



ANNUAL REPORT

**TO THE MINISTER OF
ADVANCED EDUCATION**

April 2024 - March 2025

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EXECUTIVE SUMMARY

This annual report covers the activities of the Research Nova Scotia Corporation (RNS) for the fiscal year 1 April 2024 to 31 March 2025.

The *Research Nova Scotia Corporation Funding Regulations* outline three components required in the annual report submitted to the Department of Advanced Education by 1 June of each year:

- The auditor's report required by Section 24 of the *Research Nova Scotia Corporation Act*,
- A narrative of the Corporation's activities during the fiscal year; and
- An evaluation of the Corporation's activities based on performance measures established by the Board, and confirmation of compliance with standards adopted by the Board.

The audit was completed by BDO Canada, Chartered Professional Accountants. No issues of significance were identified. The audit results were considered and approved by the Board of Directors on 28 May 2025.

The narrative of the Corporation's activities outlines the key successes, areas of growth, innovative ideas put into action, and organizational actions that demonstrate RNS's achievements during the past fiscal year.

The evaluation of activities and assessment of compliance with standards applies the evaluation framework adopted by the Board to assess performance in finance, governance, management and programming. The evaluation found that RNS was compliant in each performance category.

The annual report is supplemented by semi-annual reports, submitted May 31 and November 30 of each year. The semi-annual reports share activities, project highlights and funding awarded during the reporting period.

We are pleased to submit this report to the Minister, Advanced Education for his consideration and review.

For questions on the organization and this report, please contact:

Stefan Leslie
Chief Executive Officer
stefan.leslie@researchns.ca

INDEPENDENT AUDITOR'S REPORT

The Board of Directors appointed an auditor in November 2024 to prepare a report on the Research Opportunities Fund and other accounts of the Corporation.

Financial statements were prepared by the Corporation in accordance with the Canadian Accounting Standards for Not-For-Profit Organizations (ASNPO), including the financial position as at March 31, 2025, 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.

These were audited by BDO Canada, Chartered Professional Accountants. The summary audit finding was that the “financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.”

The full audit results are presented in Appendix 1. This includes the independent auditor's report and the audited financial statements.

NARRATIVE OF THE CORPORATION'S ACTIVITIES

Research Nova Scotia has a mandate to support, organize and coordinate research in service of provincial priorities. Over the past year, RNS focused on three main areas:

1. Intentional research: Proactively and deliberately seeking the projects, initiatives and mechanisms to implement RNS's outcomes framework;
2. Capacity building: Developing the skills and experience that the research community needs today and in the future;
3. Infrastructure and equipment: Ensuring that we have the technologies and tools needed to undertake priority research.

GRANTING ACTIVITY SUMMARY

A total of 118 grants and research projects were funded in 2024-25, including 12 projects that were provided with matching funds to support the strength of the province's research infrastructure.

RNS awarded 15 New Health Investigator grants valued at \$1.48 million to early career researchers. An additional \$290,000 was provided to three projects designed to support early career researchers working in addictions and mental health. \$1.16 million was granted to 63 students at the PhD, Master's, undergraduate and diploma levels through the Scotia Scholars program.

The Corporation continued to work closely with the research community to develop and support projects that dealt with issues of importance to Nova Scotians. More than \$1.5 million was committed to eight intentional research projects in the past year.

In early 2024, RNS launched its largest intentional research program, the Focused Research Investments (FRI) initiative. FRI matches financial support to research intended to achieve significant results on issues of priority for Nova Scotia. A funded FRI was envisioned as a large, complex, multidisciplinary research projects growing from a collaboration between researchers and the end users needing the knowledge that would be produced.

In late April 2024, RNS received 46 expressions of interest from researchers in academia, healthcare delivery, industry, and community organizations. An external

advisory panel helped to choose nine to submit full proposals. RNS contracted a skilled facilitator with more than a decade of experience working with interdisciplinary research teams to work with the nine application teams over the course of the 10-week full proposal development period.

