

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

Financial Statements

Year Ended October 31, 2023

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

Index to Financial Statements

Year Ended October 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of The Manitoba College of Family Physicians Inc.

Opinion

We have audited the financial statements of The Manitoba College of Family Physicians Inc. (the Organization), which comprise the statement of financial position as at October 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and the notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at October 31, 2023, 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 (ASNPO).

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 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 ASNPO, 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.

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.

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Independent Auditor's Report to the Members of The Manitoba College of Family Physicians Inc.
(continued)

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.

Winnipeg, Manitoba
March 13, 2024



CHARTERED PROFESSIONAL ACCOUNTANTS

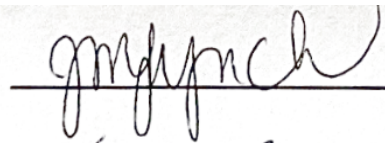
THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

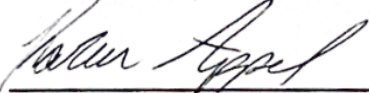
Statement of Financial Position

October 31, 2023

| | 2023 | 2022 |
|--|-------------------|-------------------|
| ASSETS | | |
| CURRENT | | |
| Cash | \$ 296,551 | \$ 379,024 |
| Term deposits (Note 3) | 419,807 | 411,820 |
| Accounts receivable (Note 4) | 17,457 | 28,959 |
| Goods and services tax recoverable | - | 3,598 |
| Prepaid expenses | 3,555 | 3,565 |
| | <u>737,370</u> | 826,966 |
| FIXED ASSETS (Note 5) | <u>29,465</u> | 38,257 |
| | <u>\$ 766,835</u> | <u>\$ 865,223</u> |
| LIABILITIES | | |
| CURRENT | | |
| Accounts payable and accrued liabilities | \$ 45,590 | \$ 22,330 |
| Goods and services tax payable | 3,275 | - |
| Employee deductions payable | 24,307 | 3,896 |
| Deferred income (Note 6) | 154,558 | 162,755 |
| | <u>227,730</u> | 188,981 |
| COMMITMENTS (Note 8) | | |
| NET ASSETS | | |
| Unrestricted | 140,105 | 277,242 |
| Internally restricted | 399,000 | 399,000 |
| | <u>539,105</u> | 676,242 |
| | <u>\$ 766,835</u> | <u>\$ 865,223</u> |

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

**Statement of Operations
Year Ended October 31, 2023**

| | 2023 | 2022 |
|---|---------------------|------------|
| REVENUE | | |
| Membership services and administration (Schedule 1) | \$ 258,857 | \$ 317,553 |
| Continuing professional development (Schedule 2) | 52,284 | 72,857 |
| Special projects (Schedule 3) | 37,252 | 51,956 |
| | <u>348,393</u> | 442,366 |
| EXPENSES | | |
| Membership services and administration (Schedule 1) | 405,587 | 305,802 |
| Continuing professional development (Schedule 2) | 42,691 | 30,444 |
| Special projects (Schedule 3) | 37,252 | 51,956 |
| | <u>485,530</u> | 388,202 |
| (DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS | (137,137) | 54,164 |
| OTHER INCOME | | |
| Capitalization of fixed assets (Schedule 3) | - | 8,129 |
| (DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES | \$ (137,137) | \$ 62,293 |

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

Statement of Changes in Net Assets

Year Ended October 31, 2023

| | Unrestricted | Internally restricted | 2023 | 2022 |
|---|-------------------|--------------------------|-------------------|-------------------|
| NET ASSETS - BEGINNING OF YEAR | \$ 277,242 | \$ 399,000 | \$ 676,242 | \$ 613,949 |
| (Deficiency) Excess of revenue over expenses | (137,137) | - | (137,137) | 62,293 |
| NET ASSETS - END OF YEAR | \$ 140,105 | \$ 399,000 | \$ 539,105 | \$ 676,242 |

