Doane Grant Thornton

Financial Statements

College of Physicians and Surgeons of Nova Scotia

December 31, 2025

Contents

	Page
Independent auditor's report	1-2
Statement of financial position	3
Statement of operations	4
Statement of changes in net assets	5
Statement of cash flows	6
Notes to the financial statements	7-11

Doane Grant Thornton

Independent auditor's report

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To the registrants of
College of Physicians and Surgeons of Nova Scotia

Opinion

We have audited the financial statements of College of Physicians and Surgeons of Nova Scotia (the "Organization"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of College of Physicians and Surgeons of Nova Scotia as at December 31, 2025, and its results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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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 Organization'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 Organization'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 Organization 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.

Doane Grant Thornton LLP

Halifax, Canada
March 27, 2026

Chartered Professional Accountants

Assurance | Tax | Advisory
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College of Physicians and Surgeons of Nova Scotia
Statement of financial position

December 31	2025	2024
Assets		
Current		
Cash and cash equivalents	$ **3,059,999**	$ 2,943,849
Short term investments (Note 3)	**7,947,283**	8,790,812
Dues and other receivables	**128,515**	102,125
Prepaid expenses	**168,632**	192,919
	11,304,429	12,029,705
Investments (Note 4)	**6,870,833**	6,174,715
Capital assets (Note 5)	**772,280**	763,147
	$ **18,947,542**	$ 18,967,567
Liabilities		
Current		
Payables and accruals	$ **648,209**	$ 666,404
Deferred revenue	**8,237,345**	7,735,300
Funds held for		
Physician Assessment Centre of Excellence	**1,546,296**	2,383,516
	10,431,850	10,785,220
Deferred lease inducement	**103,072**	118,533
Deferred contributions (Note 6)	**145,924**	655,068
	10,680,846	11,558,821
Net assets		
Unrestricted	**627,948**	470,883
Internally restricted		
Reserve fund	**6,866,468**	6,174,716
Invested in capital assets	**772,280**	763,147
	8,266,696	7,408,746
	$ **18,947,542**	$ 18,967,567

Commitments (Note 7)
Comparative figures (Note 9)

On behalf of the Council

President

Registrar & CEO

See accompanying notes to the financial statements.

College of Physicians and Surgeons of Nova Scotia
Statement of operations
Year ended December 31

	Unrestricted	Internally Restricted	**2025 Total**	2024 Total
Revenues				
Licensing fees	$ 8,910,973	$ -	**$ 8,910,973**	$ 8,292,261
Professional incorporation fees	233,175	-	**233,175**	217,975
Other income	17,405	-	**17,405**	6,355
Contributions (Note 6)	509,144	-	**509,144**	302,229
Assessment Centre consulting fees	140,049	-	**140,049**	11,546
Investment income	126,100	151,230	**277,330**	387,505
Change in fair value of investments	-	540,522	**540,522**	473,887
	9,936,846	691,752	**10,628,598**	9,691,758
Expenditures				
Administration	2,608,824	221,180	**2,830,004**	2,514,009
Assessment	821,492	-	**821,492**	913,274
Communications	406,802	-	**406,802**	358,317
Council	192,509	-	**192,509**	215,322
Occupancy	507,910	-	**507,910**	552,771
Professional conduct	3,021,691	-	**3,021,691**	2,677,942
Registration	1,198,497	-	**1,198,497**	1,354,110
Special Programs	179,861	-	**179,861**	3,799
Welcome Collaborative (Note 6)	611,882	-	**611,882**	384,465
	9,549,468	221,180	**9,770,648**	8,974,009
Excess of revenues over expenditures	$ 387,378	$ 470,572	**$ 857,950**	$ 717,749

See accompanying notes to the financial statements.

College of Physicians and Surgeons of Nova Scotia
Statement of changes in net assets

Year ended December 31

	Unrestricted	Internally restricted Reserve	Invested in Capital Assets	**2025 Total**	2024 Total
Net assets, beginning of year	$ 470,883	$ 6,174,716	$ 763,147	**$ 7,408,746**	$ 6,690,997
Purchase of capital assets, net	(230,313)	-	230,313	**-**	-
Excess (deficiency) of revenues over expenditures	387,378	691,752	(221,180)	**857,950**	717,749
Net assets, end of year	$ 627,948	$ 6,866,468	$ 772,280	**$ 8,266,696**	$ 7,408,746

See accompanying notes to the financial statements.

