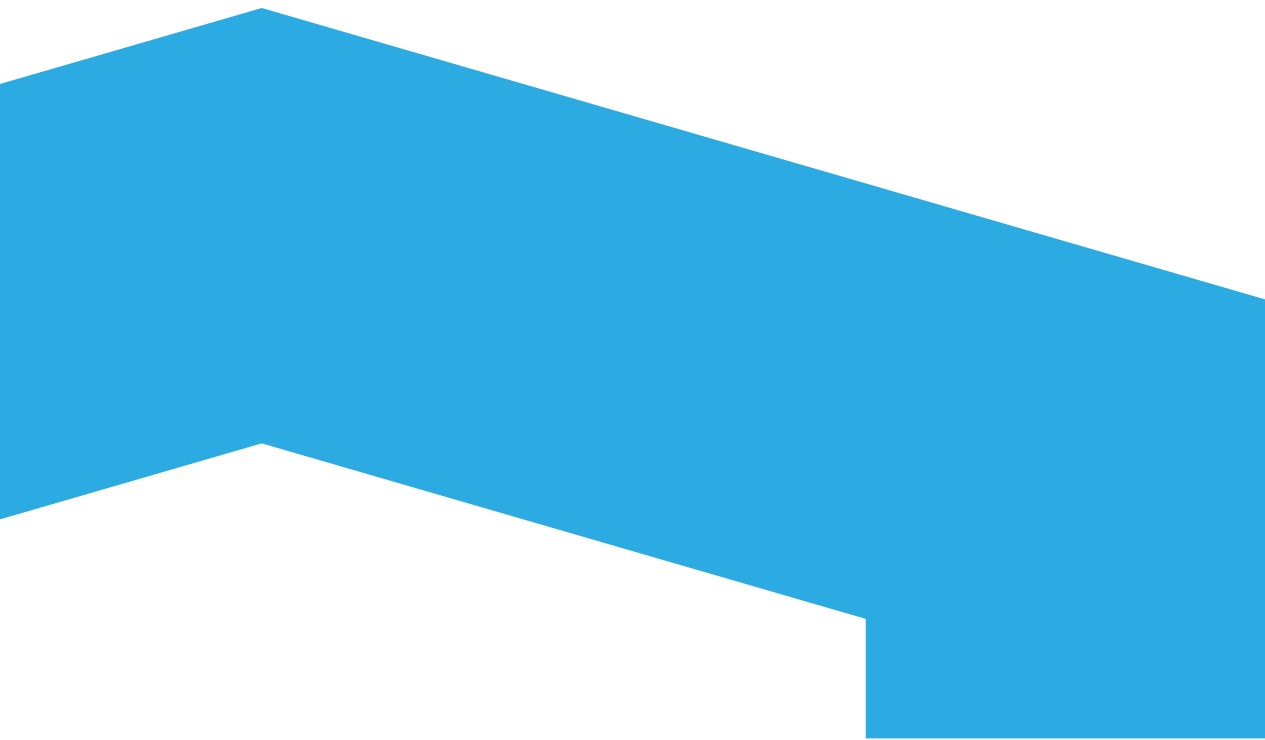




**Nova Scotia Provincial
Housing Agency**

Financial Statements

March 31, 2026



Management's Report	1
Independent Auditor's Report	2-3
Statement of Financial Position	4
Statement of Operations and Accumulated Surplus	5
Statement of Changes in Net Financial Assets (Debt)	6
Statement of Cash Flows	7
Notes to the Financial Statements	8-15



Management's Responsibility for the Financial Statements

The financial statements of Nova Scotia Provincial Housing Agency have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these financial 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.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Minister of Growth and Development is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Chief Executive Officer and Advisory Board.

The external auditors, Doane Grant Thornton LLP, conduct an independent examination, in accordance with Canadian auditing standards and express their opinion on the financial statements. The external auditors have full and free access to the financial management team of Nova Scotia Provincial Housing Agency and meet with them when required.