When the full proposals were received at the end of July, they were reviewed by subject matter experts for scientific excellence, after which the external advisory panel considered their overall merit. Using this input, RNS selected four of the applications, for a total investment of \$26.9 million over the next seven years:

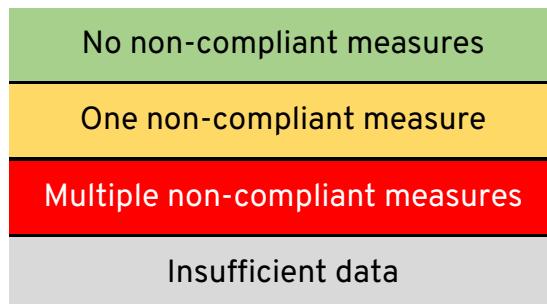
- Creating Integrated Restorative Communities for Locally Engaged Solutions (CIRCLES-NS)
Led by Professor Jennifer Llewellyn; Hosted by the Restorative Change Lab Community Interest Company
- Etuaptmu'k W'loti: Using Mi'kmaw Knowledge to Create Health & Wellness Solutions
Led by Dr. Margot Latimer and John R. Sylliboy: Hosted by IWK Health & Tajikeimik
- Homeward Bound: Enhancing Healthcare, Housing, and Social Support for Aging Rural Nova Scotians
Led by Dr. Alison Grittner; Hosted by Cape Breton University
- Unifying Networks to Innovate (UNITE): A Whole Systems Approach for Youth Mental Health
Led by Drs. Jill Chorney, Jenny Baechler, and Lori Wozney: Hosted by Dalhousie University

RNS continues to partner with the Forestry Innovation Transition Trust, Genome Atlantic, and Engage Nova Scotia, supporting projects with these organizations. In addition, funding partnerships were formed with the Halifax Regional Municipality, the Office of Addictions and Mental Health, the Halifax Port Authority and Mental Health Research Canada. A total of \$1.89 million was committed to research projects resulting from these partnerships.

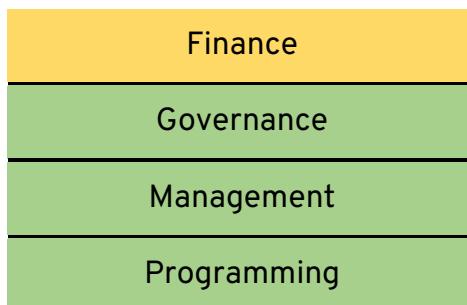
ANNUAL EVALUATION OF RESEARCH NOVA SCOTIA'S ACTIVITIES

CORPORATE PERFORMANCE

RNS's corporate performance measures were adopted by the Board of Directors in April 2021. They fall into four categories: finance, governance, management, and programming. The following colour codes are used to summarize compliance within a category.



Overall, where data was available, RNS was compliant with all but one performance measure.



Revisions to the legislation which governs Research Nova Scotia led to an inability to comply with all measures.

FINANCE

RNS is compliant with all but one of its corporate financial performance measures.

MEASURE	EXPLANATORY NOTE	COMPLIANT	EVIDENCE
RNS adopted and complied with an accounting system in accordance with the Canadian Accounting Standards for Not-For-Profit Organizations.	These standards were adopted by the Board and were applied effective April 1, 2019. Compliance evaluated annually by the independent audit.	Yes	Research Nova Scotia Corporation Annual Report for the period April 1, 2024 to March 31, 2025.
RNS provided Advanced Education with a six-month financial forecast in accordance with the Regulations.	Regulation 4(5)(a)	One non-compliant measure	Research Nova Scotia Corporation's Semi-Annual Report for the period April 1 to September 30, 2024 contained a financial forecast. The October 1, 2024 to March 31, 2025 semi-annual report contained a six-month forecast for the operating portion of the 2025/26 budget. However, with changes to RNS's mandate to start in May, the Board has yet to approve a research budget for the new fiscal year, so no forecast has been submitted to date.

MEASURE	EXPLANATORY NOTE	COMPLIANT	EVIDENCE
RNS submitted an annual financial report prepared by independent auditors to Labour and Advanced Education.	Regulation 5(a)	Yes	Research Nova Scotia Corporation Annual Report for the period April 1, 2024 to March 31, 2025.
RNS's investment performance was consistent with its investment policy.	This policy establishes investment goals, objectives and guidelines that relate to the cash and investment assets held by RNS. It was adopted by the Board on April 1, 2021.	Yes	Quarterly Investment Reports (prepared by CIBC).
RNS completed an annual internal audit to ensure compliance with financial delegations.	This policy delegates authorizations for payments, transfers, and operational expenses. It was adopted by the Board on April 1, 2021.	Yes	Audit conducted by BDO Canada LLP as part of its annual engagement.

GOVERNANCE

RNS is compliant with all its corporate governance performance measures.