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

Statement of Cash Flows

Year Ended October 31, 2023

| | 2023 | 2022 |
|---|-------------------|-------------------|
| OPERATING ACTIVITIES | | |
| Excess (deficiency) of revenue over expenses | \$ (137,137) | \$ 62,293 |
| Item not affecting cash: | | |
| Amortization of fixed assets | <u>8,792</u> | <u>5,050</u> |
| | <u>(128,345)</u> | <u>67,343</u> |
| Changes in non-cash working capital: | | |
| Accounts receivable | 11,502 | (18,622) |
| Prepaid expenses | 10 | 2,314 |
| Accounts payable and accrued liabilities | 23,260 | 1,987 |
| Goods and services tax payable | 6,873 | (3,731) |
| Employee deductions payable | 20,411 | 2,913 |
| Deferred income | <u>(8,197)</u> | <u>46,056</u> |
| | <u>53,859</u> | <u>30,917</u> |
| Cash flow from (used by) operating activities | <u>(74,486)</u> | <u>98,260</u> |
| INVESTING ACTIVITIES | | |
| Purchase of fixed assets | - | (37,424) |
| Purchase of term deposits, net | <u>(7,987)</u> | <u>(6,037)</u> |
| Cash flow used by investing activities | <u>(7,987)</u> | <u>(43,461)</u> |
| INCREASE (DECREASE) IN CASH POSITION | (82,473) | 54,799 |
| CASH POSITION - BEGINNING OF YEAR | <u>379,024</u> | <u>324,225</u> |
| CASH POSITION - END OF YEAR | \$ 296,551 | \$ 379,024 |

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

Notes to Financial Statements

Year Ended October 31, 2023

1. PURPOSE OF THE ORGANIZATION

The Manitoba College of Family Physicians Inc. (the "College") is a not-for-profit organization incorporated under the laws of Manitoba. Management has determined that they are exempt from payment of income tax under Section 149(1) of the Income Tax Act.

The Organization's activities consist of the following:

- (a) to sustain and improve the professional qualifications of members of the medical profession who are engaged in the practice of family medicine in Manitoba;
 - (b) to enlighten and direct public opinion in Manitoba in relation to the practice of family medicine;
 - (c) to encourage and assist in the provision of a high standard of teaching and training for undergraduate medical students who may become engaged in the practice of family medicine; and
 - (d) to publish and encourage the publication of journals, reports and treatises on matters relating to the practice of family medicine.
-

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Revenue recognition

The Manitoba College of Family Physicians Inc. follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

Grants are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Grant revenue may be deferred to a future period so that revenue is recognized in the year in which the related expenses are incurred.

Membership fee revenues are recognized over the term of the membership, which is July 1 to June 30, and when collectibility is reasonably assured. Any amounts received relating to the next fiscal year are recorded as deferred revenue.

Transfer payments and Family Medical Forum surplus payments from The College of Family Physicians of Canada are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Main pro certification fees, registration, and exhibit fees, course fees, and other project revenue are recognized when the course, service, or event is held.

Interest income is recognized on an accrual basis.

Investments and other non-cash assets

Fixed income securities are initially recognized at fair value and subsequently measured at amortized cost. Purchases and sales of investments are recognized using settlement date accounting.

The College's primary investment objective is capital preservation. Portfolio allocations have therefore been heavily weighted in fixed income securities to meet the stated objective. The expected return on return from the investment portfolio is dependent on the current interest rates offered in the open market. The investment portfolio allocations and returns are reviewed on an annual basis by the College's Executive Committee.

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THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

Notes to Financial Statements

Year Ended October 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Fixed assets

Fixed assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates:

| | |
|-------------------------------|---------|
| Furniture | 5 years |
| Office and computer equipment | 5 years |
| Office sign | 5 years |

The Organization regularly reviews its fixed assets to eliminate obsolete items. Government grants are treated as a reduction of fixed assets cost.

Fixed assets acquired during the year but not placed into use are not amortized until they are placed into use.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Financial assets measured at amortized cost on a straight-line basis include cash, term deposits and accounts receivable. Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and accrued liabilities, and employee deductions payable. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

3. TERM DEPOSITS

The term deposits are guaranteed investment certificates that mature on May 27, 2024 and September 7, 2024 with interest rates between 1.15% - 2.5% (2022 - 1.15% - 2.5%).

4. ACCOUNTS RECEIVABLE

| | 2023 | 2022 |
|---|------------------|------------------|
| College of Family Physicians of Canada - memberships | \$ 9,173 | \$ 19,252 |
| College of Family Physicians of Canada - CPD | 2,712 | 904 |
| College of Family Physicians of Canada - Refund on benefits premium | - | 127 |
| Indigenous Professional Association of Canada | - | 8,676 |
| Trade receivables | 5,572 | - |
| | <u>\$ 17,457</u> | <u>\$ 28,959</u> |

