



**IWK Health**

Financial Statements

**Izaak Walton Killam Health Centre**

March 31, 2024

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# Management's Report

## *Management's Responsibility for the Financial Statements*

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Finance, Audit and Risk Management Committee. The Finance, Audit and Risk Management Committee reviews internal financial statements at each meeting and external audited financial statements yearly and recommends approval to the Board. The Finance, Audit and Risk Management Committee also discuss any significant financial reporting or internal control matters prior to their recommendation for approval of the financial statements to the Board.

The Auditor General of Nova Scotia provides an independent audit of the financial statements. Her examination is conducted in accordance with Canadian auditing standards and includes tests and procedures which allow her to report on the fairness of the financial statements prepared by management.

On behalf of the Izaak Walton Killam Health Centre:



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Dr. Krista Jangaard, MD, FRCPC, MHA  
President & Chief Executive Officer



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Mary Lynn VanTassel, BBA, CPA  
Acting Chief Operating Officer

June 20, 2024

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Izaak Walton Killam Health Centre:

### *Opinion*

I have audited the financial statements of the Izaak Walton Killam Health Centre (the "IWK Health Centre"), which comprise the statement of financial position as at March 31, 2024, and the statement of operations, statement of change in net debt and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the IWK Health Centre as at March 31, 2024, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinion*

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the IWK Health Centre in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### *Other Information*

Management is responsible for the other information. The other information comprises the annual report but does not include the consolidated financial statements and my auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance.

## *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 public sector accounting standards, 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 IWK Health Centre'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 an intention exists to liquidate the IWK Health Centre or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the IWK Health Centre's financial reporting process.

## *Auditor's Responsibilities for the Audit of the Financial Statements*

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 IWK Health Centre'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 IWK Health Centre's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.

However, future events or conditions may cause the IWK Health Centre 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.

I 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 I identify during my audit.

A handwritten signature in black ink that reads "Kim Adair". The signature is written in a cursive, flowing style.

Kim Adair, FCPA, FCA, ICD.D  
Auditor General of Nova Scotia

Halifax, Nova Scotia  
June 20, 2024

# Izaak Walton Killam Health Centre

## Statement of Financial Position

As at March 31  
[in thousands of Canadian dollars]

	Note	2024	2023
<b>Financial assets</b>			
Cash and cash equivalents	3	\$ 50,224	\$ 50,732
Accounts receivable	4	8,097	5,227
Due from governments	5	84,360	82,964
Due from IWK Health Centre Charitable Foundation	6	664	1,390
		<b>143,345</b>	<b>140,313</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	7	61,724	61,240
Deferred revenue	8	38,537	36,093
Employee future benefits	9	35,037	34,837
Asset retirement obligations	12	12,371	13,009
Debt	13	-	986
		<b>147,669</b>	<b>146,165</b>
<b>Net debt</b>		<b>(4,324)</b>	<b>(5,852)</b>
<b>Non-financial assets</b>			
Tangible capital assets	14	258,238	233,483
Inventories held for use	15	2,272	2,143
Prepaid expenses		2,571	3,242
		<b>263,081</b>	<b>238,868</b>
<b>Accumulated surplus</b>		<b>\$ 258,757</b>	<b>\$ 233,016</b>

Contingent liabilities and contractual obligations (Notes 16 & 17)

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

**Approved by the IWK Health Board of Directors:**



Sonya Fraser, FCPA, FCA  
Board Chair



Gina Kinsman, CPA, CA  
Finance, Audit & Risk Management Committee Chair

# Izaak Walton Killam Health Centre

## Statement of Operations

Year ended March 31  
[in thousands of Canadian dollars]

	Note	Budget [Note 21]	2024	2023
<b>Revenues</b>				
Operating grants - Provincial		\$ 331,449	\$ 329,089	\$ 296,029
Operating grants – Federal		180	180	180
Capital grants - Provincial		42,552	36,792	36,178
Capital grants - Other		2,300	1,518	1,727
Research and innovation – Provincial		-	109	826
Research and innovation – Federal		-	3,274	4,074
Research and innovation – Other		11,553	13,246	9,319
Other revenue - Provincial		9,851	12,639	9,179
Other revenue – Federal		-	140	108
Other revenue – Other		19,318	28,901	20,560
Investment income		550	3,463	2,184
<b>Total revenues</b>		<b>417,753</b>	<b>429,351</b>	<b>380,364</b>
<b>Expenses (Schedule A)</b>				
Clinical programs and networks		241,789	241,859	214,101
Operational and corporate support		66,834	79,087	66,551
Clinical support		62,705	65,080	58,389
Research and innovation		12,442	17,584	15,416
<b>Total expenses</b>		<b>383,770</b>	<b>403,610</b>	<b>354,457</b>
<b>Annual surplus</b>	20	<b>33,983</b>	<b>25,741</b>	<b>25,907</b>
<b>Accumulated surplus, beginning of year</b>			<b>233,016</b>	<b>207,109</b>
<b>Accumulated surplus, end of year</b>		<b>\$</b>	<b>\$ 258,757</b>	<b>\$ 233,016</b>

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



# Izaak Walton Killam Health Centre

## Statement of Change in Net Debt

Year ended March 31  
[in thousands of Canadian dollars]

	Budget [Note 21]	2024	2023
<b>Annual surplus</b>	<b>33,983</b>	<b>25,741</b>	<b>25,907</b>
<b>Change in tangible capital assets</b>			
Acquisition of tangible capital assets	(45,652)	(36,517)	(22,886)
Amortization of tangible capital assets	11,669	11,501	11,215
Write-down / disposal of tangible capital assets	-	261	54
<b>Increase in tangible capital assets</b>	<b>(33,983)</b>	<b>(24,755)</b>	<b>(11,617)</b>
<b>Change in other non-financial assets</b>			
Net change in inventories	-	(129)	201
Net change in prepaid expenses	-	671	(548)
<b>Decrease (increase) in other non-financial assets</b>	<b>-</b>	<b>542</b>	<b>(347)</b>
<b>Decrease in net debt</b>	<b>-</b>	<b>1,528</b>	<b>13,943</b>
<b>Net debt, beginning of year</b>	<b>(5,852)</b>	<b>(5,852)</b>	<b>(19,795)</b>
<b>Net debt, end of year</b>	<b>\$ (5,852)</b>	<b>\$ (4,324)</b>	<b>\$ (5,852)</b>