MEASURE	EXPLANATORY NOTE	COMPLIANT	EVIDENCE
The requisite number of Board meetings were held. Sufficient notice was provided. The agenda, materials, and subsequent minutes were provided to directors as per the by-laws.	<p>RNS by-laws: Section 4 (Meetings).</p> <ul style="list-style-type: none"> - Notice of meeting within 10 days - Materials within 5 days - Minutes within 10 days 	Yes	<p>The board met 4 times in 2024-25.</p> <ul style="list-style-type: none"> - April 5, 2024 - May 29, 2024 - September 17, 2024 - November 26, 2024 <p>Notices for meetings were provided ahead of schedule.</p> <p>Pre-meeting materials were delivered ahead of schedule. <i>Note: Logistically, the delivery of pre-meeting materials for the May 29 meeting was not within RNS' control as it depended on the auditors and a review by the FAR Committee.</i></p> <p>Draft minutes were circulated as per the by-laws.</p>
The Board adhered to its by-laws, and revised them as appropriate.	<p>RNS by-laws: Section 8 (Enactment and Amendment of By-laws). The by-laws were adopted by the Board on April 18, 2019.</p>	Yes	<p>The minutes for all four meetings were reviewed by the Chief Operating Officer. No new by-laws or changes to the existing by-laws occurred in 2024-25.</p>

MEASURE	EXPLANATORY NOTE	COMPLIANT	EVIDENCE
RNS met the deadlines for providing Labour and Advanced Education with semi-annual and annual reports containing the required information.	Regulations 4(2)(a) and (b) and Regulation 5. November 30, May 31, and June 1 of each year.	Yes	<p>Research Nova Scotia Corporation Semi-Annual Report for the period October 1, 2024 to March 31, 2025 (to be submitted by May 31, 2025)</p> <p>Research Nova Scotia Corporation Annual Report for the period April 1, 2024 to March 31, 2025 (To be submitted by May 31, 2025).</p>
RNS' budget was sufficient to meet its regulatory responsibilities and funding commitments.	RNS had the funds to pay for its required activities (e.g., annual audit) as well as its previous research commitments.	Yes	<p>Research Nova Scotia Corporation Annual Report for the period April 1, 2024 to March 31, 2025.</p>

MEASURE	EXPLANATORY NOTE	COMPLIANT	EVIDENCE
RNS met its regulatory disclosure requirements.	<p>The <i>Public Sector Compensation Disclosure Act</i> requires disclosure of salaries greater than \$100,000.</p> <p>The Act requires the disclosure be made public (e.g., in the body of the audited financial statement for the fiscal year)</p>	YES	<p>The 2023-24 Disclosure Statement as prepared by the Auditor was filed with the Department of Finance and Treasury Board on June 19, 2024. The 2023-24 Disclosure Statement was posted on the RNS website.</p> <p>The 2024-25 Disclosure Statement will be filed by September 30, 2025, as per government requirements.</p> <p>2024-25 Independent Auditor's Report.</p> <p>The Corporation's Financial Statements for the Year Ending March 31, 2025 will be posted on the RNS website.</p>

MANAGEMENT

Management's activities and expenditures are compliant with the corporate management performance measures.

MEASURE	EXPLANATORY NOTE	COMPLIANT	EVIDENCE
RNS implemented and abided by approved policies in the areas of human resources, financial management, corporate operations, and operational.	<p>RNS has a comprehensive policy manual (corporate, HR, financial, operations) approved by the Board and periodically reviewed and updated.</p> <p>At the April 5, 2024 meeting the Board adopted the following resolution:</p> <p><i>BE IT RESOLVED that, on recommendation of the Finance, Audit and Risk committee, the policies be revised as presented and revised.</i></p> <p>At the September 17, 2024 meeting the Board adopted the following resolution:</p> <p><i>BE IT RESOLVED that, policy #1.5, Compensation, be amended as revised.</i></p>	Yes	<p>The following policies were <u>amended</u>:</p> <p>Policy 1.5: Compensation</p> <p>Policy 3.1: Financial Delegations</p> <p>Policy 3.2: Investment Policy</p> <p>Policy 3.3: Monitoring and Reporting</p> <p>Policy 3.5: Expense Reimbursement</p> <p>Policy 3.6: Financial Procedures</p> <p>Policy 3.7: Research Funds</p>

RNS' activities and expenditures adhered to a Board-approved strategic plan to organize, support and coordinate the funding of research.

The current strategic plan was approved by the Board June 30, 2020.

