Financial statements of
The College of Family Physicians of Canada

February 28, 2026

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Independent Auditor's Report

To the Members of the
College of Family Physicians of Canada

Opinion

We have audited the financial statements of the College of Family Physicians (the "College"), which comprise the statement of financial position as at February 28, 2026 and the statement of revenue and expenses, and changes in members equity, and cash flows for the year then ended, and a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College of Family Physicians as at February 28, 2026, and the 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 ("Canadian GAAS"). 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 College 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 audit 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 College'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 College or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the College'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 GAAS 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 GAAS, 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 College'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 College'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 College 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
August 7, 2026

The College of Family Physicians of Canada

Statement of financial position

As at February 28, 2026

	Notes	2026 $	2025 $
Assets			
Current assets			
Cash		**11,574,469**	4,243,954
Restricted cash	2	**177,456**	141,240
Short-term investments		**6,000,000**	8,000,000
Accounts receivable	12	**645,136**	1,344,311
Prepaid expenses and other current assets		**2,490,497**	1,983,517
		20,887,558	15,713,022
Long-term investments	3	**36,996,137**	34,575,516
Capital assets	4	**11,166,254**	10,001,332
		69,049,949	60,289,870
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	10	**3,156,980**	3,950,434
Funds held for external projects	2	**177,456**	141,240
Deferred revenue	5	**21,095,653**	18,991,164
		24,430,089	23,082,838
Employee future benefits and employee future non-pension benefits	6	**4,619,400**	4,711,700
		29,049,489	27,794,538
Members' equity			
Reserve fund	8	**40,000,460**	32,495,332
		69,049,949	60,289,870

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

The College of Family Physicians of Canada

Statement of revenue and expenses

Year ended February 28, 2026

	Revenue	**Expenses**	**2026 Net**	Revenue	Expenses	2025 Net
	$	**$**	**$**	$	$	$
Membership revenue	**30,041,921**	**—**	**30,041,921**	28,649,935	—	28,649,935
Certification and Assessment						
Alternate Pathways plus Critical Learning and Assessment Skills (CLASS) previously Pearls CE	**4,114,352**	**965,177**	**3,149,175**	3,630,690	700,586	2,930,104
Certificate of Added Competence Plus Emergency Medicine Exam	**1,923,961**	**2,604,456**	**(680,495)**	1,749,752	2,139,015	(389,263)
Family Medicine Exam	**8,945,820**	**11,512,832**	**(2,567,012)**	7,628,289	10,065,374	(2,437,085)
RE-IMGine Project	**235,606**	**260,878**	**(25,272)**	—	—	—
	15,219,739	**15,343,343**	**(123,604)**	13,008,731	12,904,975	103,756
Self Funding Programs						
CFPCLearn	**594,806**	**446,687**	**148,119**	440,096	87,189	352,907
Family Medicine Forum	**3,804,182**	**3,745,451**	**58,731**	4,224,392	3,616,727	607,665
Investment income	**2,946,156**	**—**	**2,946,156**	4,100,900	—	4,100,900
Non Member Mainpro+ Participants	**2,047,278**	**1,754,227**	**293,051**	2,190,619	1,806,017	384,602
Physician Wellness Retreat	**432,545**	**674,681**	**(242,136)**	290,514	381,166	(90,652)
Self Learning	**1,787,149**	**2,140,062**	**(352,913)**	1,274,139	1,791,010	(516,871)
	11,612,116	**8,761,108**	**2,851,008**	12,520,660	7,682,109	4,838,551
Programs Supported by Member Fees						
Accreditation	**26,239**	**3,059,023**	**(3,032,784)**	—	2,568,003	(2,568,003)
Besrour Centre	**—**	**284,905**	**(284,905)**	346,094	960,702	(614,608)
Canadian Family Physician Journal	**799,568**	**5,145,193**	**(4,345,625)**	790,525	4,533,490	(3,742,965)
Continuing Professional Development	**508,279**	**5,076,778**	**(4,568,499)**	331,909	6,736,024	(6,404,115)
Education	**18,910**	**4,340,493**	**(4,321,583)**	62,534	5,064,433	(5,001,899)
Health Policy & Government Relations	**—**	**2,170,142**	**(2,170,142)**	—	1,973,499	(1,973,499)
Miscellaneous Revenue	**1,223,056**	**—**	**1,223,056**	498 076	—	498,076
Programs and Practice Support	**9,042**	**4,668,626**	**(4,659,584)**	8,750	4,642,195	(4,633,445)
Research	**—**	**2,536,462**	**(2,536,462)**	23,776	2,713,824	(2,690,048)
The Foundation for Advancing Family Medicine (including Honours & Award)	**36,962**	**604,631**	**(567,669)**	15,278	1,743,745	(1,728,467)
	2,622,056	**27,886,253**	**(25,264,197)**	2,076,942	30,935,915	(28,858,973)
Team Primary Care Project (Funded from FAFM)	**—**	**—**	**—**	1,058,002	692,829	365,173
	59,495,832	**51,990,704**	**7,505,128**	57,314,270	52,215,828	5,098,442