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

# Izaak Walton Killam Health Centre

## Statement of Cash Flows

Year ended March 31  
[in thousands of Canadian dollars]

	Note	2024	2023
<b>Operating Activities</b>			
Annual surplus		\$ 25,741	\$ 25,907
Items not affecting cash			
Amortization of tangible capital assets		11,501	11,215
Write-down / disposal of tangible capital assets		261	54
Change in accounts receivable / due from government		(4,266)	(29,666)
Change in receivable from IWK Health Centre Charitable Foundation		726	314
Change in accounts payable and accrued liabilities		484	19,657
Change in employee future benefits		200	(911)
Change in inventories held for use		(129)	201
Change in prepaid expenses		671	(548)
Cash provided by operating activities		35,189	26,223
<b>Capital Activities</b>			
Acquisition of tangible capital assets		(36,517)	(22,886)
Change in asset retirement obligation		(638)	10
Cash applied to capital activities		(37,155)	(22,876)
<b>Financing Activities</b>			
Debt retirement (principal payments)		(986)	(1,250)
Cash applied to financing activities		(986)	(1,250)
<b>Change in cash and cash equivalents</b>		<b>(2,952)</b>	<b>2,097</b>
<b>Cash and cash equivalents, beginning of year</b>		<b>14,639</b>	<b>12,542</b>
<b>Cash and cash equivalents, end of year</b>	3	<b>\$ 11,687</b>	<b>\$ 14,639</b>

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

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2024  
[in thousands of Canadian dollars]

### 1. Nature of the organization

The Izaak Walton Killam Health Centre ("IWK Health") provides quality care for children, women and families in the three Maritime Provinces and beyond. IWK Health is a tertiary care health centre dedicated to family-centred care, education, research, health promotion and advocacy for best results. IWK Health is also committed to being a global leader in research and knowledge transfer.

IWK Health is a non-profit entity and, as such, is exempt from income taxes under the *Income Tax Act*.

### 2. Summary of significant accounting policies

#### a. Basis of accounting

These financial statements have been prepared by management of IWK Health in accordance with Canadian public sector accounting standards ("PSAS") established by the Canadian Public Sector Accounting Board ("PSAB").

These financial statements reflect the assets, liabilities, revenues and expenses of IWK Health. They do not include the activities of the IWK Health Centre Charitable Foundation (the "Foundation"), a non-controlled, not-for-profit entity (Note 6).

#### b. Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits that are readily available and are subject to an insignificant risk of change in value.

#### c. Financial instruments

Financial instruments are classified into either cost / amortized cost or fair value categories. IWK Health has no financial instruments that are required to be accounted for at fair value.

The cost/amortized cost category includes cash and cash equivalents, receivables, payables, debt and accruals. These items are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method. Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Management assesses financial instruments for impairment on an annual basis. When financial assets are impaired, impairment losses are recorded in the statement of operations.

There are no unrealized gains or losses, therefore the statement of remeasurement gains and losses has not been presented.

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2024  
[in thousands of Canadian dollars]

### 2. Summary of significant accounting policies (cont'd)

#### d. Employee future benefits

IWK Health contributes to the Nova Scotia Health Employees' Pension Plan and the Nova Scotia Public Service Superannuation Plan which are multiemployer, defined benefit pension plans. IWK Health applies defined contribution plan accounting to these pension plans and, accordingly, contributions to the plans are expensed when they become payable

Employee future benefits include accumulating non-vesting sick leave, health and life insurance for retired employees, and retiring allowances / public service awards paid to employees upon retirement. A liability for employee future benefits has been included in these financial statements.

The costs and obligations of these employee future benefits are actuarially determined using management's best estimate of the assumptions disclosed in Note 9. The methods used in this valuation of costs and obligations were selected by the Nova Scotia Department of Finance and Treasury Board. These assumptions are in accordance with accepted actuarial practice.

The Province of Nova Scotia funds the employees retiring allowances / public service awards, health and life insurance, and accumulating non-vesting sick leave benefits. As a result, a receivable for the same amount has been recorded from the Nova Scotia Department of Finance and Treasury Board and is included in due from governments in these financial statements.

Effective April 1, 2015, retiring allowances have been discontinued and as a result no new members will be admitted into the plan. The payment of retirement allowances will be deferred until retirement and calculated based on accumulated service as of the discontinuation date and salary upon retirement.

#### e. Deferred revenue

Deferred revenue includes contributions received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. Deferred revenues include both operating and capital revenue.

These amounts are recognized as revenue in the fiscal year in which the related expenses are incurred, services are performed, or when related stipulations are met.

#### f. Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment, and retirement of the assets.

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2024  
[in thousands of Canadian dollars]

### 2. Summary of significant accounting policies (cont'd)

Tangible capital assets are recorded at cost and amortized on a straight-line basis over their useful lives as follows:

Buildings and building service equipment	5 - 50 years
Leasehold improvements	Lesser of term or 10 years
Equipment	5 - 25 years
Information technology	5 years
Parking equipment and paving	10 years
Parking garage	50 years

Construction in progress assets is not amortized until the asset is available for productive use.

The useful life of an asset may require revision during its life due to significant changes such as physical damage, upgrades / developments, a change in its use, etc. The effect of this change would be recorded in the year of revision and in future years. The financial statements of previous years are not restated due to the change in an estimated useful life.