It commits RNS to the following areas of activity:

- Support the strengths of the research ecosystem
- Convene intentional partnerships, coalitions and commissioned activity
- Operate funding opportunities and partnerships in collaboration with other organizations
- Build capacity, training, support services and grant response coordination for the research ecosystem
- Develop non-traditional, innovative, rapid response or extraordinary activity to meet the challenges

Yes

A total of 118 grants and research projects were funded in 2024-25, including 12 projects with matching funds to support the province's research strengths and 15 New Health Investigator Grants to help develop the province's early career health researchers.

RNS awarded 63 Scotia Scholar grants, which provided support and training opportunities to new researchers.

RNS developed and launched Focused Research Investments to pursue discovery on important matters that are timely, relevant, and actionable for those who need it. The four researchers funded through FRIs are driven to search for answers to some of Nova Scotia's most urgent questions, devoting their expertise in service of their communities.

Senior management continues to partner with the Forestry Innovation Transition Trust, Genome Atlantic, and Engage Nova Scotia and this year added partnerships with the Nova Scotia Office of Addictions and Mental

MEASURE	EXPLANATORY NOTE	COMPLIANT	EVIDENCE
RNS' operating ratio (management & administration / total expenditures) is appropriate and meets public expectations.	<p>Evaluation will be based on whether the 3-year average RNS operating cost ratio fell within one standard deviation of the 3-year average of similar organizations. Based on publicly available data from those organizations, such as Nova Scotia corporations, crowns, or agencies; other provinces' research organizations; and international mission-oriented funding organizations.</p>	Yes	<p>Health, Halifax Regional Municipality, and the Halifax Port Authority.</p> <p>A 3-year average operating ratio was developed for 8 not-for-profit organizations that publicly report their finances. The 8 organizations include 1 from Nova Scotia as well as 7 research funding organizations. The group's 3-year average operating ratio was 16.7%. The Corporation's operating ratio over the same period was 12.1%. This falls well within one standard deviation of how the comparator organizations performed.</p>

MEASURE	EXPLANATORY NOTE	COMPLIANT	EVIDENCE
RNS reviewed its processes through an equity, diversity, and inclusion (EDI) lens.	<p>At the November 21, 2022 meeting the Board adopted the following self-declaration approach, which was developed by Management and based on the EDI processes of similar organizations.</p> <p><i>BE IT RESOLVED that, the self-declaration for EDI be provided to directors, employees and grant recipients as presented.</i></p>	Yes	<p>RNS has developed an EDI self-declaration form that was provided to directors, employees and grant applicants.</p> <p>All RNS job postings conform to EDI inclusion best practices.</p> <p>All institutional granting agreements were reviewed and all included clauses prioritizing EDI.</p>

PROGRAMMING

RNS is compliant with its service delivery targets. All of the projects it funded aligned with government priorities and RNS's mission areas.

MEASURE	EXPLANATORY NOTE	COMPLIANT	EVIDENCE
RNS established and met its service delivery targets.	<p>Service delivery standards based on those of similar organizations were developed by management and adopted by the Board on November 21, 2022.</p> <p>RESPONSE TIMES (business days)</p> <ul style="list-style-type: none">• Pre-application discussion requests: 5 days• Confirmation of application: 1 day• Applications reviewed: 5 days• Funding decisions: 10 days• Communication from grant holders: 3 days• Grant payments: 15 days• Reporting reminders: 20 days prior• Extension requests: 10 days• General inquiries: 5 days• Letters of support: 15 days	Yes	All standards were met and no complaints about the organization's responsiveness were received.

MEASURE	EXPLANATORY NOTE	COMPLIANT	EVIDENCE
RNS reviewed funding requests to ensure alignment with its strategy and research values.	Previously, an informal process was used to assess proposal alignment with RNS' strategy and values. As of April 2023, the process became more systematic. All funding requests must now stipulate how they align with RNS' strategy and research values.	Yes	In 2024-25, all approved projects aligned with RNS's strategy and values.