On behalf of Nova Scotia Provincial Housing Agency,



Gregory Jack, CPA
Director, Finance & Administrative Services
Nova Scotia Provincial Housing Agency



Vicki Elliott
Interim CEO, Nova Scotia Provincial Housing Agency

JUNE 25, 2026

Date

Independent auditor's report

To the Department of Growth and Development

Opinion

We have audited the financial statements of Nova Scotia Provincial Housing Agency (the "Agency"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations and accumulated surplus, change in net financial (debt) assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Nova Scotia Provincial Housing Agency as at March 31, 2026, and the results of its operations, changes in net financial (debt) assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

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 Agency in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with PSAS, 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 Agency's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Agency or to cease operations, or has no realistic alternative to do so.

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

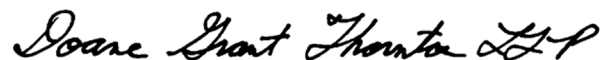
Auditor's Responsibilities for the Audit of the Financial Statements

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 Agency'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 Agency'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 Agency 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.



Halifax, Canada
June 25, 2026

Chartered Professional Accountants

Nova Scotia Provincial Housing Agency
Statement of Financial Position



March 31, 2026

(In thousands of dollars)

2026

2025

Financial assets

Cash and cash equivalents	\$ 18,611	\$ 2,598
Accounts receivable (Note 3)	3,316	2,969
Due from governments (Note 3)	18,957	30,996
	<u>\$ 40,884</u>	<u>\$ 36,563</u>

Financial liabilities

Accounts payable and accrued liabilities (Note 4)	\$ 31,602	\$ 31,042
Due to governments	6,084	3,500
Employee future benefits (Note 8)	957	875
Deferred revenue	1,592	1,511
	<u>\$ 40,235</u>	<u>\$ 36,928</u>

Net financial assets (debt)	<u>\$ 649</u>	<u>\$ (365)</u>
-----------------------------	---------------	-----------------

Non-financial assets

Tangible capital assets (Note 6)	\$ 3,307	\$ 2,938
Inventory	641	573
Prepaid expenses	294	374
	<u>\$ 4,242</u>	<u>\$ 3,885</u>

Accumulated surplus

	<u>\$ 4,891</u>	<u>\$ 3,520</u>
--	-----------------	-----------------

Commitments and contingencies (Note 5)

Contractual obligations (Note 9)

See accompanying notes to the financial statements

Nova Scotia Provincial Housing Agency
Statement of Operations and Accumulated Surplus

NSPHA

Year ended March 31, 2026
(In thousands of dollars)

	Budget (Note 11)	2026	2025
Revenue			
Rental revenue	\$ 75,796	\$ 77,805	\$ 75,488
Provincial revenue – operating grant (Note 10)	97,398	93,147	104,126
Provincial revenue – other	2,265	2,206	2,286
Other revenue	893	1,725	1,659
Total revenues	<u>\$ 176,352</u>	<u>\$ 174,883</u>	<u>\$ 183,559</u>
Expenses			
Administration	\$ 15,160	\$ 15,507	\$ 27,641
Amortization of tangible capital assets	1,484	916	909
Maintenance & operations	109,753	108,623	111,607
Municipal taxes	14,881	15,537	13,764
Other expenses	2,605	2,876	4,749
Utilities	31,445	30,053	27,989
	<u>\$ 175,328</u>	<u>\$ 173,512</u>	<u>\$ 186,659</u>
Annual surplus (deficit)	<u>\$ 1,024</u>	1,371	(3,100)
Accumulated surplus, beginning of year		<u>3,520</u>	<u>6,620</u>
Accumulated surplus, end of year		<u>\$ 4,891</u>	<u>\$ 3,520</u>

See accompanying notes to the financial statements

Nova Scotia Provincial Housing Agency
Statement of Changes in Net Financial Assets (Debt)

NSPHA

Year ended March 31, 2026

(In thousands of dollars)