Asset retirement obligations are recognized in the financial statements by increasing the carrying amount of the related tangible capital assets, or components thereof. The related expense is then amortized over the remaining useful lives of the related assets.

Tangible capital assets are written down when conditions indicate that they no longer contribute to IWK Health's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. Write-downs are accounted for as expenses in the statement of operations. Write-downs are not reversed.

When a tangible capital asset is removed from service, destroyed, becomes obsolete, scrapped, etc., it is retired from the accounts of IWK Health as of the asset's disposal date. The gain or loss on disposal will be calculated as the difference between the proceeds received and the net book value of the asset. The gain or loss on disposal will be recorded as revenue or an expense in the statement of operations.

Contributed tangible capital assets are recorded into revenues at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, and such contributed capital assets are then recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at their carrying value.

#### g. Inventories held for use

Inventories held for use include drugs, linen, medical and surgical, and departmental supplies and are recorded at the lower of cost or replacement cost. IWK Health uses the weighted average cost method to determine cost of stores inventory and the first-in, first-out method to determine cost of pharmacy inventory.

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2024  
[in thousands of Canadian dollars]

### 2. Summary of significant accounting policies (cont'd)

#### h. Prepaid expense

Prepaid expense includes premises rent, maintenance, insurance, service contracts, support costs, memberships, and subscriptions as well as prepaid inventory and are charged to expense over the periods the good or service is consumed.

#### i. Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis.

Provincial and federal government transfers, defined as operating or capital, are recognized as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability.

Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources, including donation and fundraising revenue, are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose. Restricted contributions that must be maintained in perpetuity are recorded as revenue when received or receivable.

Recovery revenues include reimbursement or coverage by a third-party entity for expenses covered by IWK Health. Expenses for which IWK Health would typically recover include compensation and supplies.

Revenue related to fees or services received in advance of the fee being earned or the service is performed are deferred and recognized when the fee is earned or the service is performed.

Investment income includes interest income and is reported in the period earned.

Patient billings, food services, laboratory and parking revenues are recognized as revenue when the related service is rendered or when goods are provided.

#### j. Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2024  
[in thousands of Canadian dollars]

### 2. Summary of significant accounting policies (cont'd)

#### k. Trusts under administration

Trusts administered by IWK Health are maintained separately from IWK Health's assets and are excluded from the statement of financial position as the assets are not held for the benefit of IWK Health. These trusts are held on behalf of IWK Health paediatric dentists and relate to their dental practice.

At March 31, 2024, IWK Health held 2 (2023 - 2) dental trust funds totalling \$228 (2023 - \$303). Each trust maintains its own terms of reference which includes the purpose, guideline of eligible expenditures and designated signing authorities. Trust fund reporting, which includes details on transactions incurred throughout the year, is provided to the various stakeholders.

#### l. Measurement uncertainty

Measurement uncertainty exists in determining certain amounts at which items are recorded or disclosed in these financial statements. Many items are measured using management's best estimates. Uncertainty exists whenever estimates are used because it is reasonably possible that there could be a material difference between the recognized amount and another reasonably possible amount.

Areas subject to measurement uncertainty include employee future benefits and the value of tangible capital asset retirement obligations.

The nature of the uncertainty in the accruals for sick leave, retirement and other obligations arises because actual results may differ significantly from the various assumptions about plan members and economic conditions in the marketplace.

The nature of uncertainty related to asset retirement obligations arises from significant assumptions associated with unit rate matrices used to approximate liability costs and the use of a sliding scale of abatement values to reflect the estimated phase-out of asbestos and lead paint in construction.

Other areas requiring the use of management estimates include allowances for doubtful accounts, amortization rates, inventory, accrued payroll liabilities, asset retirement obligations, commitments, and contingencies.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

#### m. Contributed services

Volunteers contribute a significant amount of their time assisting IWK Health in carrying out its programs and services. Due to the difficulty in determining fair value, contributed services are not recognized in these financial statements.

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2024  
[in thousands of Canadian dollars]

### 2. Summary of significant accounting policies (cont'd)

During the year IWK Health received a nominal amount of personal protective equipment and testing kits through a provincial stockpile managed by Nova Scotia Health but controlled by the Nova Scotia Department of Health and Wellness. These contributed materials are recognized in the financial statements at their carrying value.

#### n. Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability of this nature and any expected recoveries related to such liabilities are separately recognized. A liability for remediation of contaminated sites normally results from operations that are no longer in productive use and is recognized when all of the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) IWK Health is directly responsible or accepts responsibility;
- (iv) it is expected that future economic benefits will be given up; and
- (v) a reasonable estimate of the amount can be made.

For the fiscal year ended March 31, 2024, IWK Health has not identified a liability for contaminated sites.

#### o. Asset retirement obligations

Asset retirement obligations ("AROs") arise from the acquisition, development, and construction of tangible capital assets that have legal obligations associated with their retirement. IWK Health recognizes an ARO when all the following criteria are met:

- (i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (ii) The past transaction or event giving rise to the liability has occurred;
- (iii) It is expected that future economic benefits will be given up; and
- (iv) A reasonable estimate of the amount can be made.

Asset retirement liabilities include costs directly attributable to retirement activities associated with the underlying asset. They are measured based on the best estimate of the expenditures required to complete the asset retirement activities using information available at the time of preparation of these financial statements. Asset retirement costs are recognized by increasing the carrying amount of the underlying tangible capital asset or the components thereof by the same amount as the liability. The capitalized asset retirement costs are amortized on the same basis as the related tangible capital assets or the components thereof.

The carrying amount of the liability for asset retirement obligations are reviewed at each financial reporting date. Changes to the liabilities arising from revisions to the value of the original estimate are recognized as a change to the carrying amounts of the related tangible capital assets in the year of revision. Changes to the carrying amount of the liability resulting from expenditures made to remove some or all of the associated asset retirement obligation will result in a proportionate reduction of the related receivable balance. Asset retirement obligations are funded by the Province of Nova Scotia.



# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2024  
[in thousands of Canadian dollars]

### 2. Summary of significant accounting policies (cont'd)

#### p. Future changes in accounting standards

##### *Conceptual Framework for Financial Reporting in the Public Sector*

PSAB has undertaken a project to review and update the Conceptual Framework for the PSA Handbook, and the revised framework will be effective for fiscal years beginning on or after April 1, 2026, with earlier adoption encouraged. The revised Conceptual Framework will replace the existing conceptual framework, which consists of Section PS 1000, *Financial Statement Concepts*, and Section PS 1100, *Financial Statement Objectives*.

##### *PS 1202 Financial Statement Presentation*

In October 2023, PSAB issued a new financial reporting model (Section PS 1202, Financial Statement Presentation) that replaces Section PS 1201, Financial Statement Presentation. The new standard, including related consequential amendments, responds to the need for understandable financial statements for the public and its elected and appointed representations. The new financial reporting model is effective for fiscal years beginning on or after April 1, 2026. Early application is permitted if the Conceptual Framework is adopted at the same time.

These new accounting standards have not been applied in preparing these financial statements. IWK Health is currently assessing the impact of these new standards, and the extent of the impact of their adoption on the statements has not yet been fully determined.

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2024  
[in thousands of Canadian dollars]

### 3. Cash and cash equivalents

	2024	2023
Cash and cash equivalents	\$ 50,224	\$ 50,732
Less: Amount restricted for other restricted	(19,380)	(16,233)
Less: Amount restricted for research	(19,053)	(19,585)
Less: Amount restricted for capital purposes	(104)	(275)
<b>Unrestricted cash and cash equivalents</b>	<b>\$ 11,687</b>	<b>\$ 14,639</b>

Restricted cash consists of cash and cash equivalents that are subject to an insignificant risk of change in value. Restricted cash is designated to be used only in support of initiatives specifically approved by external funding organizations and individuals. The corresponding restricted liabilities represent unexpended funds as of the end of the fiscal year and will be recognized as revenue when the funds are used for their intended purpose. Refer to Note 8 for details on restrictions. The total amount of restricted cash as at March 31, 2024 is \$38,537 (2023 - \$36,093).

### 4. Accounts receivable

	2024	2023
Insurance and other	\$ 5,150	\$ 2,569
Dalhousie University	1,233	745
Employee receivables	1,182	1,026
Patient care	831	1,039
External health organizations	400	852
Less: provision for doubtful accounts	(699)	(1,004)
	<b>\$ 8,097</b>	<b>\$ 5,227</b>

### 5. Due from governments

	2024	2023
Province of Nova Scotia		
Department of Finance and Treasury Board		
Employee future benefits – see Note 9	\$ 35,037	\$ 34,837
Asset retirement obligations – see Note 12	12,371	13,040
Department of Health & Wellness	33,332	31,975
Other government reporting entities	656	1,250
Federal Government	2,704	1,457
Nova Scotia Health	367	512
Less: provision for doubtful accounts	(107)	(107)
	<b>\$ 84,360</b>	<b>\$ 82,964</b>

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2024  
[in thousands of Canadian dollars]

### 5. Due from governments (cont'd)

As at March 31, 2024, \$6,014 (2023 - \$17,140) is included in amounts due from the Department of Health and Wellness related to the Province of Nova Scotia Retention Bonuses, Incentives for Nurses, and Healthcare Workers program. Refer to Note 22. *Retention Bonuses, Incentives for Nurses, and Healthcare Workers.*

### 6. Due from IWK Health Centre Charitable Foundation

The Foundation provides donations to IWK Health for capital, clinical programs, and research activities. During the current year, IWK Health received \$6,274 (2023 - \$3,702) in cash donations from the Foundation, these donations are recognized as revenue when the related expense is incurred or stipulations, if any, are met. The total amount receivable from the Foundation as at March 31, 2024 is \$664 (2023 - \$1,390).

### 7. Accounts payable & accrued liabilities

	2024		2023	
Compensation and benefits	\$	35,978	\$	42,697
Trade payables		13,651		9,181
Accrued liabilities		12,095		9,362
	\$	<b>61,724</b>	\$	<b>61,240</b>

As at March 31, 2024, \$6,014 (2023 - \$17,140) is included in compensation and benefits payable related to the Province of Nova Scotia Retention Bonuses, Incentives for Nurses, and Healthcare Workers program. Refer to Note 22. *Retention Bonuses, Incentives for Nurses, and Healthcare Workers.*

### 8. Deferred revenue – summary

Deferred revenue - summary	2024		2023	
Other restricted (Note a)	\$	19,380	\$	16,233
Research (Note b)		19,053		19,585
Capital grants (Note c)		104		275
	\$	<b>38,537</b>	\$	<b>36,093</b>

#### a. Deferred revenue – other restricted

Deferred revenue – other restricted relates to contributions received from the IWK Foundation, other donors, or organizations for specified operating expenditures. The balance represents the portion of funding unexpended as at the end of year. These funds will be recognized as revenue when the specified goods are received or services are incurred.

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2024  
[in thousands of Canadian dollars]

### 8. Deferred revenue: other restricted (cont'd)

	2024	2023
Balance, beginning of year	\$ 16,233	\$, 15,123
Receipts during the year	7,267	5,308
Transfers to revenue during the year	(4,120)	(4,198)
Balance, end of year	\$ 19,380	\$ 16,233

#### b. Deferred revenue – research

Deferred revenue – research relates to advanced money received for spending to meet the needs of research services and individual research investigators, according to specific, pre-approved terms of reference. The balance represents the portion of funding unexpended as at the end of year. These grants will be recognized as revenue when the resources are used for the purpose specified.

