

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.
Financial Statements
Year Ended October 31, 2022

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.
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Year Ended October 31, 2022

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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 College), which comprise the statement of financial position as at October 31, 2022, 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 College as at October 31, 2022, 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 College 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 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 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 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.

Winnipeg, Manitoba
January 30, 2023



CHARTERED PROFESSIONAL ACCOUNTANTS

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.
Statement of Financial Position
October 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 379,024	\$ 324,225
Term deposits (Note 3)	406,119	405,104
Accounts receivable (Note 4)	34,660	11,015
Prepaid expenses	3,565	5,879
Goods and services tax recoverable	3,598	-
	826,966	746,223
FIXED ASSETS (Note 5)	38,257	5,882
	\$ 865,223	\$ 752,105
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 22,330	\$ 20,341
Goods and services tax payable	-	133
Employee deductions payable	3,896	983
Deferred income (Note 6)	162,755	116,699
	188,981	138,156
COMMITMENTS (Note 8)		
NET ASSETS		
Unrestricted	277,242	214,949
Internally restricted	399,000	399,000
	676,242	613,949
	\$ 865,223	\$ 752,105

APPROVED ON BEHALF OF THE BOARD

 _____ Director

 _____ Director

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

Statement of Operations

Year Ended October 31, 2022

	2022	2021
REVENUE		
Membership services and administration (Schedule 1)	\$ 317,553	\$ 332,246
Continuing professional development (Schedule 2)	72,857	89,817
Special projects (Schedule 3)	51,956	10,765
	<u>442,366</u>	<u>432,828</u>
EXPENSES		
Membership services and administration (Schedule 1)	305,802	303,744
Continuing professional development (Schedule 2)	30,444	31,559
Special projects (Schedule 3)	51,956	10,765
	<u>388,202</u>	<u>346,068</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE CAPITALIZATION	54,164	86,760
CAPITALIZATION		
Capitalization of fixed assets (Schedule 3)	<u>(8,129)</u>	-
EXCESS OF REVENUE OVER EXPENSES	\$ 62,293	\$ 86,760

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.
Statement of Changes in Net Assets
Year Ended October 31, 2022

	Unrestricted	Internally restricted	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 214,949	\$ 399,000	\$ 613,949	\$ 527,189
Excess of revenue over expenses	62,293	-	62,293	86,760
NET ASSETS - END OF YEAR	\$ 277,242	\$ 399,000	\$ 676,242	\$ 613,949

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

Statement of Cash Flows

Year Ended October 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 62,293	\$ 86,760
Items not affecting cash:		
Amortization of fixed assets	5,050	654
Gain on sale of fixed assets	-	(8,806)
	<u>67,343</u>	<u>78,608</u>
Changes in non-cash working capital:		
Accounts receivable	(23,645)	24,814
Prepaid expenses	2,314	(4,964)
Accounts payable and accrued liabilities	1,987	10,398
Goods and services tax recoverable/payable	(3,731)	133
Employee deductions payable	2,913	(458)
Deferred income	46,056	32,935
	<u>25,894</u>	<u>62,858</u>
Cash flow from operating activities	<u>93,237</u>	141,466
INVESTING ACTIVITIES		
Purchase of fixed assets	(37,424)	(6,536)
Proceeds on disposal of fixed assets	-	13,000
Purchase of term deposits, net	(1,014)	(10,783)
Cash flow used by investing activities	<u>(38,438)</u>	<u>(4,319)</u>
INCREASE IN CASH POSITION	54,799	137,147
CASH POSITION - BEGINNING OF YEAR	<u>324,225</u>	187,078
CASH POSITION - END OF YEAR	\$ 379,024	\$ 324,225

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

Notes to Financial Statements

Year Ended October 31, 2022

1. PURPOSE OF THE COLLEGE

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 College'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). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

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 the 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.

MainPro 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 rate of return from the investment portfolio is dependent on 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, 2022

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 College 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. Significant estimates include useful life of fixed assets. Actual results could differ from these estimates. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known.

Financial instruments policy

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, goods and services tax payable, 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 an interest rate of 1.15% - 2.5% (2021 - 0.5%)

4. ACCOUNTS RECEIVABLE

	<u>2022</u>	<u>2021</u>
College of Family Physicians of Canada - memberships	\$ 19,252	\$ 10,337
College of Family Physicians of Canada - CPD	904	-
College of Family Physicians of Canada - Refund on benefits premium	127	-
Indigenous Professional Association of Canada	8,676	-
Interest receivable	5,701	678
	<u>\$ 34,660</u>	<u>\$ 11,015</u>

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

Notes to Financial Statements

Year Ended October 31, 2022

5. FIXED ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Furniture	\$ 15,867	\$ 2,270	\$ 13,597	\$ 3,076
Office and computer equipment	27,875	3,367	24,508	2,610
Office sign	218	66	152	196
	<u>\$ 43,960</u>	<u>\$ 5,703</u>	<u>\$ 38,257</u>	<u>\$ 5,882</u>

6. DEFERRED INCOME

	Balance October 31, 2021	Funds Received 2022	Revenue Recognized 2022	Balance October 31, 2022
Membership dues	\$ 98,709	\$ 129,368	\$ (137,756)	\$ 90,321
Data extraction project	17,990	-	-	17,990
UBC Partnership immPACC	-	60,000	(35,749)	24,251
Chapter-led CPD funding	-	46,400	(16,207)	30,193
	<u>\$ 116,699</u>	<u>\$ 235,768</u>	<u>\$ (189,712)</u>	<u>\$ 162,755</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 College 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, 2022, are as follows:

2023	\$ 18,037
2024	18,037
2025	19,420
2026	19,480
2027	19,480
Thereafter	<u>86,460</u>
	<u>\$ 180,914</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, 2022

	Budget 2022 <i>(Unaudited)</i>	Total 2022	Total 2021
REVENUE			
The College of Family Physicians of Canada			
Membership dues	\$ 216,000	\$ 246,964	\$ 235,793
Transfer payment	58,000	64,158	60,130
Family Medical Forum surplus income	25,000	-	22,713
	<u>299,000</u>	<u>311,122</u>	<u>318,636</u>
Other revenue			
Interest and other revenue	5,000	6,431	4,804
Gain on sale of fixed assets	-	-	8,806
	<u>5,000</u>	<u>6,431</u>	<u>13,610</u>
	<u>304,000</u>	<u>317,553</u>	<u>332,246</u>
EXPENSES			
Administrative			
Amortization	-	5,050	654
Advertising	-	420	-
Audit	4,800	3,745	6,490
Bank charges	600	270	146
Bookkeeping	11,500	9,425	7,200
Credit card charges	6,000	3,546	4,870
Courier	500	1,565	94
Donations and flowers	500	-	-
Equipment lease	2,000	2,295	2,900
Insurance	3,000	2,102	1,700
Internet	1,800	1,569	1,658
IT services	14,000	10,090	10,280
Legal	800	40	80
Memberships	-	479	118
Moving expenses	20,200	4,795	-
Office	-	-	124
Payroll service fees	1,000	1,034	1,436
Postage	250	97	375
President's honorarium	12,000	12,000	11,440
Printing	1,000	761	597
Professional development	2,000	-	165
Rent	28,800	31,556	35,806
Repairs and maintenance	800	-	-
Staff	800	788	364
Subscriptions	2,200	3,911	1,975
Supplies	3,000	3,035	2,491
Telephone	1,800	1,597	1,587
Utilities	1,200	2,862	-
Wages and benefits	300,300	189,627	194,289
Workers compensation board	500	268	277
	<u>421,350</u>	<u>292,927</u>	<u>287,116</u>

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THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

Membership Services and Administration (continued)

(Schedule 1)

Year Ended October 31, 2022

	Budget 2022 <i>(Unaudited)</i>	Total 2022	Total 2021
Board			
Food	1,200	85	515
Honorariums	12,000	5,800	8,765
Insurance	1,600	1,570	927
Pictures	700	504	600
Retreat	1,000	-	1,400
Supplies	1,000	741	900
Travel	400	31	-
	<hr/> 17,900	<hr/> 8,731	<hr/> 13,107
Committee			
Awards	1,800	533	536
Food	3,900	641	317
Meeting honorariums	7,900	-	-
Speaker fee	1,000	-	1,040
Supplies	4,000	970	1,628
Venue	500	2,000	-
	<hr/> 19,100	<hr/> 4,144	<hr/> 3,521
	<hr/> 458,350	<hr/> 305,802	<hr/> 303,744
INCOME (LOSS) FROM OPERATIONS	<hr/> \$ (154,350)	<hr/> \$ 11,751	<hr/> \$ 28,502

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

Continuing Professional Development

(Schedule 2)

Year Ended October 31, 2022

	Budget 2022 <i>(Unaudited)</i>	Total 2022	Total 2021
REVENUE			
Annual Scientific Assembly registration fees	\$ 85,000	\$ 59,657	\$ 72,817
Annual Scientific Assembly exhibit fees	5,000	-	-
Continuing professional development	30,000	-	5,000
MainPro certification	12,000	13,200	12,000
	<hr/> 132,000	<hr/> 72,857	<hr/> 89,817
EXPENSES			
Accreditation	2,500	473	900
Committee honorariums	8,500	5,800	6,700
Committee meetings	600	-	117
Equipment rental	18,500	16,348	13,825
Food	3,200	1,151	990
Giveaways	1,800	1,780	4,500
Speaker fees	1,000	-	1,000
Supplies	5,600	4,892	3,527
Venue	500	-	-
	<hr/> 42,200	<hr/> 30,444	<hr/> 31,559
INCOME FROM OPERATIONS	<hr/> \$ 89,800	<hr/> \$ 42,413	<hr/> \$ 58,258

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

Special Projects

(Schedule 3)

Year Ended October 31, 2022

	Total 2022	Total 2021
REVENUE		
Chapter-led CPD funding	\$ 16,206	\$ -
UBC Partnership immPACC	35,750	-
Data extraction project	-	10,765
	<u>51,956</u>	<u>10,765</u>
EXPENSES		
Bank charges	-	25
Board honorariums	-	560
Bookkeeping	-	500
Equipment purchases	8,129	-
General and administrative	634	-
Insurance	-	175
IT services	-	250
Office supplies	-	150
President's honorarium	-	560
Printing	420	25
Rent	-	500
Subscriptions	-	200
Telephone	-	50
Video	-	900
Wages and benefits	42,773	6,850
Workers compensation board	-	20
	<u>51,956</u>	<u>10,765</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE CAPITALIZATION	-	-
CAPITALIZATION		
Capitalization of fixed assets	<u>(8,129)</u>	-
INCOME FROM OPERATIONS	\$ 8,129	\$ -