	2026	2025
Annual surplus (deficit)	\$ 1,371	\$ (3,100)
Change in tangible capital assets		
Amortization of tangible capital assets (Note 6)	916	909
Acquisition of tangible capital assets (Note 6)	(1,285)	(980)
Increase in tangible capital assets	(369)	(71)
Change in other non-financial assets		
Net change in inventory	(68)	282
Net change of prepaid expenses	80	756
Decrease in other non-financial assets	12	1,038
Increase (decrease) in net financial assets	1,014	(2,133)
Net financial (debt) assets, beginning of year	(365)	1,768
Net financial assets (debt), end of year	\$ 649	\$ (365)

See accompanying notes to the financial statements

Nova Scotia Provincial Housing Agency
Statement of Cash Flows

NSPHA

Year ended March 31, 2026

(In thousands of dollars)

2026

2025

Increase (decrease) in cash and cash equivalents

Operating transactions

Annual surplus (deficit)	\$ 1,371	\$ (3,100)
Items not affecting cash		
Amortization of tangible capital assets	916	909
Change in non-cash operating working capital		
Change in accounts receivable	(347)	(236)
Change in due from/to governments	14,623	(10,328)
Change in accounts payable and accrued liabilities and employee future benefits	642	3,280
Change in inventory	(68)	282
Change in prepaid expense	80	756
Change in deferred revenue	81	196
Cash provided by (applied to) operating transactions	<u>17,298</u>	<u>(8,241)</u>

Capital transactions

Acquisition of tangible capital assets	<u>(1,285)</u>	<u>(980)</u>
Cash applied to capital transactions	<u>(1,285)</u>	<u>(980)</u>

Increase (decrease) in cash and cash equivalents	<u>16,013</u>	<u>(9,221)</u>
--	---------------	----------------

Cash and cash equivalents, beginning of year	<u>2,598</u>	<u>11,819</u>
--	--------------	---------------

Cash and cash equivalents, end of year	<u>\$ 18,611</u>	<u>\$ 2,598</u>
--	------------------	-----------------

See accompanying notes to the financial statements

March 31, 2026
(In thousands of dollars)

1) Nature of Operations

Nova Scotia Provincial Housing Agency ("NSPHA") is the provincial government agency responsible for the administration and delivery of affordable housing solutions for low-income Nova Scotians. NSPHA is a crown corporation established by the Housing Services and Supply Act on December 1, 2022 and the capital stock of the Agency is one share with a par value of one dollar, issued and registered in the name of the Minister on behalf of His Majesty in right of the Province.

Across the province, NSPHA provides more than 12,400 safe, affordable homes as part of its Housing Services to seniors and families. NSPHA responsibilities include administering tenant applications and placements, collecting rent, resolving tenant issues, and maintaining and repairing properties.

NSPHA is a governmental unit which forms part of the consolidated entity of the Province of Nova Scotia. Funding for NSPHA comes from tenant rent and the Province of Nova Scotia.

2) Summary of Significant Accounting Policies

a. Basis of Accounting

The financial statements are prepared by management in accordance with Public Sector Accounting Standards ("PSAS") established by the Canadian Public Sector Accounting Board ("PSAB"), which sets out generally accepted accounting standards and principles for government organizations.

b. Cash and Cash Equivalents

Cash and cash equivalents is comprised of petty cash and balances on deposit with financial institutions. Bank overdrafts are presented as bank indebtedness on the statement of financial position, net of cash and cash equivalents.

c. Financial Instruments

Initial measurement

Financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred. Financial instruments consist of receivables, accounts payable and accrued liabilities, and due to/from Governments.

Subsequent measurement

At each reporting date, NSPHA measures its financial assets and liabilities at cost or amortized cost less impairment in the case of financial assets. The financial instruments measured at amortized cost are receivables, accounts payable and accrued liabilities, and due to/from Governments. For financial assets measured at cost or amortized cost, NSPHA regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and NSPHA determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Unless otherwise noted, it is management's opinion that NSPHA is not exposed to significant interest risks arising from financial instruments.