	2024	2023
Balance, beginning of year	\$ 19,585	\$ 18,636
Receipts during the year	16,175	15,122
Transfers to revenue during the year	(16,707)	(14,173)
Balance, end of year	\$ 19,053	\$ 19,585

#### c. Deferred revenue – capital grants

Deferred revenue – capital grants relates to funding received from the IWK Foundation or the Department of Health and Wellness for capital equipment and renovations. The balance represents the portion of funding unexpended as at the end of year. These grants will be recognized as revenue when the capital equipment is purchased or when capital renovation costs are incurred.

	2024	2023
Balance, beginning of year	\$ 275	\$ 343
Receipts during the year	9,567	9,313
Transfers to revenue during the year	(9,738)	(9,381)
Balance, end of year	\$ 104	\$ 275

### 9. Employee future benefits

Employee future benefits – summary	2024	2023
Non-vested sick-leave benefits (Note a)	\$ 17,822	\$ 17,642
Health insurance (Note b)	16,091	15,841
Retiring allowances (Note c)	1,124	1,354
Ending balance, employee future benefits	\$ 35,037	\$ 34,837

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2024  
[in thousands of Canadian dollars]

### 9. Employee future benefits (cont'd)

#### a. Non-vesting sick leave benefits

IWK Health provides non-vesting sick-leave benefits to certain union and non-union employees. These employees are allowed to accumulate unused sick day credits each year, up to the allowable maximum provided in their respective employment agreement. Accumulated credits may be used in future years to the extent that the employee's illness or injury exceeds the current year's allocation of credits. The use of accumulated sick days for sick-leave compensation ceases on termination of employment. The Province of Nova Scotia contracts a third party to perform the actuarial valuation on employee future benefits on behalf of IWK Health. The benefit costs and liabilities related to the plan are included in the financial statements. Actuarial gains and losses are amortized over the expected average remaining service life. The most recent actuarial valuation was conducted as at June 30, 2023, with actuarial liabilities extrapolated to March 31, 2024. The Nova Scotia Department of Finance and Treasury Board fully funds this liability; therefore, a corresponding accounts receivable amount is recorded.

IWK Health has provided for non-vesting sick-leave benefits as follows:

Accrued benefit liability	2024		2023	
Beginning balance, accrued benefit obligation	\$	9,113	\$	8,910
Current service cost		1,363		1,230
Interest on accrued benefit obligation		302		261
Other (past service, transfers, etc.)		785		-
Benefits paid		(1,115)		(1,163)
Experience loss (gain)		2,706		(125)
Accrued benefit obligation	\$	13,154	\$	9,113
Unamortized net actuarial gain		4,668		8,529
Ending balance, accrued benefit liability	\$	17,822	\$	17,642

Non-vesting sick leave benefits expense	2024		2023	
Current service costs	\$	1,363	\$	1,230
Interest on accrued benefit obligation		302		261
Other (past service, transfers, etc.)		785		-
Amortization of net actuarial gain		(1,154)		(1,144)
	\$	1,296	\$	347

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2024  
[in thousands of Canadian dollars]

### 9. Employee future benefits: Non-vesting sick leave benefits (cont'd)

The significant weighted average actuarial assumptions adopted in measuring IWK Health's non-vesting sick leave benefits are as follows as at March 31:

	2024	2023
Discount rate	3.18%	2.96%
Future mortality rate based on CPM 2014		
Public Sector table with mortality scale CPM-B	120%	120%
Rate of compensation increase	1.50% - 3.50%	0.50% - 2.00%
Promotional increase	0.40% - 2.90%	0.40% - 2.90%
Expected average remaining service life	12 years	12 years

#### b. Health insurance

IWK Health provides health insurance benefits for certain union and non-union employees at the choice of the employee at retirement. IWK Health contributes to the cost of these premiums. The Province of Nova Scotia contracts a third party to perform actuarial valuations on employee future benefits on behalf of IWK Health. The most recent actuarial valuation was conducted as at June 30, 2023, with actuarial liabilities extrapolated to March 31, 2024.

The health insurance value is calculated using the projected unit credit method, prorated on service. Experience gains and losses and assumption changes are amortized on a linear basis over the expected average remaining service life for active employees. Annually, results along with values to record the liability and expenses are provided by the Nova Scotia Department of Finance and Treasury Board.

The Nova Scotia Department of Finance and Treasury Board fully funds this liability; therefore, a corresponding accounts receivable amount is recorded.

IWK Health has provided for health insurance as follows:

Accrued benefit liability	2024	2023
Beginning balance, accrued benefit obligation	\$ 11,742	\$ 11,095
Current service cost	675	652
Interest on accrued benefit obligation	369	323
Benefits paid	(385)	(403)
Experience (gain) loss	(642)	75
Ending balance, accrued benefit obligation	\$ 11,759	\$ 11,742
Unamortized net actuarial gain	4,332	4,099
Accrued benefit liability	\$ 16,091	\$ 15,841

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2024  
[in thousands of Canadian dollars]

### 9. Employee future benefits: health insurance (cont'd)

Health insurance expense	2024	2023
Current service costs	\$ 675	\$ 652
Interest on accrued benefit obligation	369	323
Amortization of net actuarial gain	(410)	(427)
<b>Employee future benefits health insurance expense</b>	<b>\$ 634</b>	<b>\$ 548</b>

The significant weighted average actuarial assumptions adopted in measuring IWK Health's health insurance are as follows as at March 31:

	2024	2023
Discount rate	3.18%	2.96%
Participation rate - Health	80%	80%
Future mortality rate based on CPM 2014		
Public Sector table with mortality scale CPM-B	120%	120%
Rate of health care inflation, (reduced to a rate of 4.0% over 20 years [2020 – reduced to a rate of 4.5% over 15 years])	7%	7%
Expected average remaining service life	14 years	14 years

#### c. Retiring allowances

Prior to April 1, 2015, IWK Health provided retiring allowances to employees under certain Collective agreements. Employees were entitled to a payment of one week's salary for every year of service [max. 26 weeks] that an employee has served with the organization. Effective April 1, 2015, retiring allowances have been discontinued and as a result no new members will be admitted into this plan. The payment of retirement allowances are deferred until retirement and calculated based on accumulated service as of the discontinuation date and salary upon retirement. The Province of Nova Scotia contracts a third party to perform actuarial valuations on employee future benefits on behalf of IWK Health. The most recent actuarial valuation was conducted as at March 31, 2022 with actuarial liabilities extrapolated to March 31, 2024.