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

The College of Family Physicians of Canada

Statement of changes in members' equity

Year ended February 28, 2026

	Notes	Invested in capital assets $	Unrestricted $	Reserve fund $	2026 Total $	2025 Total $
Members' equity, beginning of year		**10,001,332**	**(10,001,332)**	**32,495,332**	**32,495,332**	28,372,290
Excess of revenue over expenses		**854,444**	**6,650,684**	**—**	**7,505,128**	5,098,442
Remeasurements and other items		**—**	**—**	**—**	**—**	(975,400)
Capital asset additions		**310,478**	**(310,478)**	**—**	**—**	—
Transfers		**—**	**(7,505,128)**	**7,505,128**	**—**	—
Members' equity, end of year	8	**11,166,254**	**(11,166,254)**	**40,000,460**	**40,000,460**	32,495,332

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

	Notes	2026 $	2025 $
Operating activities			
Excess of revenue over expenses		**7,505,128**	5,098,442
Amortization		**1,932,886**	1,314,073
Employee future benefits and employee future non-pension benefits (net of remeasurements and other items nil; (($975,400) in 2025))		**(92,300)**	682,700
Change in unrealized gain on investments		**(1,457,276)**	(2,307,139)
		7,888,438	4,788,076
Change in non-cash operating working capital	9	**1,539,446**	(813,915)
		9,427,884	3,974,161
Investing activities			
Purchase of capital assets		**(3,097,808)**	(5,110,298)
Decrease in long-term investments		**(963,345)**	(1,208,091)
Proceeds from sale/redemption of short-term investments		**2,000,000**	—
		(2,061,153)	(6,318,389)
Increase / (decrease) in cash		**7,366,731**	(2,344,228)
Cash, beginning of year		**4,385,194**	6,729,422
Cash, end of year		**11,751,925**	4,385,194
Represented by			
Cash		**11,574,469**	4,243,954
Restricted cash		**177,456**	141,240
		11,751,925	4,385,194
Supplemental cash flow information			
Interest received		**1,319,457**	1,008,480

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

The College of Family Physicians of Canada (the "College"), founded in 1954, was incorporated in 1960 by Special Act of Parliament and, in 1968, was granted letters patent under the Canada Corporations Act and was continued under the Canada Not-for-Profit Corporations Act on June 1, 2014. The College was established to sustain and improve the professional qualifications of members of the medical profession who are engaged in family practice in Canada through education, research, and the publication of journals.

The College is a not-for-profit organization and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) are met.

1. Significant accounting policies

(a) Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations published by the Chartered Professional Accountants of Canada, using the deferral method of accounting for restricted contributions.

These financial statements do not include the results of operations and assets and liabilities of each of the provincial chapters of the College (the "Chapters").

(b) Revenue

Membership fees are billed annually to members with the effective date of July 1 as the renewal date. Any new members joining during the year are billed at a pro-rata fee from the date they joined to the next June 30. A similar approach is followed for Non-Member MainPro+ Participants (NMMPs). Deferred membership fees represent unearned funds received as membership fees. Revenue for Examinations, professional development, Family Medicine Forum and other are recognized as revenue in the year in which the related expenses are incurred.

(c) Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided on the straight-line basis as follows:

Furniture and fixtures	15 years
Office equipment	5 years
Computer equipment	3 years
Software	3-8 years
Leasehold improvements	Over term of lease

For the purposes of financial reporting, the accounting treatment for capital assets is as follows: all movable and fixed equipment having a useful life in excess of one year and a unit or grand total cost in excess of $1,000; all leasehold improvements having a useful life in excess of one year and a total cost in excess of $20,000 and software development having a useful life in excess of one year and a cost in excess of $5,000 per project will be capitalized. Equipment costing less than $1,000 is amortized at 100% in the year of acquisition. Capital assets not ready for use are not amortized.