College of Physicians and Surgeons of Nova Scotia
Statement of cash flows

Year ended December 31

	2025	2024
Increase (decrease) in cash and cash equivalents		
Operating		
Excess of revenues over expenditures	**$ 857,950**	$ 717,749
Amortization	**221,180**	179,100
Change in deferred lease inducement	**(15,461)**	(15,461)
Recognition of deferred contributions	**(509,144)**	(302,229)
Change in fair value of investments	**(540,522)**	(473,887)
	14,003	105,272
Change in non-cash operating working capital:		
Short term investments	**843,529**	158,995
Dues and other receivables	**(26,390)**	82,732
Prepaid expenses	**24,287**	(62,325)
Payables and accruals	**(18,195)**	49,310
Deferred revenue	**502,045**	479,519
	1,339,279	813,503
Investing		
Purchases of long term investments, net of sales	**(155,596)**	(853,400)
Purchase of capital assets, net of disposals	**(230,313)**	(174,975)
Funds held for		
Physician Assessment Centre of Excellence	**(837,220)**	2,383,516
	(1,223,129)	1,355,141
Net increase in cash and cash equivalents	**116,150**	2,168,644
Cash and cash equivalents		
Beginning of year	**2,943,849**	775,205
End of year	**$ 3,059,999**	$ 2,943,849

See accompanying notes to the financial statements.

1. Nature of operations

The College of Physicians and Surgeons of Nova Scotia (the "Organization") is a not-for-profit Organization, established under the Medical Act of Nova Scotia. The Organization serves as the licensing and regulatory body for the medical profession within the Province of Nova Scotia. The Organization is a registered non-profit under the Income Tax Act and accordingly is exempt from income taxes.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The significant accounting policies are detailed as follows:

Fund accounting
The Organization's accounts are maintained in accordance with the principles of fund accounting. This method ensures observance of restrictions, if any, on the use of the Organization's resources by maintaining separate accounts for each fund. Funds that have limitations placed on their use by internal or external parties are classified as restricted.

The following provides a brief description of each fund group:

The **Unrestricted Fund** accounts for the Organization's assets, liabilities, revenues and expenses related to the Organization's operations.

The **Invested in Capital Assets** is an internally restricted fund, containing the balance in capital assets less associated amortization.

The **Reserve Fund** is an internally restricted fund, maintained to finance authorized or unanticipated expenses that may arise at any time. The goal of the Reserve fund is to approximate 75% of the Organization's annual budgeted expenditures. Investment revenues earned relating to the Reserve Fund are recorded as revenue in this fund. Any expenditures or transfers from this fund require the approval of the Finance and Audit Committee and Council.

Financial instruments
Initial measurement
The Organization's financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred. Financial instruments consist of cash and cash equivalents, dues and other receivables, short term and long term investments, and payables and accruals.

Subsequent measurement
At each reporting date, the Organization measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for short term and long term investments held, which are measured at fair value. The financial instruments measured at amortized cost are cash and cash equivalents, dues and other receivables, and payables and accruals.

2. Summary of significant accounting policies (continued)

Financial instruments (continued)
Subsequent measurement (continued)
For financial assets measured at cost or amortized cost, the Organization regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Organization 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.

The Organization's main financial instrument risk exposure is detailed as follows:

Liquidity risk
Liquidity risk is the risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization manages its liquidity risk by monitoring its operating requirements. The Organization prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Market risk
Market risk refers to the impact on the Organization's cash flows due to fluctuations in interest rates and debt and equity markets. The primary risk exposures relate to investments held in foreign currencies, interest rate volatility, and equity market volatility. The Organization has formal policies and procedures in place governing asset mix and setting limits on the proportion of each asset class within the investment portfolios.

Cash and cash equivalents
Cash and cash equivalents include cash on hand and balances on deposit with financial institutions.

Investments
Investments reported at fair value consist of equity instruments that are quoted in an active market, as well as any investments in debt or equity securities that the Organization designated to be measured at fair value. Such designation must be made when the investment is initially recognized. This designation is irrevocable. Transactions are recorded on a trade date basis and transaction costs are expensed as incurred.

The Organization holds long term investments in pooled funds, equities and long term bonds and records these at fair value. The change in fair value year-over-year is reflected in revenue and expense.