Retirement allowances paid to employees upon retirement are actuarially determined. The retiring allowance value is calculated using the projected unit credit method, prorated on service. Actuarial gains and losses are amortized on a linear basis over the expected average remaining service life. Annually, results along with values to record the liability and expenses are provided by the Nova Scotia Department of Finance and Treasury Board.

In 2018, eligible management and non-unionized staff as well as unionized staff were offered a one-time service payout in lieu of the retirement allowance available at the time of retirement. This resulted in a total service payout of \$3.8 million of those eligible management and non-unionized staff, which was accrued for at March 31, 2018, as well as \$17.1 million to those eligible unionized employees, which was paid during fiscal 2018-19. These payouts resulted in a reduction in the liability in fiscal 2018-19, and has no direct impact on the financial statements for future years.

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2024  
[in thousands of Canadian dollars]

### 9. Employee future benefits: retiring allowances (cont'd)

The Nova Scotia Department of Finance and Treasury Board fully funds this liability; therefore, a corresponding accounts receivable amount is recorded.

IWK Health has provided for retiring allowances as follows:

Accrued benefit liability	2024		2023	
Beginning balance, accrued benefit obligation	\$	939	\$	1,017
Interest on accrued benefit obligation		27		28
Benefits paid		(147)		(139)
Experience loss		2		33
Accrued benefit obligation	\$	821	\$	939
Unamortized net actuarial gain		303		415
Ending balance, accrued benefit liability	\$	1,124	\$	1,354

Retiring allowance expense (recovery):	2024		2023	
Interest on accrued benefit obligations	\$	27	\$	28
Amortization of actuarial gain		(110)		(130)
	\$	(83)	\$	(102)

The significant weighted average assumptions adopted in measuring IWK Health's retiring allowances are as follows as at March 31:

	2024		2023	
Discount rate	3.18%		2.96%	
Average age of employees	53.2		53.2	
Average years of service	8.9		8.9	
Expected average remaining service life	7 years		7 years	
Future mortality rate	[none assumed]		[none assumed]	
Rate of compensation increase	1.50% - 3.50%		0.50% - 2.00%	
Promotional Increase	0.40% - 2.90%		0.40% - 2.90%	



# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2024  
[in thousands of Canadian dollars]

### 10. Employer pension contributions

#### Nova Scotia Health Employees' Pension Plan

The majority of IWK Health employees participate in the multi-employer Nova Scotia Health Employee's Pension Plan. The Plan is funded by employee and employer contributions. The employer's contributions are included in IWK Health's operating expenses. Health Association Nova Scotia and four healthcare unions appoint a Board of Trustees to administer the pension plan. IWK Health's responsibility with regard to this plan is limited to its contributions.

#### Nova Scotia Public Service Superannuation Plan

Certain employees of IWK Health belong to the Nova Scotia Public Service Superannuation Plan. This Plan is funded equally by employee and employer contributions. The employer's contributions are included in IWK Health's operating expenses. The Nova Scotia Pension Services Corporation administers the pension plan. IWK Health's responsibility with regard to this plan is limited to its contributions.

Total employer contributions to the above mentioned plans are as follows:

	2024	2023
Employer contributions	\$ 19,450	\$ 16,432

### 11. Employer contributions to the long-term disability plan

#### Health Association Nova Scotia

The majority of IWK Health employees are members of this plan, which is funded equally by employee and employer contributions. The employer's contributions are included in IWK Health's operating expenses. Health Association Nova Scotia administers this long-term disability plan. IWK Health's responsibility with regard to this plan is limited to its contributions and it has no claim on the surplus or responsibility for any unfunded amounts that may occur.

Total employer contributions to the above mentioned plans are as follows:

	2024	2023
Employer contributions	\$ 3,341	\$ 2,801

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2024  
[in thousands of Canadian dollars]

### 12. Asset retirement obligations

IWK Health owns and operates various assets that are subject to asset retirement obligations. Provisions for these costs are recorded when it is determined a liability exists and a reasonable estimate of the obligation can be made. As at March 31, 2024, a total liability for asset retirement obligations of \$12,371 (2023 - \$13,009) has been recorded in these financial statements.

As at March 31, 2024, asset retirement obligations for medical equipment and fuel storage tanks have been removed from these financial statements as a result of management's continual assessment of the liability in accordance with *PS 3280 Asset Retirement Obligations*. This change has been applied prospectively, in accordance with *PS 2120, Accounting Changes*.

IWK Health's estimates for decommissioning of assets at retirement are based on available data such as building engineering reports and internal data. These estimates have been measured on an undiscounted basis and reflect IWK Health's best estimate of the expected additional cost of disposal of or demolition of the related asset in the prescribed manner that gave rise to the retirement obligation. IWK Health has recognized several types of asset retirement obligations as follows:

#### Asbestos Abatement

IWK Health owned buildings are known to, or expected to, contain asbestos, which represents a health hazard upon disturbance of the material. There exists a legal requirement to perform abatement activities in asbestos containing areas upon renovation or demolition of the building. The estimated retirement obligation related to asbestos is based on the cost to perform abatement activities on demolition of the building. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. The estimated total liability is \$12,084 (2023 - \$12,084).