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

Notes to Financial Statements

Year Ended October 31, 2023

5. FIXED ASSETS

| | Cost | Accumulated amortization | 2023 Net book value | 2022 Net book value |
|-------------------------------|------------------|-----------------------------|---------------------------|---------------------------|
| Furniture | \$ 15,867 | \$ 5,444 | \$ 10,423 | \$ 13,597 |
| Office and computer equipment | 27,875 | 8,942 | 18,933 | 24,508 |
| Office sign | 218 | 109 | 109 | 152 |
| | <u>\$ 43,960</u> | <u>\$ 14,495</u> | <u>\$ 29,465</u> | <u>\$ 38,257</u> |

6. DEFERRED INCOME

| | Balance October 31, 2022 | Funds Received 2023 | Revenue Recognized 2023 | Balance October 31, 2023 |
|-------------------------|--------------------------------|------------------------|-------------------------------|--------------------------------|
| Membership dues | \$ 90,321 | \$ 279,643 | \$ (250,588) | \$ 119,376 |
| Data extraction project | 17,990 | - | (13,252) | 4,738 |
| UBC Partnership immPACC | 24,251 | - | (14,000) | 10,251 |
| Chapter-led CPD funding | 30,193 | - | (10,000) | 20,193 |
| | <u>\$ 162,755</u> | <u>\$ 279,643</u> | <u>\$ (287,840)</u> | <u>\$ 154,558</u> |

7. INTERNALLY RESTRICTED NET ASSETS

The internally restricted net assets may be used to fund future utilization goals and any other purposes as approved by the Board of Directors unless specifically designated by the donor or grant-giver. There were no changes in restricted net assets for the year.

8. LEASE COMMITMENTS

The Organization has a long term lease with respect to its premises. The lease contains renewal options and provides for payment of, property taxes and maintenance costs. Future minimum lease payments as at October 31, 2023, are as follows:

| | |
|------|------------------|
| 2024 | \$ 18,037 |
| 2025 | 19,480 |
| 2026 | 19,480 |
| 2027 | 19,480 |
| 2028 | 20,924 |
| | <u>\$ 97,401</u> |

The College also leases a photocopier under a five year lease which expires in March 2025. The lease payments are \$453 per quarter plus applicable taxes.

9. BUDGET

The budget has been included for information purposes only. Budget figures included in these financial statements are unaudited.

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

Membership Services and Administration

(Schedule 1)

Year Ended October 31, 2023

| | Budget 2023 (Note 9) (Unaudited) | Total 2023 | Total 2022 |
|---|---|----------------|----------------|
| REVENUE | | | |
| The College of Family Physicians of Canada | | | |
| Membership dues | \$ 224,000 | \$ 250,589 | \$ 246,964 |
| Transfer payment | 64,000 | - | 64,158 |
| Family Medical Forum surplus income | 30,000 | - | - |
| | <u>318,000</u> | <u>250,589</u> | <u>311,122</u> |
| Other revenue | | | |
| Interest and other revenue | 5,000 | 8,268 | 6,431 |
| | <u>5,000</u> | <u>8,268</u> | <u>6,431</u> |
| | <u>323,000</u> | <u>258,857</u> | <u>317,553</u> |
| EXPENSES | | | |
| Administrative | | | |
| Amortization | - | 8,792 | 5,050 |
| Advertising | 800 | - | 420 |
| Audit | 4,600 | 7,852 | 3,745 |
| Bank charges | 700 | 663 | 270 |
| Bookkeeping | 11,500 | 12,240 | 9,425 |
| Credit card charges | 7,000 | 2,719 | 3,546 |
| Courier | 500 | 63 | 1,565 |
| Donations and flowers | 500 | - | - |
| Equipment lease | 500 | 1,001 | 2,295 |
| Insurance | 2,800 | 2,492 | 2,102 |
| Internet | 1,800 | 1,560 | 1,569 |
| IT services | 11,500 | 12,546 | 10,090 |
| Legal | 800 | 3,800 | 40 |
| Memberships | 1,200 | 646 | 478 |
| Moving expenses | - | - | 4,795 |
| Payroll service fees | 1,000 | - | 1,034 |
| Postage | 250 | 162 | 97 |
| President's honorarium | 12,000 | 12,000 | 12,000 |
| Professional contracting | 8,000 | 7,500 | - |
| Printing | 1,000 | 611 | 761 |
| Professional development | 2,500 | 384 | - |
| Penalties and interest | - | 295 | - |
| Rent | 31,800 | 32,709 | 31,556 |
| Repairs and maintenance | 400 | - | - |
| Staff | 1,500 | 1,083 | 788 |
| Subscriptions | 2,800 | 3,881 | 3,911 |
| Supplies | 3,800 | 8,479 | 3,036 |
| Telephone | 1,800 | 1,309 | 1,597 |
| Utilities | 3,300 | 1,916 | 2,862 |
| Wages and benefits | 34,300 | 264,174 | 189,627 |
| Workers compensation board | 500 | - | 268 |
| | <u>149,150</u> | <u>388,877</u> | <u>292,927</u> |