APPENDIX A

**Research Nova Scotia Corporation
Financial Statements
For the year ended March 31, 2025**

**Research Nova Scotia Corporation
Financial Statements
For the year ended March 31, 2025**

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Independent Auditor's Report

To the board of directors of Research Nova Scotia Corporation

Opinion

We have audited the financial statements of Research Nova Scotia Corporation (the "Corporation"), which comprise the statement of financial position as at March 31, 2025, 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 the Corporation as at March 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation 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 the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

Chartered Professional Accountants

Halifax, Nova Scotia
May 29, 2025

Research Nova Scotia Corporation
Statement of Financial Position
For the year ended March 31, 2025

	2025	2024
ASSETS		
Current Assets		
Cash	\$ 2,078,977	\$ 413,234
Restricted cash	15,009,603	13,671,659
Restricted investments (Note 3)	59,828,519	58,020,127
Investments (Note 3)	3,324,562	-
Accounts receivable	-	6,964,650
Harmonized Sales Tax receivable (Note 4)	21,400	5,315
Interest receivable	49,791	65,832
Prepaid expenses	-	911
TOTAL ASSETS	\$ 80,312,852	\$ 79,141,728
LIABILITIES		
Accounts payable and accrued liabilities	\$ 227,358	\$ 145,408
Grants payable	1,375,676	1,177,131
Deferred contributions (Note 5)	75,359,226	74,801,076
	76,962,260	76,123,615
Lease obligation (Note 6)		
Grant commitments (Note 7)		
	76,962,260	76,123,615
Net Assets		
Internally Restricted Reserve	2,595,395	2,262,916
Wind-up Reserve	755,197	755,197
Total net assets	3,350,592	3,018,113
TOTAL LIABILITIES & NET ASSETS	\$ 80,312,852	\$ 79,141,728

On behalf of the Board:

Director

Director

The notes are an integral part of these financial statements.

Research Nova Scotia Corporation

Statement of Changes in Net Assets

For the year ended March 31, 2025

Net Assets	Internally Restricted Reserve	Wind-up Reserve	2025	2024
Balance, beginning of year	\$ 2,262,915	\$ 755,197	\$ 3,018,112	\$ 2,858,278
Excess of revenue over expenses	332,480	-	332,480	159,834
Transfers	-	-	-	-
Balance, end of year	\$ 2,595,395	\$ 755,197	\$ 3,350,592	\$ 3,018,112

The notes are an integral part of these financial statements.

Research Nova Scotia Corporation

Statement of Operations

For the year ended March 31, 2025

	2025	2024
REVENUES		
Province of Nova Scotia	\$ 12,530,452	\$ 12,774,625
Other funding	100,000	365,314
Interest and dividend income	125,812	159,834
Total Revenue	12,756,264	13,299,773
EXPENSES		
Program		
Research Opportunities Fund	10,688,575	10,697,890
Funds managed under contract	100,000	365,314
Legacy commitments and grants	-	224,500
	10,788,575	11,287,703
Operational		
Wages and salaries	1,322,669	1,427,130
Administrative overhead	519,208	425,106
	1,841,877	1,852,236
Total Expenses	12,630,452	13,139,939
Excess of revenues over expenses before other income	125,812	159,834
OTHER INCOME		
Realized / unrealized gain on investments	206,668	-
Total other income	206,668	-
Excess of revenue over expenses	332,480	159,834

The notes are an integral part of these financial statements.

Research Nova Scotia Corporation

Statement of Cash Flow

For the year ended March 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 332,480	\$ 159,834
Items not affecting cash:		
Amortization	-	74,505
	332,480	234,339
Changes in non-cash working capital:		
Accounts receivable	6,964,650	(5,421,160)
Harmonized Sales Tax receivable	(16,085)	10,341
Interest receivable	16,040	144,505
Prepaid expenses	911	18,617
Accounts payable and accrued liabilities	81,950	(18,870)
Grants payable	198,545	(1,510,414)
Deferred contributions	558,150	(2,300,538)
	8,136,642	(8,843,180)
INVESTING ACTIVITIES		
Acquisition of capital assets	-	(2,552)
Increase in marketable securities	(5,132,954)	(26,720,297)
Disposal of marketable securities	-	-
	(5,132,954)	(26,722,849)
Net (decrease) increase in cash	3,003,688	(35,566,029)
Cash, beginning of year	\$ 14,084,893	49,650,922
Cash, end of year	\$ 17,088,580	\$ 14,084,893
Cash	\$ 2,078,977	\$ 413,234
Restricted cash	15,009,603	13,671,659
	\$ 17,088,580	\$ 14,084,893

The notes are an integral part of these financial statements.

1 Purpose of the Corporation and Basis of Presentation

Research Nova Scotia (the "Corporation") is a not-for-profit entity established by the Province of Nova Scotia with an independent Board of Directors. The Corporation was established pursuant to the Research Nova Scotia Corporation Act, Chapter 6 of the Acts of Nova Scotia, 2018.