#### Other

Other asset retirement obligations include items such as refrigerants, mercury, and other regulated building materials which IWK Health is required to dispose of in a regulated manner. The estimated total liability is \$287 (2023 - \$287).

The Nova Scotia Department of Finance and Treasury Board fully funds this liability; therefore, a corresponding accounts receivable amount is recorded.

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2024  
[in thousands of Canadian dollars]

### 12. Asset retirement obligations (cont'd)

Total asset retirement obligations:

	Asbestos	Equipment	Fuel Tanks	Other	2024 Total	2023 Total
Opening costs	12,084	590	48	287	13,009	12,999
Liabilities incurred	-	-	-	-	-	42
Liabilities settled	-	(590)	(48)	-	(638)	(32)
Closing costs	12,084	-	-	287	12,371	13,009

Tangible capital asset net book value and related ARO liability amounts at March 31, 2024 are as follows:

Tangible Capital Asset Class	Tangible Capital Asset Net Book Value	ARO Liability
Buildings	\$ 5,846	\$ 12,371

### 13. Debt

	2024	2023
Balance outstanding	\$ -	\$ 986

In 2002/2003, IWK Health received approval from its Board of Directors and the Department of Health and Wellness to construct a new multi-level parking garage and research facility. The parking garage became fully operational in the 2003/2004 fiscal year. The final project cost was \$16,000.

The Nova Scotia Department of Finance and Treasury Board loan bears interest at 5.76% per annum, calculated semi-annually and was repayable in quarterly instalments of principal and interest of \$338. This debt obligation has been fully repaid at December 1, 2023.

The total gross interest paid on debt for the year ended March 31, 2024 was \$29 (2023 - \$102). IWK Health has access to a \$2,000 line of credit with a Canadian chartered bank which may be used for general operating purposes. Draws on the facility bear interest at the bank's prime rate less 3/4% per annum. As at March 31, 2024, IWK Health has \$nil [2023 - \$nil] draws against this facility.

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2024  
[in thousands of Canadian dollars]

### 14. Tangible capital assets

Historical costs	Land and land improvements	Buildings	Equipment	Information Technology	Projects in progress	2024 Total	2023 Total
Opening costs	4,546	304,702	49,252	4,154	25,979	<b>388,633</b>	366,115
Transfers	-	3,867	2,672	-	(6,539)	-	-
Additions	-	805	916	178	34,618	<b>36,517</b>	22,886
Write-downs / disposals*	-	-	(801)	-	(22)	<b>(823)</b>	(368)
Closing costs	4,546	309,374	52,039	4,332	54,036	<b>424,327</b>	388,633

  

Accumulated amortization	Land and land improvements	Buildings	Equipment	Information Technology	Projects in progress	2024 Total	2023 Total
Opening	261	123,309	29,447	2,133	-	<b>155,150</b>	144,249
Amortization	-	7,795	3,466	240	-	<b>11,501</b>	11,215
Write-downs / disposals*	-	-	(562)	-	-	<b>(562)</b>	(314)
Closing	261	131,104	32,351	2,373	-	<b>166,089</b>	155,150

  

<b>Net book value</b>	<b>4,285</b>	<b>178,270</b>	<b>19,688</b>	<b>1,959</b>	<b>54,036</b>	<b>258,238</b>	<b>233,483</b>
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\* Write-downs / disposals are for the removal of equipment assets which are no longer in use due to their age, removed from service, destroyed, becomes obsolete, scrapped, etc.

### 15. Inventories held for use

	2024	2023
Medical, surgical and other	\$ 1,134	\$ 1,005
Drugs	801	814
Departmental	337	324
	<b>\$ 2,272</b>	<b>\$ 2,143</b>

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2024  
[in thousands of Canadian dollars]

### 16. Contingent liabilities

IWK Health may, from time to time, be involved in legal proceedings, claims and litigations that arise in the ordinary course of business. IWK Health believes it is not exposed to a material adverse effect on its financial position as management is of the opinion that their insurance coverage is sufficient to meet or discharge any obligation arising from these lawsuits.

IWK Health currently has two (2023 – two) collective agreements that expired on October 31, 2023 and are current under negotiation at March 31, 2024. The outcome of these negotiations are not currently known.

### 17. Contractual obligations

IWK Health has entered into a number of multiple-year contracts for the delivery of equipment, supplies, services, and operating leases. These contractual obligations will become liabilities in the future when the terms of the contracts are met or the equipment received. Estimated annual minimum lease payment and purchase commitments in each of the next five years are expected to be as follows:

Year ended March 31	\$
2025	15,256
2026	6,725
2027	4,669
2028	2,946
2029	2,549
Thereafter in aggregate	12,903

### 18. Risk management

IWK Health is exposed to a number of risks as a result of the financial instruments on its statement of financial position that can affect its operating performance. These risks include credit risk, liquidity risk, and foreign exchange risk. Unless otherwise noted, it is management's opinion that IWK Health is not exposed to market risks arising from financial instruments.

#### Credit risk

Credit risk is the risk of loss arising from the failure of a counterparty to fully honour its financial obligation. IWK Health is exposed to credit risk with respect to accounts receivable.

Receivables are ultimately due from government, third party insurers, patients, foundations and auxiliaries. Credit risk is mitigated by management's review of aging and collection of receivables. IWK Health recognizes a specific allowance for doubtful accounts when management considers the expected amounts to be recovered are lower than the actual receivable.

IWK Health measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the age of accounts and management's experience regarding collections. The allowance for doubtful accounts at March 31, 2024 amounts to \$806 (2023 - \$1,111).