1. Significant accounting policies (continued)

(d) Employee future benefits

The cost of pension benefits earned by employees is actuarially determined using the most recently completed actuarial valuation prepared for funding purposes (but not one prepared using a solvency, wind-up, or similar valuation basis) for measuring its defined benefit plan obligations. A funding valuation is prepared in accordance with pension legislation and regulations, generally to determine required cash contributions to the plan.

The College recognizes:

- the defined benefit obligation, net of the fair value of any plan assets, adjusted for any valuation allowance, in the statement of financial position; and
- the costs of the plans for the year.

(e) Financial instruments

The College's financial assets are comprised of cash, restricted cash, short-term and long-term investments, accounts receivable, and prepaid expenses/deposits. Financial liabilities are comprised of accounts payable and accrued liabilities and funds held for external projects.

Financial assets and financial liabilities are initially recognized at fair value when the College becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost, except for equities quoted in active markets, which are carried at fair value. The College has elected to use the fair value option to measure all of its investments. Any subsequent changes in fair value are recorded in the statement of revenue and expenses.

Fair value of investments is determined as follows: fixed income and equity securities are valued at year-end quoted bid prices where available. Where quoted bid prices are not available, estimated fair values are calculated using comparable securities. Transaction costs are expensed as incurred.

(f) Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses. Actual results could differ from those estimates. Accounts requiring significant estimates and assumptions include allowance for doubtful accounts, accrued liabilities, deferred revenue, employee future benefits and employee future non-pension benefits, and amortization expense.

2. Restricted cash

Restricted cash includes amounts held in bank accounts and are restricted for eligible expenditures on external projects.

Amounts being held for external projects are as follows:

	2026	2025
	$	$
Coalition for Physician Learning & Practice Improvement ("CPLPI")	**118,081**	102,371
Association of Canadian Chairs in Family Medicine ("ACCFM")	**48,358**	33,274
Family Medicine National Education Administrators ("FMNEA")	**11,017**	5,595
	177,456	141,240

3. Long-term investments

Long-term investments consist of the following:

	Market value	**2026 Cost**	Market value	2025 Cost
	$	**$**	$	$
Fixed income	**16,840,901**	**16,630,757**	16,280,636	16,218,046
Equity portfolio	**20,155,236**	**14,657,528**	18,294,880	14,106,894
	36,996,137	**31,288,285**	34,575,516	30,324,940

The College has investments in bonds and other government secured certificates with varying dates of maturity, as well as investments in equity instruments. These investments yield returns at rates ranging from 0.2% to 9.0% (0.3% to 7.2% in February 28, 2025 per annum).

The College holds securities, which are subject to market risk, interest rate risk, and cash flow risk. These risks will also impact future cash flow streams, including dividends, gains, and losses, and interest income.

The value of equities changes with stock market conditions, which are affected by general economic and market conditions. The value of securities will vary with developments within specific governments and corporations, which issue the security.

The value of fixed income securities will generally increase if interest rates decrease and decrease if interest rates increase. Changes in interest rates may also affect the value of equity securities. The College does not enter into any derivative instrument arrangements for hedging or for speculative purposes.

Further information on the fixed income securities is as set out below:

	Market value	**2026 Annual yield**	Market value	2025 Annual yield
	$	**%**	$	%
Term to maturity				
One to three years	**8,013,314**	**2.81**	6,674,171	2.86
Greater than three years	**8,827,587**	**3.75**	9,606,465	3.59
	16,840,901		16,280,636	

4. Capital assets

	Cost $	Accumulated amortization $	2026 Net book value $	2025 Net book value $
Furniture and fixtures	**84,001**	**49,389**	**34,612**	60,924
Office equipment	**116,675**	**115,647**	**1,028**	5,938
Computer equipment and software	**26,352,887**	**16,875,767**	**9,477,120**	7,217,660
Leasehold improvements	**1,329,652**	**1,329,049**	**603**	71,082
Work in progress	**1,652,891**	**—**	**1,652,891**	2,645,728
	29,536,106	**18,369,852**	**11,166,254**	10,001,332

5. Deferred revenue

The College defers revenue in certain cases, as these amounts have been paid in advance of the completion of the particular program, examination, or service to be provided. These amounts will be recorded as revenue when earned. Deferred revenue is comprised of the following:

	2026 $	2025 $
Membership fees	**10,377,215**	9,625,479
Examination fees	**8,029,532**	7,638,796
Marketing and communications	**—**	30,000
Self Learning Program	**663,250**	561,918
Family Medicine Forum (“FMF”)	**47,130**	47,810
Maintenance of proficiency (“MainPro+”) non-member	**618,759**	708,943
Critical Learning and Assessment Skills (CLASS) previously Pearls CE	**75,030**	107,010
Physician Wellness Retreat	**453,298**	270,590
Canadian Family Physician Journal (“CFP”)	**—**	618
Focus on Family Medicine Task Force ("FFMT")	**228,048**	—
Family Medicine Interest Group ("FMIG")	**50,000**	—
Under Served Community Grant	**5,000**	—
Resident Scholarships	**180,000**	—
CFPCLearn	**324,691**	—
Family Physician of the Year Award ("FPOY")	**43,700**	—
	21,095,653	18,991,164

6. Employee future benefits and employee future non-pension benefits

The College maintains a pension plan for certain employees, which provides benefits, the greater of a defined benefit or defined contribution plan. The College also offers certain employees other supplemental benefits in a non-funded plan. The defined benefit members approved a transfer of the registered pension plan to the College of Applied Arts and Technology ("CAAT") pension plan, and the defined portion of the plan was wound up in the previous year. The following significant actuarial assumptions were employed to determine the periodic pension expense and the accrued benefit obligation:

	SERP+ Pension Plan	**SERP Pension Plan**	**2026 Future non-pension benefits**
Discount rate, beginning of year	**2.00%**	**2.00%**	**2.00%**
Discount rate, end of year	**2.00%**	**2.00%**	**2.00%**
Assumed rate of compensation increase	**3.25%**	**3.25%**	**—**

	SERP+ Pension Plan	SERP Pension Plan	2025 Future non-pension benefits
Discount rate, beginning of year	4.90%	4.90%	5.00%
Discount rate, end of year	2.00%	2.00%	2.00%
Assumed rate of compensation increase	3.25%	3.25%	—

	SERP+ Pension Plan $	**SERP Pension Plan $**	**Future non-pension benefits $**	**2026 Total $**
Accrued benefit obligation, beginning of year	**179,600**	**2,861,100**	**1,671,000**	**4,711,700**
Service cost (current and past)	**11,100**	**81,700**	**24,201**	**117,001**
Interest cost	**3,800**	**57,600**	**—**	**61,400**
Benefits paid	**—**	**(121,500)**	**(149,201)**	**(270,701)**
Actuarial (gain) loss	**—**	**—**	**—**	**—**
Accrued benefit obligation, end of year	**194,500**	**2,878,900**	**1,546,000**	**4,619,400**
Fair value of assets, end of year	**—**	**—**	**—**	**—**
Employee future benefits liability, end of year	**(194,500)**	**(2,878,900)**	**(1,546,000)**	**(4,619,400)**

6. Employee future benefits and employee future non-pension benefits (continued)

	SERP+ Pension Plan $	SERP Pension Plan $	Future non-pension benefits $	2025 Total $
Accrued benefit obligation, beginning of year	—	1,930,600	1,123,000	3,053,600
Service cost (current and past)	116,600	40,800	703,909	861,309
Interest cost	5,700	93,600	—	99,300
Benefits paid	(500)	(121,500)	(155,909)	(277,909)
Actuarial (gain) loss	57,800	917,600	—	975,400
Accrued benefit obligation, end of year	179,600	2,861,100	1,671,000	4,711,700
Fair value of assets, end of year	—	—	—	—
Employee future benefits liability, end of year	(179,600)	(2,861,100)	(1,671,000)	(4,711,700)

The amount recognized in the statement of revenue and expenses for the year ended February 28, 2026 for the supplemental benefits was an expense of $139,306 (expense of $134,406 for the year ended February 28, 2025) and for the SERP+ was an adjustment of $14,900 ($122,270 expense for the year ended February 28, 2025).

7. Lease commitments

Future minimum rental payments, including taxes and maintenance charges on office premises and office equipment required under operating leases that have terms in excess of one year, are as follows:

	Office equipment $	Office rent, including taxes and maintenance $	Total $
2027	18,711	680,154	698,865
2028	—	690,654	690,654
2029	—	701,469	701,469
2030	—	712,609	712,609
2031	—	646,002	646,002
	18,711	3,430,888	3,449,599

8. Reserve fund

The reserve fund has been established to provide for unanticipated decreases in revenue or increases in administrative and operating costs of the College. These funds are administered by the College through the Executive Committee under policies established and approved by the Board of Directors.

