 9, 2025.

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

Management is responsible for the preparation and fair presentation of the 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 the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 the Association'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 Association'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 the Association 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.

BDO Canada LLP

Chartered Professional Accountants

Halifax, Nova Scotia

June 15, 2026

Immigrant Services Association of Nova Scotia Statement of Financial Position

March 31	2026	2025
Assets		
Current		
Cash	\$ 4,341,529	\$ 2,626,146
Guaranteed investment certificates (Note 3)	3,017,040	7,591,152
Accounts receivable (Note 2)	375,359	1,870,043
Prepaid expenses	126,130	126,221
	7,860,058	12,213,562
Assets held in trust (Note 6)	1,886,168	1,763,296
Capital assets (Note 4)	234,336	324,759
	\$ 9,980,562	\$ 14,301,617
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 667,260	\$ 195,460
Deferred contribution (Note 5)	1,934,303	5,436,951
	2,601,563	5,632,411
Funds held in trust (Note 6)	1,886,168	1,763,296
	4,487,731	7,395,707
Net Assets		
Restricted fund	3,013,679	4,477,848
Assurance fund	434,291	425,064
Reserve fund	1,583,821	1,549,660
Refugee emergency fund	211,040	203,338
Unrestricted fund	250,000	250,000
	5,492,831	6,905,910
	\$ 9,980,562	\$ 14,301,617

On behalf of the Board:

Frank Dunn

Director



Director

**Immigrant Services Association of Nova Scotia
Statement of Changes in Net Assets**

For the year ended March 31	Unrestricted Operational Fund	Restricted Operational Fund	Private Sponsorship ISANS Assurance Fund	Reserve Fund	Refugee Emergency Fund	2026	2025
Balance, beginning of the year	\$ 250,000	\$ 4,477,848	\$ 425,064	\$ 1,549,660	\$ 203,338	\$ 6,905,910	\$ 7,421,317
Deficiency of revenues over expenses	(1,464,169)	-	9,227	34,161	7,702	(1,413,079)	(515,407)
Interfund transfers	1,464,169	(1,464,169)	-	-	-	-	-
Balance, end of the year	\$ 250,000	\$ 3,013,679	\$ 434,291	\$ 1,583,821	\$ 211,040	\$ 5,492,831	\$ 6,905,910

The accompanying notes are an integral part of these financial statements.

Immigrant Services Association of Nova Scotia Statement of Operations

For the year ended March 31	2026	2025
Revenue		
Program revenue (Notes 5 & 11)	\$ 34,018,362	\$ 31,111,974
Interest revenue	415,123	667,137
Miscellaneous revenue	63,725	120,416
	34,497,210	31,899,527
Expenses		
Advertising and promotion	65,049	32,935
Amortization of capital assets	207,831	268,096
Computer	125,294	20,240
Harmonized sales tax	301,614	284,430
Overhead costs	1,485,372	910,695
Partner program delivery	2,139,966	1,887,223
Professional development	188,156	135,117
Professional fees	1,082,096	956,218
Program delivery costs	3,098,459	3,316,133
Rent	2,036,448	1,815,029
Travel	128,390	117,272
Wages and benefits	25,051,614	22,671,546
	35,910,289	32,414,934
Deficiency of revenues over expenses	\$ (1,413,079)	\$ (515,407)

The accompanying notes are an integral part of these financial statements.

Immigrant Services Association of Nova Scotia Statement of Cash Flows

For the year ended March 31	2026	2025
Cash flows (used in) from operating activities		
Deficiency of revenues over expenses	\$ (1,413,079)	\$ (515,407)
Items not affecting cash:		
Amortization of capital assets	207,831	268,096
	<u>(1,205,248)</u>	<u>(247,311)</u>
Changes in non-cash working capital:		
Accounts receivable	1,494,684	(688,062)
Prepaid expenses	90	(126,221)
Accounts payable and accrued liabilities	471,800	110,220
Payable to funders	-	(546,716)
Deferred contributions	(3,502,648)	2,216,044
	<u>(2,741,322)</u>	<u>717,954</u>
Cash flows from (used in) investing activities		
Purchase of capital assets	(117,407)	(263,061)
Redemption (purchase) of investments in GICs	4,574,112	(1,830,173)
Trust funds received	320,752	469,026
Trust funds paid	(197,880)	(55,284)
Purchase of investments in trust fund	(320,752)	(469,026)
Sale of investments in trust fund	197,880	55,284
	<u>4,456,705</u>	<u>(2,093,234)</u>
Net increase (decrease) in cash	1,715,383	(1,375,280)
Cash, beginning of the year	2,626,146	4,001,426
Cash, end of the year	\$ 4,341,529	\$ 2,626,146

The accompanying notes are an integral part of these financial statements.