(continues)

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

Membership Services and Administration *(continued)*

(Schedule 1)

Year Ended October 31, 2023

| | Budget 2023 (Note 9) <i>(Unaudited)</i> | Total 2023 | Total 2022 |
|---|--|-----------------------|---------------|
| Board | | | |
| Food | 1,200 | 947 | 85 |
| Honorariums | 10,000 | 3,275 | 5,800 |
| Celebration of family medicine | 8,000 | 3,500 | - |
| Insurance | 1,400 | 1,239 | 1,570 |
| Pictures | 800 | 693 | 504 |
| Retreat | 1,200 | - | - |
| Supplies | 1,000 | 968 | 741 |
| Travel | 400 | 1,389 | 31 |
| | <u>24,000</u> | <u>12,011</u> | <u>8,731</u> |
| Committee | | | |
| Awards | 1,000 | 402 | 533 |
| Food | 3,000 | 1,904 | 641 |
| Meeting honorariums | 2,000 | - | - |
| Speaker fee | 1,500 | 21 | - |
| Supplies | 3,000 | 372 | 970 |
| Venue | 1,000 | 2,000 | 2,000 |
| | <u>11,500</u> | <u>4,699</u> | <u>4,144</u> |
| | 184,650 | 405,587 | 305,802 |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES | \$ 138,350 | \$ (146,730) | \$ 11,751 |

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

Continuing Professional Development

(Schedule 2)

Year Ended October 31, 2023

| | Budget 2023 <i>(Unaudited)</i> | Total 2023 | Total 2022 |
|--|--------------------------------------|-----------------------|---------------|
| REVENUE | | | |
| Annual Scientific Assembly registration fees | \$ 65,000 | \$ 36,584 | \$ 59,657 |
| Annual Scientific Assembly exhibit fees | 7,500 | - | - |
| Continuing professional development | 64,000 | 4,800 | - |
| MainPro certification | 12,000 | 10,900 | 13,200 |
| | <hr/> 148,500 | <hr/> 52,284 | <hr/> 72,857 |
| EXPENSES | | | |
| Accreditation | 1,500 | 472 | 473 |
| Committee honorariums | 9,000 | 5,675 | 5,800 |
| Committee meetings | 500 | 51 | - |
| Equipment rental | 14,000 | 10,093 | 16,348 |
| Food | 21,000 | 12,146 | 1,151 |
| Giveaways | 3,500 | 4,293 | 1,780 |
| Speaker fees | 1,000 | - | - |
| Parking for presenters | - | 1,323 | - |
| Photographer | 1,000 | 150 | - |
| Supplies | 7,000 | 6,488 | 4,892 |
| ASA Venue | 3,000 | 2,000 | - |
| | <hr/> 61,500 | <hr/> 42,691 | <hr/> 30,444 |
| EXCESS OF REVENUE OVER EXPENSES | \$ 87,000 | \$ 9,593 | \$ 42,413 |

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

Special Projects

(Schedule 3)

Year Ended October 31, 2023

| | Total 2023 | Total 2022 |
|--|-----------------------|-----------------------|
| REVENUE | | |
| UBC Partnership immPACC | \$ 14,000 | \$ 35,750 |
| Data Extraction Project | 13,252 | - |
| Chapter-led CPD funding | 10,000 | 16,206 |
| | <u>37,252</u> | <u>51,956</u> |
| EXPENSES | | |
| Equipment purchases | - | 8,129 |
| General and administrative | 4,590 | 633 |
| Printing | - | 420 |
| Wages and benefits | 32,662 | 42,774 |
| | <u>37,252</u> | <u>51,956</u> |
| EXCESS OF REVENUE OVER EXPENSES BEFORE CAPITALIZATION | <u>-</u> | <u>-</u> |
| CAPITALIZATION | | |
| Capitalization of fixed assets | - | (8,129) |
| EXCESS OF REVENUE OVER EXPENSES | <u>\$ -</u> | <u>\$ 8,129</u> |