The objectives of the Corporation are to support, organize and co-ordinate the funding of research.

2 Significant Accounting Policies

These financial statements were prepared in accordance with the Canadian Accounting Standards for Not-For-Profit Organizations ("ASNPO") and include the following significant accounting policies:

(a) Cash and restricted cash

Cash includes amounts on deposit with financial institutions. Restricted cash includes amounts restricted for use by the Research Opportunities Fund and its associated programs and projects.

(b) Revenue recognition

The Corporation follows the deferral method of accounting for contributions. Certain funds may only be used in conduct of specific programs or in the delivery of specific services and transactions. Such externally restricted contributions are therefore recognized as revenue in the year in which related expenses are incurred or services are performed.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized in income only to the extent it relates to the unrestricted contributions.

(c) Contributed services

The Corporation does not record the value of volunteers in the statement of operations.

(d) Use of estimates

The preparation of financial statements 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 expenditures during the reporting period. There are no significant estimates within these financial statements.

2 Significant Accounting Policies (continued)

(e) Net assets

The Internally restricted reserve represents net assets restricted by the Board of Directors for specific purposes. These amounts are not available for other purposes without the approval of the Board of Directors. Transfers from the reserve are based on the Corporation's policies approved by the Board of Directors.

The windup reserve is to be used for operational expenses in the event that the Corporation is wound up. It is reviewed and adjusted annually following the methodology approved by the Board of Directors in policy.

(f) Financial instruments

Financial instruments are recorded at fair value at initial recognition.

In subsequent periods, equities traded in an active market and fixed income securities are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in the statement of changes. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in the statement of operations in the year incurred.

3 Investments

		2025	2024
Cash and short term investments	0.03%	\$ 19,688	\$ 2,247,966
Fixed income, at fair value	42.35%	\$ 26,746,018	\$ 26,398,568
Equity, at fair value	57.62%	\$ 36,387,375	\$ 29,373,592
	100.00%	\$ 63,153,081	\$ 58,020,127

4 Harmonized Sales Tax

The Corporation is entitled to a rebate of 50% on Harmonized Sales Tax ("HST") paid on eligible expenses. The Corporation's practice is to record the non-refundable portion of HST separately net of the refundable portion.

5 Deferred Contributions

Deferred contributions represent funds received for program and project costs not yet incurred.

	2025	2024
A - Research Opportunities Fund (ROF)	\$ 72,968,516	\$ 72,279,764
B - ROF matching legacy	\$ 678,107	\$ 678,107
C - Operations Fund	\$ 947,106	\$ 992,983
D - Grants Managed Under Contract	\$ 765,498	\$ 850,222
Balance, end of year	\$ 75,359,226	\$ 74,801,076

A - Funds available to be granted and funds subject to a grant agreement but not yet funded.

B - Grants awarded by predecessor organizations absorbed by RNS on April 1st, 2019.

C - Funds transferred from DAE for annual operating expenses.

D - Grants awarded by a third party but administered by RNS.

6 Lease Obligation

The Corporation's lease obligation for premises requires the following minimum annual lease payments. This lease expires on December 31, 2027.

2026	107,484
2027	107,484
2028	93,542
	\$ 308,510

7 Grant Commitments

Grants that have been committed to programs and projects, but not yet required to be paid under the terms of the various agreements for each of the next six years are as follows:

2026	39,641,122
2027	4,563,715
2028	2,049,448
2029	1,072,859
2030	428,974
2031	287,564
	\$ 48,043,682

**** The commitments for 2026 include certain amounts that have been committed, but for which a payment schedule has not been finalized as of the date of these financial statements. As a result, the aggregate commitments have been included in 2026 and total \$26,926,088.*

8 Economic Dependence

The Corporation's operational funding is derived from the Province of Nova Scotia's Department of Advanced Education with no written agreement in place beyond March 31, 2025. Should the Province of Nova Scotia substantially change their funding or the related terms and conditions with the Corporation, it would not be able to continue its operations at the current level.

9 Financial Instruments

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation is exposed to credit risk resulting from the possibility that a funder defaults on their financial obligations. The Corporation's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable. Most of the Corporation's receivables are from publicly funded organizations which reduces their credit risk. At year end, there are no amounts owing to the Corporation.

Liquidity risk

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

The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Corporation is exposed to other price risk through its investments in quoted shares.

The Corporation manages other price risk through asset allocation and maintaining a portfolio that is well diversified on both a geographic and industry sector basis.