Immigrant Services Association of Nova Scotia

Notes to Financial Statements

March 31, 2026

1. Significant Accounting Policies

Nature and Purpose of Organization

The Association is a non-profit organization incorporated without share capital under the laws of the Province of Nova Scotia. The Association empowers immigrants and refugees to build their future in Nova Scotia by providing a wide range of settlement, integration, and employment-related services.

The Association serves immigrants, refugees, and newcomers across Nova Scotia and supports more than 14,800 individuals annually through programs including language services, settlement support for families and children, employment and business development programs, community integration services, and pre-arrival services delivered both in person and online. The Association provides services in English, French, and more than 46 other languages and delivers its programs using a client-centered, inclusive, and culturally responsive approach that emphasizes partnership, professionalism, and accountability.

The Association is a non-profit organization within the meaning of paragraph 149(1)(l) of the Income Tax Act and, as such, is exempt from federal and provincial income taxes. Any accumulated net assets are required to be used in furtherance of the Association's objectives, and no dividends may be paid to members.

Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Immigrant Services Association of Nova Scotia

Notes to Financial Statements

March 31, 2026

1. Significant Accounting Policies (continued)

Fund Accounting

The Association follows the deferral method of accounting for contributions and uses fund accounting.

Unrestricted Operational Fund

The Board of Directors established the Unrestricted Operational Fund to offset operating budget shortfalls, to manage temporary cash flow and funding shortages, and general operation costs not eligible for program funding. Transfers from the Restricted Operational Fund provide top-ups to this account. The Board has authorized the CEO to utilize these funds for operations.

Restricted Operational Fund

The Board of Directors established the internally Restricted Operational Fund to manage the risk of temporary cash flow and funding shortages, and to cover the general operation costs that are not eligible for program funding. Any surplus from current year operations accrues to this fund net of approved annual transfers to the other ISANS funds. Any draw-down from this fund must be approved by the Board of Directors. During the year, \$1,464,169 was transferred from the Restricted Operational Fund to the Unrestricted Operational Fund to cover the deficiencies in accordance with this policy. During prior year, \$533,301 was transferred to the Restricted Operational Fund from the Unrestricted Operational Fund.

Private Sponsorship ISANS Assurance Fund

The Board of Directors directed that the profits made from the sale of property be used to create an internally restricted Private Sponsorship ISANS Assurance Fund. The Private Sponsorship ISANS Assurance Fund is to secure the responsibilities of the Association in assisting the sponsorship of refugees in Nova Scotia as a Sponsorship Agreement Holder. Approval of the Board of Directors is required to expend these funds.

Reserve Fund

The Board of Directors directed that an internally restricted Reserve Fund be established in case of the loss of one or more of its major funding sources. Approval of the Board of Directors is required to expend these funds.

Refugee Emergency Fund

The Board of Directors established a Refugee Emergency Fund to provide support to refugee clients who have special and/or emergency needs in the case that the costs are not eligible for the IRCC Resettlement Assistance Program.

Cash

Cash includes cash on hand and balances with banks.

Immigrant Services Association of Nova Scotia

Notes to Financial Statements

March 31, 2026

1. Significant Accounting Policies (continued)

Funds held in trust Funds held in trust consists of balances invested in GICs which are held in trust by the Association for specific programs and projects.

Capital Assets Purchased tangible capital assets are stated at cost less accumulated amortization. Contributed tangible capital assets are recorded at fair value at the date of contribution, unless fair value is not determinable in which case contributed tangible capital assets are recorded at nominal value at the date of contribution. Contributed tangible capital assets are subsequently amortized. Expenditures for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of the tangible capital asset are capitalized.

