

The Manitoba College of Family Physicians Inc.
Financial Statements
October 31, 2020

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200 - 900 Lorimer Boulevard
Winnipeg, Manitoba R3P 2V1
Tel: (204) 284-7060
Fax: (204) 284-7105
www.bookeandpartners.ca

Independent Auditors' Report

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

Opinion

We have audited the accompanying financial statements of The Manitoba College of Family Physicians Inc. (the "College"), which comprise the statement of financial position as at October 31, 2020, and the statements of operations, changes in fund balances 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 aspects, the financial position of the College as at October 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' 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 opinion.

Other Information

Management is responsible for the other information which comprises the College's annual report.

Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

The annual report is expected to be made available to us after the date of the auditors' report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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.

Independent Auditors' Report - continued

Auditors' 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 auditors' 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 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 auditors' 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 auditors' 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.



The Manitoba College of Family Physicians Inc.
Statement of Operations

Year ended October 31

2020

2019
(Note 7)

Revenue		
Membership fees	\$ 236,052	\$ 220,129
Continuing Professional Development (Page 11)	84,861	184,302
College maintenance grant	94,423	88,158
Ethical review fees	1,526	6,800
Interest	8,729	9,921
President's banquet	-	1,375
	<u>425,591</u>	<u>510,685</u>
Expenses		
Continuing Professional Development (Page 11)	52,679	124,490
Administrative and Member Services expenses (Page 12)	305,607	362,641
	<u>358,286</u>	<u>487,131</u>
Excess of revenue over expenses	<u>\$ 67,305</u>	<u>\$ 23,554</u>

See accompanying notes to the financial statements.

The Manitoba College of Family Physicians Inc.
Statement of Changes in Fund Balances
Year ended October 31, 2019

	Unrestricted Fund	Internally Restricted Fund	Total 2020	Total 2019
Fund balances, beginning of year, as previously stated	\$ 60,884	\$ 399,000	\$ 459,884	448,227
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,897)</u>
Fund balances, beginning of year, as restated	60,884	399,000	459,884	436,330
Excess of revenue over expenses	<u>67,305</u>	<u>-</u>	<u>67,305</u>	<u>23,554</u>
Fund balances, end of year	<u>\$ 128,189</u>	<u>\$ 399,000</u>	<u>\$ 527,189</u>	<u>\$ 459,884</u>

See accompanying notes to the financial statements.

The Manitoba College of Family Physicians Inc.
Statement of Financial Position

October 31 2020 2019

Assets

Current		
Cash	\$ 187,078	\$ 119,640
Receivables (Note 3)	35,528	37,166
Short-term investments	394,321	446,487
Prepaid expenses	<u>915</u>	<u>12,371</u>
	617,842	615,664
Capital assets (Note 4)	<u>4,194</u>	<u>197</u>
	<u>\$ 622,036</u>	<u>\$ 615,861</u>

Liabilities

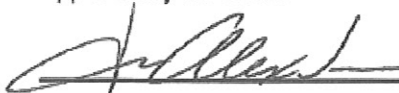
Current		
Payables and accruals	\$ 10,524	\$ 41,069
Government remittances payable	<u>559</u>	<u>4,170</u>
	11,083	45,239
Deferred membership fees	<u>83,764</u>	<u>110,738</u>
	<u>94,847</u>	<u>155,977</u>

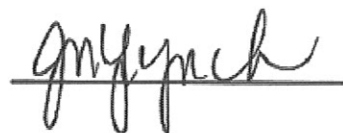
Fund Balances

Unrestricted	128,189	60,884
Internally restricted	<u>399,000</u>	<u>399,000</u>
	<u>527,189</u>	<u>459,884</u>
	<u>\$ 622,036</u>	<u>\$ 615,861</u>

Commitment (Note 5)

Approved by the Board

 Director

 Director

See accompanying notes to the financial statements.

The Manitoba College of Family Physicians Inc.
Statement of Cash Flows

Year ended October 31

2020

2019

Cash derived from (applied to):

Operations		
Excess of revenue over expenses	\$ 67,305	\$ 23,554
Amortization of capital assets	<u>1,825</u>	<u>3,693</u>
	69,130	27,247
Change in non-cash operating working capital		
Receivables	1,638	(7,965)
Prepaid expenses	11,456	(14)
Payables and accruals	(30,545)	17,883
Government remittances payable	(3,611)	(1,600)
Deferred membership fees	(26,974)	13,361
Unearned session income	<u>-</u>	<u>(483)</u>
	21,094	48,429
Investing		
Purchase of capital assets	(5,822)	-
Purchase of investments	(394,321)	(293,331)
Proceeds from disposal of investments	<u>446,487</u>	<u>285,473</u>
	46,344	(7,858)
Net increase in cash	67,438	40,571
Cash		
Beginning of year	<u>119,640</u>	<u>79,069</u>
End of year	<u>\$ 187,078</u>	<u>\$ 119,640</u>

See accompanying notes to the financial statements.

The Manitoba College of Family Physicians Inc.
Notes to the Financial Statements
October 31, 2020

1. Nature of operations

The Manitoba College of Family Physicians Inc. (the "College") is incorporated under the laws of Manitoba as a company without share capital, and its 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.

As a not-for-profit entity, the College is exempt from income tax under the *Income Tax Act*.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies used are as follows:

a) Fund accounting

Revenues and expenses relating to general operations as well as the Continuing Professional Development are reported in the unrestricted fund. Net assets set aside to fund future utilization goals are reported in the internally restricted fund. The balance in the unrestricted fund at October 31, 2020 is \$399,000 (2019 - \$399,000).

b) Revenue recognition

The College follows the deferral method of accounting for contributions.

Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period.

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.

Membership fees revenues are recognized over the term of the membership which for all members is now July 1 to June 30.

Continuing Professional Development revenue is recognized when the event is held.

CPD administration fees and ethical review fees revenues are recognized at the time the service is performed.

Interest income is recognized as it is accrued on the individual investments.

The Manitoba College of Family Physicians Inc.
Notes to the Financial Statements
October 31, 2020

2. Significant accounting policies - continued

c) Investments

Investments are comprised of fixed income securities. 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. All fixed income securities mature within one year and bear interest at rates between 2.18% and 2.22% (2019 - between 1.50% and 2.54%).

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's allocations and returns are reviewed on an annual basis by the College's Executive Committee.

d) Capital assets

Purchased capital assets are recorded at cost. Amortization is provided on a straight-line basis at rates designed to write off the assets over their estimated useful lives as follows:

Office and computer equipment	5 years
Furniture	5 years
Leasehold improvements	3 years

In the year of acquisition, one-half of the annual amortization rate is applied.

e) Accounting estimates

The preparation of the financial statements in conformity 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

f) Financial instruments

The College recognizes its financial instruments when the College becomes party to the contractual provisions of the financial instrument. Financial instruments are initially recorded at fair value with subsequent reporting at amortized cost.

It is management's opinion that the College is not exposed to significant credit, currency, interest rate, liquidity, market or price risks arising from its financial instruments.

The Manitoba College of Family Physicians Inc.
Notes to the Financial Statements
October 31, 2020

2. Significant accounting policies - continued

g) Allocation of expenses

The College classifies its expenditures between Administrative and Member Services and Continuing Professional Development and allocates office supplies from Administrative and Member Services to Continuing Professional Development based on the percentage of use.

3. Receivables

	<u>2020</u>	<u>2019</u>
Membership fees	\$ 28,838	\$ 26,890
Accrued interest	6,690	6,639
Other	<u>-</u>	<u>3,637</u>
	<u>\$ 35,528</u>	<u>\$ 37,166</u>

4. Capital assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2020 Net Book Value</u>	<u>2019 Net Book Value</u>
Office and computer equipment	\$ 18,577	\$ 14,383	\$ 4,194	\$ 197
Furniture	20,058	20,058	-	-
Leasehold improvements	<u>20,326</u>	<u>20,326</u>	<u>-</u>	<u>-</u>
	<u>\$ 58,961</u>	<u>\$ 54,767</u>	<u>\$ 4,194</u>	<u>\$ 197</u>

5. Commitment

The College leases its office premises under a five year lease which expires on April 30, 2022, with the option of a renewal for another five year term. The lease payments are \$3,133 per month plus applicable taxes.

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.

The Manitoba College of Family Physicians Inc.
Notes to the Financial Statements
October 31, 2020

6. COVID - 19

On March 11, 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak which has continued to spread, and the related adverse impact it has had on public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn.

Due to the uncertainty as to the outcome of the pandemic, an estimate of impairment of financial assets and credit losses cannot be determined, and consequently, no provision for loss has been provided for in these financial statements. It is management's assessment that the going concern assumption continues to be appropriate for the foreseeable future of the College.

7. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year excess of revenue over expenses.

The Manitoba College of Family Physicians Inc.
**Schedule of Revenue and Expenses - Continuing Professional
Development**

Year ended October 31 2020 2019
(Note 7)

Revenue		
Registration fees	\$ 68,019	\$ 99,098
MCFP CPD fees	9,985	56,904
Exhibitors' fees	-	22,300
MainProC certification fees	<u>6,857</u>	<u>6,000</u>
	<u>84,861</u>	<u>184,302</u>
Expenses		
Audio/visual	15,057	6,616
Committee	12,729	11,425
Continuing professional development	7,511	21,393
Exhibits	-	9,185
MCFP CPD	1,445	28,856
Meeting space and meals	-	32,656
Office supplies	9,022	896
Photographer	-	355
Promotion	6,915	6,547
Registration	-	5,801
Speakers	-	629
Sundry	-	131
	<u>52,679</u>	<u>124,490</u>
Excess of revenue over expenses	<u>\$ 32,182</u>	<u>\$ 59,812</u>

See accompanying notes to the financial statements.

The Manitoba College of Family Physicians Inc.
Schedule of Expenses - Administrative and Member Services Expenses
Year ended October 31 2020 2019
(Note 7)

Amortization	\$ 1,825	\$ 3,693
Annual general meeting	-	11,041
Annual report	-	509
Bad debts	4,262	4,485
Bank charges	3,382	1,107
Board	14,156	22,251
Claude Murphy CPD Award	-	3,000
College awards	-	5,340
Courier expenses	155	161
Equipment repairs	-	806
Family medicine interest group	243	26,642
First five years in practice	-	1,605
Insurance	-	627
IT subscriptions	2,509	-
Management contract	-	88,156
Membership fees	500	1,053
Miscellaneous	183	-
National meetings - expenses, travel, etc.	-	133
Office supplies	10,382	5,666
Past presidents	-	325
Postage	-	400
President's banquet	-	5,893
President's expense	12,000	11,000
Printing (Note 5)	1,795	-
Professional fees	14,487	11,667
Rent (Note 5)	38,530	38,530
Residents	-	3,616
Stakeholder meetings	-	1,210
Telephone and facsimile	2,859	3,156
Wages and benefits	<u>198,339</u>	<u>110,569</u>
	<u>\$ 305,607</u>	<u>\$ 362,641</u>

See accompanying notes to the financial statements.