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2024  
[in thousands of Canadian dollars]

### 18. Risk management (cont'd)

The aging of trade accounts receivable was as follows:

	2024		2023	
0 – 60 days	\$	7,025	\$	4,334
61 – 120 days		361		271
121 – 365 days		210		200
Greater than 365 days		501		422
<b>Total</b>	<b>\$</b>	<b>8,097</b>	<b>\$</b>	<b>5,227</b>

#### Liquidity risk

Liquidity risk is the risk on IWK Health's ability to convert financial assets to cash in order to meet its financial liabilities. IWK Health has contractual obligations and financial liabilities and, therefore, is exposed to liquidity risk. IWK Health monitors its liquidity risk through extensive budgeting and forecasting, and by matching its long-term financing arrangements with its cash flow needs.

#### Foreign currency risk

IWK Health's operating results and financial positions are reported in Canadian dollars. Some of IWK Health's financial instruments and transactions are denominated in currencies other than Canadian dollar, and therefore, its operations are subject to currency transaction and translation risks. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates.

IWK Health occasionally makes payments denominated in foreign currencies. Most of these foreign transactions are in US dollars with vendors located in the USA. Foreign currency is acquired using Canadian dollars at the spot rate in the amounts necessary to cover the foreign currency obligation.

The currency most contributing to the foreign exchange risk is the US dollar. Comparative foreign exchange rates as at March 31 are as follows:

	2024		2023	
US dollar per Canadian dollar	\$	0.7394	\$	0.7389

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2024  
[in thousands of Canadian dollars]

### 19. Related party and inter-entity transactions

#### Related party transactions

IWK Health is related in terms of common ownership to all Province of Nova Scotia created departments, agencies, boards and commissions. Related parties also include key management personnel having the authority and responsibility for planning, directing and controlling the activities of the organization. This includes the executive leadership team, and members of the Board of Directors and their close family members. IWK Health enters into transactions with these entities in the normal course of business measured at the exchange amount. This disclosure is in addition to the related party disclosure provided elsewhere in these financial statements.

#### Inter-entity transactions

The Province of Nova Scotia has centralized some of its administrative activities for efficiency and cost-effectiveness purposes. As a result, the Province of Nova Scotia uses a shared services model so that one department performs services for other departments, agencies, board and commissions without charge. The costs of these services, such as Public Works, Service Nova Scotia and Internal Services information technology support provided by the Province of Nova Scotia, and Nova Scotia Health Authority clinical information technology support services are not recognized in these financial statements. Additionally, SAP Enterprise system support services are provided to IWK Health at no charge.

### 20. Operational and capital funding reconciliation

As per the Health Authorities Act of Nova Scotia, IWK Health is to reconcile the annual operating funding and capital funding surplus/deficit, as defined by the Act, to the current year operating and capital surplus/deficit reported on the statement of operations and accumulated surplus. The below schedule is the reconciliation of the operating and capital funding:

	2024	2023
Annual surplus reported on the statement of operations	\$ 25,741	\$ 25,907
Amortization	11,501	11,215
Capital grants	(36,517)	(35,926)
Write-down / disposal of tangible capital assets	261	54
Principal debt repayments	(986)	(1,250)
Operating funding surplus, as defined by the Act	\$ -	\$ -

### 21. Budgeted Figures

Budgeted figures, detailed within IWK Health's 2023-24 Business Plan, have been provided for comparison purposes and have been approved by the Department of Health and Wellness (DHW).

The following presents a reconciliation between IWK Health's approved budget and the budget as presented in the statement of operations to align with the presentation of the current year results.

# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2024  
[in thousands of Canadian dollars]

### 21. Budgeted Figures (cont'd)

<b>Revenues</b>	
Operating revenue budget	\$ 357,500
Recoveries	15,401
Capital grants - Provincial	42,552
Capital grants - Other	2,300
<b>Total budgeted revenues per statement of operations</b>	<b>\$ 417,753</b>

  

<b>Expenses</b>	
Operating expense budget	\$ 357,500
Recoveries	15,401
Amortization	11,669
Principal debt repayments	(800)
<b>Total budgeted expenses per statement of operations</b>	<b>\$ 383,770</b>

### 22. Retention Bonuses, Incentives for Nurses and Healthcare Workers

On March 20, 2023, the Province of Nova Scotia announced the retention bonus and incentive program for nurses and healthcare workers aimed at retaining and attracting healthcare professionals within Nova Scotia's publicly funded healthcare system. IWK Health is responsible for the administration of the program, including assessing eligibility and payment to eligible employees. The cost recorded in these financial statements related to this program is \$6,014 (2023 - \$17,140). This program has been accounted for in accordance with *PS 3410 Government Transfers*.

### 23. Comparative Figures

The comparative financial statements have been reclassified from the statements previously presented to conform to the presentation adopted for the current year.



# Izaak Walton Killam Health Centre

## Notes to the Financial Statements

For the year ended March 31, 2024  
[in thousands of Canadian dollars]

### SCHEDULE A

#### Expenses by object

	2024	2023
Compensation and benefits	\$ 297,356	\$ 259,901
Medical and surgical supplies	19,159	17,425
Services and other contracts	18,961	16,067
Equipment, maintenance and premises	18,350	16,499
Amortization	11,501	11,215
Utilities	7,835	8,879
Drugs	6,652	5,377
Other	5,309	4,622
Professional fees	4,872	3,809
Supplies, subscriptions, printing & delivery	3,411	3,382
Food and dietary supplies	2,950	2,586
Travel and education	3,379	1,759
Insurance and liability claims	1,689	1,707
Interest and other losses	2,186	1,229
<b>Total expenses</b>	<b>\$ 403,610</b>	<b>\$ 354,457</b>

Included in compensation and benefits expense is \$6,014 (2023 - \$17,140) related to the Province of Nova Scotia Retention Bonuses, Incentives for Nurses, and Healthcare Workers program. Refer to Note 22. *Retention Bonuses, Incentives for Nurses, and Healthcare Workers*.