Construction in progress is not amortized until the tangible capital asset is substantially complete and ready for use.

Amortization based on the estimated useful life of the asset is calculated as follows:

	Method	Rate
Office furniture and equipment	Straight-line	5 years
Computer hardware	Straight-line	3 years
Leasehold improvements	Over the term of the lease	

When a tangible capital asset no longer contributes to an Association's ability to provide goods and services, or the future economic benefits or service potential of the tangible capital asset is less than its carrying value, the excess of its net carrying amount over its fair value or replacement cost is recognized as an expense in the statement of operations. Any unamortized deferred contribution amount related to the tangible capital asset is recognized in revenue in the statement of operations, provided that all restrictions have been complied with.

When a tangible capital asset is disposed of, the difference between the net proceeds on disposition and the net carrying amount is recognized in the statement of operations. Any unamortized deferred contribution amount related to the tangible capital asset disposed of is recognized in revenue in the statement of operations, provided that all restrictions have been complied with.

Immigrant Services Association of Nova Scotia

Notes to Financial Statements

March 31, 2026

1. Significant Accounting Policies (continued)

Revenue Recognition	<p>The Association follows the deferral method of accounting for contributions.</p> <p>Restricted contributions are recognized as program revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as program revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.</p> <p>Interest and miscellaneous revenue are recognized when earned and measurement and collectability are reasonably assured.</p>
Contributed Materials and Services	<p>Contributed materials and services are recorded by the Association when a fair value can be reasonably estimated and when the materials and services are normally purchased by the Association and would be paid for if not donated.</p> <p>The work of the Association is dependent upon the service of over 537 (2025 - 600) volunteers. The value of these services is not recognized in these financial statements. It is estimated that in excess of 10,000 hours are donated annually.</p>
Financial Instruments	<p>Financial Instruments are recorded at fair value at initial recognition.</p> <p>In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.</p> <p>Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in the statement of operations.</p>

Immigrant Services Association of Nova Scotia Notes to Financial Statements

March 31, 2026

1. Significant Accounting Policies (continued)

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. These estimates are reviewed periodically and adjustments are made to the statement of operations as appropriate in the year they become known. There are no items subject to significant management estimates.

Immigrant Services Association of Nova Scotia Notes to Financial Statements

March 31, 2026

2. Accounts Receivable

	2026	2025
Receivables	\$ 7,603	\$ 269,049
Contributions receivable	208,099	1,310,168
Harmonized sales tax receivable	159,657	290,826
	\$ 375,359	\$ 1,870,043

3. Guaranteed Investment Certificates

The Association's GICs are held with the Royal Bank of Canada ("RBC") and the Bank of Nova Scotia ("Scotiabank"), which bear interest at rates between 1.95% and 3.25% (2025 - 2% and 5.2%) and mature between July 2026 and July 2027 (2025 - January and June 2026). The GICs accrued interest of \$415,123 (2025 - \$667,137).

GICs, including accrued interest, relate to the following funding sources:

	2026	2025
RBC	\$ 835,281	\$ 5,457,073
Scotiabank	2,181,759	2,134,079
	\$ 3,017,040	\$ 7,591,152

Subsequent to year end, certain of the Association's GICs have matured. The funds from these maturities have been reinvested in GICs with interest rates between 2.25% and 2.70% and maturing between February and March 2027.

Immigrant Services Association of Nova Scotia Notes to Financial Statements

March 31, 2026

4. Capital Assets

	2026		2025	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Office furniture and equipment	\$ 287,066	\$ (227,999)	\$ 270,381	\$ (187,298)
Computer hardware	701,237	(555,975)	600,513	(416,542)
Leasehold improvements	71,554	(41,547)	71,554	(13,849)
	1,059,857	(825,521)	942,448	(617,689)
		\$ 234,336		\$ 324,759

5. Deferred contributions

	Opening balance	Contributions received	Revenue recognized	Ending balance
Federally funded programs	\$ 1,154,268	\$ 25,337,411	\$ 25,535,169	\$ 956,510
Provincially funded programs	3,678,707	4,492,378	7,631,449	539,636
Other sources funded programs	603,976	685,925	851,744	438,157
	\$ 5,436,951	\$ 30,515,714	\$ 34,018,362	\$ 1,934,303