	2026	2025
	$	$
Balance, beginning of year	**32,495,332**	28,372,290
Transfer from		
Unrestricted fund		
Excess of revenue over expenses before reserve transfers	**7,505,128**	5,098,442
Net transfer from reserve fund before the undernoted	**7,505,128**	5,098,442
Remeasurements and other items	**—**	(975,400)
Net transfer to reserve fund	**7,505,128**	4,123,042
Balance, end of year	**40,000,460**	32,495,332

9. Change in non-cash operating working capital

	2026	2025
	$	$
Accounts receivable	**699,175**	1,074,144
Prepaid expenses and other current assets	**(506,980)**	(431,007)
Accounts payable and accrued liabilities	**(793,454)**	(3,495,584)
Funds held for external projects	**36,216**	29,090
Deferred revenue	**2,104,489**	2,009,442
	1,539,446	(813,915)

10. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities is nil (nil in 2025) with respect to government remittances.

11. Contingencies and guarantees

The College is exposed through various programs to possible litigations matters. Although the College is not currently involved in any new litigation, adequate provision has been made for these matters and, accordingly, their ultimate disposition is not expected to have a material effect on its operations or financial position.

The College has provided indemnities under lease agreements for the use of various operating facilities. Under the terms of these agreements, the College agrees to indemnify the counterparties for various items including, but not limited to, all liabilities, loss, suits, and damages arising during, on, or after the term of the agreement. The maximum amount of any potential future payment cannot be reasonably estimated.

11. Contingencies and guarantees (continued)

Indemnity has been provided to all directors and/or officers, employees, volunteers, or members of any duly constituted committee of the College for various items including, but not limited to, all costs to settle suits or actions due to association with the College, subject to certain restrictions. The College has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined but is limited to the year over which the indemnified party served as a director, officer, employee, volunteer, or member of any committee of the College. The maximum amount of any potential future payment cannot be reasonably determined.

In the normal course of business, the College has entered into agreements that include indemnities in favor of third parties, marketing agreements, confidentiality agreements, engagement letters with advisors and consultants, outsourcing agreements, leasing contracts, information technology agreements, and service agreements. These indemnification agreements may require the College to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnities are not explicitly defined and the maximum amount of any potential reimbursement cannot be reasonably estimated.

The nature of these indemnification agreements prevents the College from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability, which stems from the unpredictability of future events and the unlimited coverage offered to counterparties.

Historically, the College has not made any significant payments under such or similar indemnification agreements, and therefore, no amount has been accrued in the financial statements with respect to these agreements.

12. Related party transactions

The College supports the financial requirements for the salaries and operating costs of The Foundation for Advancing Family Medicine ("FAFM"). The College has a separate and distinct Board of Directors, which makes requests to the FAFM for fundraising for the College's priorities; the FAFM reviews such requests for feasibility before approving and proceeding. The College has an economic interest in the FAFM, as the FAFM raises/solicits funds for various projects undertaken by the College.

The FAFM was established in 1994 and granted letters of patent under the Canada Corporations Act and it was continued under the Canada Not-for-profit Corporations Act on June 1, 2014. The FAFM mandate is to actively seek sources of funding in order to stimulate and support, at a high level, the science, art, and practice of family medicine. The FAFM is a registered charity organization and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

During the year ended February 28, 2026, the College contributed nil (nil for the year ended February 28, 2025) towards the Foundation's Awards program costs. In addition, the College incurred a net expense of $567,669 (1,727,852 for the year ended February 28, 2025) for operational, administrative and shared expenses on behalf of the Foundation. Related party transactions are measured at the exchange amount. At February 28, 2026 the College has a receivable balance of $37,623 from FAFM ($636,942 at February 28, 2025).

13. Full cost accounting

Allocation of centralized and shared expenses and revenues

The College allocates its centralized and shared expenses and revenues on a functional basis to individual programs offered by the College to its members and others. The method is described in the Budget Principles that are reviewed by the Board of Directors on an annual basis. These allocations are done as a series of steps as follows:

Step 1

FMF Expenses and Revenue related to special events held at FMF are allocated to the appropriate department. This includes direct costs related to those delegates that have been given complimentary status and direct costs related to award recipients who do not pay FMF Fees.