March 31, 2026
(In thousands of dollars)

2) Summary of Significant Accounting Policies (continued)

d. Revenue Recognition

Revenues earned from transactions with performance obligations are recognized when the performance obligation is satisfied by providing the promised goods and/or services to the payor. Revenue from transactions with no performance obligations are recognized when NSPHA has the authority to claim or retain the revenue and identifies a past transaction or event that gives rise to an asset. To the extent funds are collected and relate to unfulfilled performance obligations, the revenue is deferred until the performance obligation is satisfied. Interest income is recognized as it is earned.

Rental revenue represents rent charged to tenants and is recorded when the service is provided in accordance with the terms of the lease agreements. Recoveries are recorded as received.

Revenue from governments is recognized in accordance with government transfers accounting as outlined in note 2e.

Interest revenue is recognized as earned and included within other revenue in the Statement of Operations and Accumulated Surplus.

e. Government Transfers

Government transfers are transfers of monetary assets or tangible capital assets from a government entity to an individual, an organization or another government for which the government making the transfer does not receive any goods or services directly in return, as would occur in a purchase / sale or other exchange transaction; expect to be repaid in the future, as would be expected in a loan; or expect a direct financial return, as would be expected in an investment.

Government transfers where NSPHA is the transferring entity are recognized as an expense in the period the transfer is authorized, and all eligibility criteria have been met by the recipient.

Where NSPHA is the recipient entity, a transfer without eligibility criteria or stipulations is recognized as revenue when the transfer is authorized. A transfer with eligibility criteria but without stipulations is recognized as revenue when the transfer is authorized, and all eligibility criteria have been met. A transfer with or without eligibility criteria, but with stipulations, is recognized as revenue in the period the transfer is authorized, and all eligibility criteria have been met, except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for NSPHA which is then recorded as deferred revenue.

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 of the assets. Properties rented to tenants and related betterment costs are excluded from these financial statements as these assets are owned and controlled by the Province of Nova Scotia.

March 31, 2026
(In thousands of dollars)

2) Summary of Significant Accounting Policies (continued)

f. Tangible Capital Assets (continued)

The rates and methods used to depreciate tangible capital assets over their estimated useful lives are as follows:

Equipment	20%	Declining balance
Vehicles	30%	Declining balance
Software	50%	Declining balance

When conditions indicate that a tangible capital asset no longer contributes to NSPHA's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value. Write-downs are not reversed.

When a tangible capital asset is removed from service, destroyed, or becomes obsolete, the asset is disposed as of the specified effective date. Assets will be retired from the accounts of NSPHA when the asset is disposed. The gain or loss on disposal will be calculated as the difference between the proceeds received and the net book value of the asset less transaction costs. The gain or loss on disposal will be recorded as revenue or an expense in the statement of operations.

g. Benefit assets and liabilities

The NSPHA Public Service Award liability earned by employees is determined by NSPHA based on actual staff balances or in agreement with collective agreements. As of April 1, 2015, the accrual of years of service on which benefits payments would be based, were frozen. Payments would be based on years of service at April 1, 2015 using earnings at the time of retirement.

NSPHA has recognized an accrued benefit asset from certain benefit plans on the statement of financial position of \$197 which is net of a \$106 valuation allowance (2025 - \$261 net of a \$140 valuation allowance). Adjustments to the net position of benefit plans are netted against group benefit expenses in the period incurred.

h. Measurement Uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the year. Items requiring the use of significant estimates include the useful life of capital assets, rates for amortization and allowance for doubtful accounts.

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.

March 31, 2026
(In thousands of dollars)

2) Summary of Significant Accounting Policies (continued)

i. Harmonized Sales Tax

Under the Canada-Nova Scotia Reciprocal Taxation Agreement (RTA), NSPHA is considered a listed entity with the Province of Nova Scotia and is eligible to claim 100% of HST paid or payable via a special provincial entity rebate.

j. Inventory

Inventories held for use include appliances and renovation supplies and are recorded at cost.