Immigrant Services Association of Nova Scotia Notes to Financial Statements

March 31, 2026

6. Funds held in trust

	2026	2025
Foreign Credentials Recognition Program		
The Foreign Credentials Recognition Program provides loan guarantees to Internationally Trained Individuals to support them through the Foreign Credentials Recognition process in Canada. The program provides security of 50% of the loan amount. The funds have been segregated from other funds held by the Association and have been invested in GICs and designated as restricted cash for funds held in trust.		
Balance, beginning of year	\$ 1,461,361	\$ 1,203,966
Transfer back to ESFC/NB Partners	(127,467)	(163,971)
Contributions	-	375,000
Interest	26,770	46,366
	\$ 1,360,664	\$ 1,461,361

Private Refugee Sponsorship Fund

The Association received funds from constituent groups for the purpose of sponsoring refugees to come to Canada. The funds are disbursed under the direction of the sponsors for private refugee sponsorship purpose. The direct bank fees are deducted from the funds received.

The funds have been segregated from other funds held by the Association and have been invested in GICs and designated as restricted cash for funds held in trust.

Balance, beginning of year	\$ 90,304	\$ 145,588
Additional funds received in trust	-	54,500
Fund disbursement to the refugees on behalf of the sponsors	(46,393)	(109,784)
Balance, end of year	\$ 43,911	\$ 90,304

Immigrant Services Association of Nova Scotia Notes to Financial Statements

March 31, 2026

6. Funds held in trust (continued)

	2026	2025
Private Refugee Sponsorship Fund for Individuals		
The Association received funds from individuals for the purpose of sponsoring refugees to come to Canada. The funds are disbursed under the direction of the sponsors for private refugee sponsorship purpose. The direct bank fees are deducted from the funds received.		
The funds have been segregated from other funds held by the Association and have been invested in GICs and designated as restricted cash for funds held in trust.		
Balance, beginning of year	\$ 211,631	\$ -
Additional funds received in trust	293,981	229,531
Administrative fee recognition	(18,700)	(17,900)
Returned funds	(5,319)	-
	\$ 481,593	\$ 211,631
Balance, end of year		
Total funds held in trust	1,886,168	1,763,296

7. Commitments

The Association has total minimum commitments over the next 3 years under an operating lease for office space in the following amounts:

2027	\$	2,634,821
2028		641,138
2029		327,850

8. Guarantees

In 2018, the Association entered into an additional program with the ESDC and RBC to provide loan guarantees under the Foreign Credentials Recognition Program which is also disclosed in Note 6. As at March 31, 2026, guarantees balance is \$513,079 (2025 - \$477,268).

In 2022, the Association entered into a further program with the ESDC and RBC to provide loan guarantees under the Atlantic Immigrant Career Loan Fund Program, also disclosed in Note 6. As at March 31, 2026, the guarantees balance is \$127,708.

Immigrant Services Association of Nova Scotia Notes to Financial Statements

March 31, 2026

9. Financial Instruments

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Association's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts and contributions receivable. The majority of the Association's receivables are from government sources and the Association works to ensure it meets all eligibility criteria in order to qualify to receive the funding.

The Association is also exposed to credit risk arising from all of its bank accounts being held at one financial institution and deposits are only insured up to \$100,000.

There have not been any changes in the risk from the prior year.

Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Association will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Association is exposed to this risk mainly in respect of its accounts payable.

The Association's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. The Association maintains a portion of its invested assets in liquid securities.

There have not been any changes in the risk from the prior year.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed-interest instruments subject the Association to a fair value risk.

The Association mitigates interest rate risk on investments by diversifying the durations of the fixed-income investments that are held at a given time.

There have not been any changes in the risk from the prior year .

Immigrant Services Association of Nova Scotia Notes to Financial Statements

March 31, 2026

10. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

11. Program Revenue

Program revenue is comprised of the following:

	<u>2026</u>	<u>2025</u>
Federally funded programs	\$ 25,535,169	\$ 24,843,863
Provincially funded programs	7,631,449	6,528,456
Other sources funded programs	851,744	770,800
Administration revenue from funded programs	-	16,686
	<u>\$ 34,018,362</u>	<u>\$ 32,159,805</u>