- The full cost of Complimentary/VIP attendees will be charged back to the applicable department.
- The full cost of the space at College Square will be charged back to the applicable department.
- The net deficit of events will be charged back to the applicable department responsible for interactions with the majority of attendees.

Step 2

Design and development expenses and revenues related to Certification and Assessment are allocated to the following programs, using the ratio of individual direct program expenses and revenues to the total direct program expenses calculated after Step 1:

- Family Medicine Certification Examination
- Certificates of Added Competence (includes Emergency Medicine Examination)
- Alternative Pathways plus Critical Learning and Assessment Skills (CLASS) previously Pearls CE

Step 3

Continuing Professional Development expenses and revenues are allocated to the following programs, using the ratio of the number of Non-Member Mainpro+ Participants (NMMPs) as compared to the number of Members that must meet Mainpro+ requirements per licensing bodies and the requirements to maintain membership in the College:

- NMMPs
- Members' Continuing Professional Development expenses

Step 4

Centralized and shared expenses and revenues are allocated between NMMPs and Members based upon the ratio of NMMPs to Members.

13. Full cost accounting (continued)

Allocation of centralized and shared expenses and revenues (continued)

Step 5

Centralized and shared expenses and revenues allocated in Step 4 to Members are further distributed to the following programs, using the ratio of individual direct program expenses and revenues to the total direct program expenses and revenues:

- Family Medicine Exam
- Certificate of Added Competence plus Emergency Medicine Exam
- Alternate Pathways plus Critical Learning and Assessment Skills (CLASS) previously Pearls CE
- FMF - Family Medicine Forum
- Non-Member Mainpro+ Participants
- Self Learning
- CFPCLearn
- Physician Wellness Retreat
- Continuing Professional Development
- Canadian Family Physician Journal
- Health Policy & Government Relations
- Education
- Accreditation
- Research
- Programs and Practice Support
- Foundation for Advancing Family Medicine including Honours & Awards

Centralized and shared expenses include:

- Governance and Strategy which combines:
    - Office of the CEO
    - Other Meetings and Events (exclusive of FMF)
- Membership Services which combines:
    - Marketing & Membership Services
    - Communications
- Corporate Services which combines:
    - Legal Services
    - Human Resources
    - Finance & Asset Management
- Information Technology - Infrastructure and Business Solutions Combined

13. Full cost accounting (continued)

Allocation of centralized and shared expenses and revenues (continued)

Step 5 (continued)

The centralized and shared expenses have been allocated as follows:

	Certificate and assessment	**Self funding programs**	**Programs supported by member fees**	**2026 Total**
	$	**$**	**$**	**$**
Membership services	**1,686,092**	**1,158,946**	**3,117,448**	**5,962,486**
Governance and strategy	**1,111,065**	**763,698**	**2,054,269**	**3,929,032**
Corporate services	**1,985,696**	**1,364,881**	**3,671,391**	**7,021,968**
Information technology	**2,284,402**	**1,570,199**	**4,223,673**	**8,078,274**
Total	**7,067,255**	**4,857,724**	**13,066,781**	**24,991,760**

	Certificate and assessment	Self funding programs	Programs supported by member fees	2025 Total
	$	$	$	$
Membership services	1,546,666	1,146,554	3,707,681	6,400,901
Governance and strategy	673,720	499,432	1,615,047	2,788,199
Corporate services	1,509,713	1,119,160	3,619,097	6,247,970
Information technology	1,579,220	1,170,687	3,785,720	6,535,627
Total	5,309,319	3,935,833	12,727,545	21,972,697

14. Financial instruments

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

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. The Organization currently is only exposed to interest rate risk from its investments.

Other price risk

The Organization is exposed to other price risk on its investments in equities quoted in an active market since changes in market prices could result in changes in the fair value of these instruments.

Foreign currency risk

Approximately 17.58% (20.13% in 2025) of the Organization's investments are in foreign equities. They are exposed to the foreign currency risk that arises from fluctuations in exchange rates.

14. Financial instruments (continued)

Changes in risk

During the year, the Organization's exposure to these risks did not change.

Market risk

Market risk arises as a result of trading in fixed income securities. Fluctuations in interest rates and market prices expose the organization to a risk of loss. The Organization mitigates this risk through controls to monitor and limit concentration levels.

15. Comparative figures

Certain prior year amounts have been reclassified with the current year presentation. These reclassifications have no effect on the reported results of operations