3) Accounts receivable

	<u>2026</u>	<u>2025</u>
Tenant receivables	\$ 3,198	\$ 3,117
Other	1,009	1,028
Less: allowance for doubtful accounts	<u>(891)</u>	<u>(1,176)</u>
Receivable	<u>\$ 3,316</u>	<u>\$ 2,969</u>

	<u>2026</u>	<u>2025</u>
Due from government		
Federal government	\$ 6,124	\$ 4,289
Province of Nova Scotia	<u>12,833</u>	<u>26,707</u>
	<u>\$ 18,957</u>	<u>\$ 30,996</u>

The receivable due from the Province of Nova Scotia represents amounts owed to NSPHA for tangible capital assets paid directly by NSPHA, totaling \$12,088 (2025 – \$11,062). For the year ended March 31, 2026, NSPHA has a payable to the Province of Nova Scotia of \$1,742 related to an overpayment of operating grant. In the prior year, the amount due from the Province in respect of operating grants totaled \$14,887. Amounts due from the Federal government represent recoverable HST rebates.

4) Accounts payable and accrued liabilities

	<u>2026</u>	<u>2025</u>
Salaries and benefits payable	\$ 2,101	\$ 2,322
Trade payables	14,771	14,757
Accrued liabilities	<u>14,730</u>	<u>13,963</u>
	<u>\$ 31,602</u>	<u>\$ 31,042</u>

5) Commitments and contingencies

NSPHA may, from time to time, be involved in legal proceedings, claims and litigations that arise in the ordinary course of business. NSPHA has recorded an accrued liability and expense related to certain legal proceedings of \$64 (2025 - \$64).

March 31, 2026
(In thousands of dollars)

6) Tangible capital assets

	<u>Equipment</u>	<u>Vehicles</u>	<u>Software</u>	<u>2026 Total</u>	<u>2025 Total</u>
<u>Historical Cost</u>					
Opening	\$ 218	\$ 3,068	\$ 1,766	\$ 5,052	\$ 4,072
Additions	-	1,224	61	1,285	980
Disposals	-	(30)	-	(30)	-
Closing	<u>218</u>	<u>4,262</u>	<u>1,827</u>	<u>6,307</u>	<u>5,052</u>
<u>Accumulated Amortization</u>					
Opening	(88)	(1,241)	(785)	(2,114)	(1,205)
Amortization	(26)	(674)	(216)	(916)	(909)
Disposals	-	30	-	30	-
Closing	<u>(114)</u>	<u>(1,885)</u>	<u>(1,001)</u>	<u>(3,000)</u>	<u>(2,114)</u>
Net book value	\$ 104	\$ 2,377	\$ 826	\$ 3,307	\$ 2,938

7) Employer pension contributions

The NSPHA has a defined contribution pension plan available to eligible employees and makes contributions to Nova Scotia Public Service Superannuation Plan. The pension plans are funded by employer and employee contributions. The employer's contributions are included in NSPHA's operating expenses and NSPHA's responsibility to this plan is limited to contributions. During the year, NSPHA paid \$2,152 for employer contributions to the plans (2025 - \$1,967).

8) Employee future benefits

a. Retiring allowances

NSPHA has a non-funded long term service award that is accrued annually and is payable on retirement or death. The benefit is equal to a certain number of weeks of current salary, with the number of weeks determined based on the years of continuous service up to a maximum of 26 weeks. The years of service ceased to accrue on April 1, 2015, because of a Province of Nova Scotia Administrative Directive.

NSPHA calculated the long-term service award liability as at March 31, 2026, and has recorded an obligation for long term service awards of \$265 (2025 - \$247).

b. Health benefits

NSPHA provides health benefits for certain employees at the option of the employee at retirement and contributes to the cost of these premiums. The most recent actuarial valuation was conducted on December 1, 2022, and extrapolated to March 31, 2026, based on the assumptions as of that date.

The health benefits value is calculated using the projected unit credit method, prorated on service. Actuarial gains and losses are amortized over the expected average remaining service life of active employees.