Investments in interest-bearing securities relating to the investment of temporary cash surpluses are measured at fair value.

Investments denominated in foreign currencies are translated using rates of exchange in effect at the statement of financial position date.

Short term investments held in money market funds, savings accounts and GICs are measured at fair value.

2. Summary of significant accounting policies (continued)

Capital assets
Purchased capital assets are recorded at cost. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Organization's ability to provide services, its carrying amount is written down to its residual value.

Capital assets are amortized using the following methods and rates:

Furniture and equipment	20%	declining balance
Computer database	30%	declining balance
Computer hardware and software	4 years	straight line
Leasehold improvements	13 years	straight line

Deferred revenue
Deferred revenue includes licensing fees, professional incorporation fees, and education fees relating to the period after December 31. The Organization invoices and collects annual fees in advance of the year to which the fees relate.

Deferred lease contribution
Free rent periods provided to the Organization are recorded on a straight line basis over the term of the lease.

Deferred contributions
Deferred contributions relates to government assistance received to cover a portion of expenses related to the Welcome Collaborative program operating expenses. This amount is deferred until the period when the eligible operating expenses are incurred.

Revenues
The Organization follows the deferral method of accounting for contributions.

Licensing fees, professional incorporation fees, certificates of professional conduct and supervision fees are recognized as revenue from the related deferred amount over the period of licensure (which is consistent with the fiscal year) or the service provided when collection is reasonably assured. Contributions related to the Welcome Collaborative are recognized as eligible operating expenses are incurred. Investment income is recognized as revenue when earned. Consulting fee revenue is recognized as revenue when services are rendered to the Assessment Centre. Recoveries of hearing expenses are recorded when received.

Cloud computing arrangements
The organization has adopted the simplification approach for cloud computing arrangements. Implementation costs are expensed over the term of the arrangement. Subscription costs are expensed when incurred. During the year, the total amount expensed for cloud computer arrangements was $13,914 (2024 - $5,396).

2. Summary of significant accounting policies (continued)

Use of estimates
The preparation of the financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. Items subject to significant management estimates include useful lives of capital assets and the fair market value of investments.

Allocation of expenses
The Organization records a number of its expenses by departments or programs. The costs of each program or department include the costs of personnel and other expenses that are directly related to the department or program.

3. Short term investments

	2025	2024
Money market funds, savings accounts and GICs	**$ 7,947,283**	$ 8,790,812

4. Investments

	2025	2024
Fixed income securities and funds with yields between 0.250% and 1.500%, and maturities between March 2026 and September 2031	**$ 239,332**	$ 238,722
Canadian equities and equity funds	**5,509,003**	4,999,431
US equities and equity funds	**531,645**	352,831
Other international equities	**407,262**	352,306
Cash	**183,591**	231,425
	$ 6,870,833	$ 6,174,715

5. Capital assets

	Cost	Accumulated depreciation	**2025 Net book value**	2024 Net book value
Furniture and equipment	$ 730,651	$ 547,696	**$ 182,955**	$ 205,743
Computer database	601,072	476,245	**124,827**	178,324
Computer hardware and software	648,565	428,807	**219,758**	117,396
Leasehold improvements	465,624	220,884	**244,740**	261,684
	$ 2,445,912	$ 1,673,632	**$ 772,280**	$ 763,147

6. Deferred contributions

	Opening balance	Receipts	Eligible operating expenses	2025 Total
Welcome Collaborative	$ 655,068	$ -	$ 509,144	**$ 145,924**

7. Commitments

The Organization leases office space and office equipment.

The leased office space expires August 31, 2032 and the annual basic rent and common area costs approximate $609,000. Leased office equipment expires January 2030 and the annual estimated costs are approximately $16,300.

Minimum payments required over the next five years including leased office space and equipment are as follows:

2026	$ 626,000
2027	632,000
2028	638,000
2029	644,000
2030	639,000

8. Pension plan

The Organization has a defined contribution pension plan in which programs are established to provide retirement income to employees. The Organization's policy is to fund these retirement plan costs as incurred. The current service costs are expensed in the year they are paid. During the year, the Organization contributed $ 364,734 (2024 - $274,279) to the pension plan.

9. Comparative figures

Certain comparative figures have been adjusted to conform to changes in the current year presentation.