March 31, 2026
(In thousands of dollars)

8) Employee future benefits (continued)

b. Health benefits (continued)

NSPHA has accrued for health benefits as follows:

	<u>2026</u>	<u>2025</u>
Accrued benefit obligation		
Beginning balance	\$ 387	\$ 317
Current service cost	61	59
Interest on average liability	12	10
Ending balance	<u>\$ 460</u>	<u>\$ 386</u>

The significant weighted average actuarial assumptions adopted in measuring the NSPHA's health benefits as at March 31, 2026 are as follows:

	<u>2026</u>	<u>2025</u>
Significant weighted average actuarial assumptions		
Discount rate	2.96%	2.96%
Participation rate in health program	70%	70%
Mortality rate based on CPM-2014 with future morality improvements based on CPM-B	120%	120%
Health care inflation (reduced to 4.0% over 20 years)	7%	7%
Average years of eligibility service	6.8 years	6.8 years

c. Sick leave benefits

NSPHA provides non-vested sick-leave benefits to certain 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 exceeds the current year's allocation of credits. The use of accumulated sick days for sick-leave compensation ceases on termination of employment.

The most recent actuarial valuation was conducted on December 31, 2023, and extrapolated to March 31, 2026, based on the assumptions as of that date.

The sick leave benefits value is calculated using the projected unit credit method, prorated on service. Actuarial gains and losses are amortized over the expected average remaining service life of active employees.

March 31, 2026
(In thousands of dollars)

8) Employee future benefits (continued)

c. Sick leave benefits (continued)

NSPHA has accrued for sick leave benefits as follows:

	<u>2026</u>	<u>2025</u>
Accrued benefit obligation		
Beginning balance	\$ 242	\$ 253
Current service cost	20	19
Benefits paid	(38)	(38)
Interest on average liability	8	8
Ending balance	<u>\$ 232</u>	<u>\$ 242</u>

The significant weighted average actuarial assumptions adopted in measuring NSPHA's sick leave benefits as at March 31, 2026 are as follows:

	<u>2026</u>	<u>2025</u>
Significant weighted average actuarial assumptions		
Discount rate	3.18%	3.18%
Expected rate of salary increase	2%	2%
Mortality rate based on CPM-2014		
with future mortality improvements based on MI-2017	120%	120%
Average sick hours banked	294	294
Average hourly rate of pay	\$ 23.99	\$ 23.99

9) Contractual Obligations

NSPHA has entered a number of multiple-year contracts for the delivery of services and various capital projects. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Estimated annual minimum purchase commitments in each of the next five years are expected as follows:

Year ended March 31	
2027	\$ 21,291
2028	9,963
2029	2,381
2030	309
2031	84

March 31, 2026
(In thousands of dollars)

10) Related party transactions

During the year, NSPHA transacted business with the Province of Nova Scotia ("PNS"). These transactions include the following:

	<u>2026</u>	<u>2025</u>
a. Operating grant	\$ 93,147	\$ 104,126
b. Revenue for recovery of expenses on behalf o PNS department	2,206	2,286
c. Outstanding receivable	12,833	26,707
d. Outstanding payable	2,056	3,130
e. Tangible capital asset expenditures related to PNS owned buildings paid on behalf of PNS	32,570	30,007

All transactions with related parties are in the normal course of operations and are transacted at the exchange amount agreed to by related parties.

11) Budget Figures

The budgeted figures presented were approved by the Department of Growth and Development on March 25, 2025, and are presented consistent with Public Sector Accounting Standards.

12) Financial Instruments

In the normal course of operations, NSPHA is exposed to a number of risks in relation to financial instruments. The following analysis provides a measure of the risk exposures and concentrations at March 31, 2026.

Credit risk

NSPHA is exposed to credit risk through its receivables. Credit risk arises from the possibility that the entities to which NSPHA provides services may experience financial difficulty and be unable to fulfil their obligations.

Management believes that its accounts receivable credit risk is limited and has included an allowance for doubtful accounts to estimate potential amounts that may not be collected in the future.

Liquidity risk

Liquidity risk is the risk that NSPHA will encounter difficulty in meeting the obligations associated with its financial liabilities. NSPHA is exposed to this risk mainly in respect of its payables and accruals and due to Governments. Management believes that it has access through its working capital or other financing arrangements, to sufficient funds to sustain operations and meet obligations as they come due.