

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

Financial Statements

Year Ended October 31, 2024

Draft for discussion purposes only

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

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Year Ended October 31, 2024

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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, 2024, 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, 2024, 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

CHARTERED PROFESSIONAL ACCOUNTANTS

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

Statement of Financial Position

October 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 749,263	\$ 296,551
Accounts receivable (Note 4)	8,159	17,457
Goods and services tax recoverable	5,783	-
Term deposits (Note 3)	-	419,807
Prepaid expenses	3,045	3,555
	766,250	737,370
FIXED ASSETS (Note 5)	20,674	29,465
	\$ 786,924	\$ 766,835
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 67,854	\$ 31,903
Goods and services tax payable	-	3,275
Employee deductions payable	12,546	37,994
Deferred income (Note 6)	200,119	154,558
	280,519	227,730
LEASE COMMITMENTS (Note 8)		
NET ASSETS		
Unrestricted	107,405	140,105
Internally restricted (Note 7)	399,000	399,000
	506,405	539,105
	\$ 786,924	\$ 766,835

APPROVED ON BEHALF OF THE BOARD

Director

Director

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.**Statement of Operations
Year Ended October 31, 2024**

	2024	2023
REVENUE		
Membership services and administration (Schedule 1)	\$ 365,476	\$ 258,857
Continuing professional development (Schedule 2)	28,524	52,284
Special projects (Schedule 3)	1,227	37,252
	<u>395,227</u>	<u>348,393</u>
EXPENSES		
Membership services and administration (Schedule 1)	412,322	405,587
Continuing professional development (Schedule 2)	14,378	42,691
Special projects (Schedule 3)	1,227	37,252
	<u>427,927</u>	<u>485,530</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (32,700)</u>	<u>\$ (137,137)</u>

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

Statement of Changes in Net Assets

Year Ended October 31, 2024

	Unrestricted	Internally restricted	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ 140,105	\$ 399,000	\$ 539,105	\$ 676,242
Deficiency of revenue over expenses	(32,700)	-	(32,700)	(137,137)
NET ASSETS - END OF YEAR	\$ 107,405	\$ 399,000	\$ 506,405	\$ 539,105

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THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

Statement of Cash Flows

Year Ended October 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (32,700)	\$ (137,137)
Item not affecting cash:		
Amortization	<u>-</u>	<u>8,792</u>
	<u>(32,700)</u>	<u>(128,345)</u>
Changes in non-cash working capital:		
Accounts receivable	9,298	11,502
Prepaid expenses	510	10
Accounts payable and accrued liabilities	35,952	23,260
Goods and services tax payable	(9,058)	6,873
Employee deductions payable	(25,448)	20,411
Deferred income	45,561	(8,197)
	<u>56,815</u>	<u>53,859</u>
Cash flow from (used by) operating activities	<u>24,115</u>	<u>(74,486)</u>
INVESTING ACTIVITY		
Term deposit, net	<u>428,597</u>	<u>(7,987)</u>
INCREASE (DECREASE) IN CASH POSITION	452,712	(82,473)
CASH POSITION - BEGINNING OF YEAR	<u>296,551</u>	<u>379,024</u>
CASH POSITION - END OF YEAR	<u>\$ 749,263</u>	<u>\$ 296,551</u>

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

Notes to Financial Statements

Year Ended October 31, 2024

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 College 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, 2024

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, accounts receivable, and term deposits. Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and accrued liabilities. 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 with interest rates between 1.15% and 2.5%, matured on May 27, 2024 and September 7, 2024.

4. ACCOUNTS RECEIVABLE

	2024	2023
College of Family Physicians of Canada - memberships	\$ 6,464	\$ 9,173
College of Family Physicians of Canada - CPD	1,695	2,712
Trade receivables	-	5,572
	<u>\$ 8,159</u>	<u>\$ 17,457</u>

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

Notes to Financial Statements

Year Ended October 31, 2024

5. FIXED ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Furniture	\$ 15,867	\$ 8,617	\$ 7,250	\$ 10,423
Office and computer equipment	27,875	14,517	13,358	18,933
Office sign	218	152	66	109
	<u>\$ 43,960</u>	<u>\$ 23,286</u>	<u>\$ 20,674</u>	<u>\$ 29,465</u>

6. DEFERRED INCOME

	Balance October 31, 2023	Funds Received 2024	Revenue Recognized 2024	Balance October 31, 2024
Membership dues	\$ 119,376	\$ 413,246	\$ (366,458)	\$ 166,164
Data extraction project	4,738	-	-	4,738
UBC Partnership immPACC	10,251	-	(1,227)	9,024
Chapter-led CPD funding	20,193	-	-	20,193
	<u>\$ 154,558</u>	<u>\$ 413,246</u>	<u>\$ (367,685)</u>	<u>\$ 200,119</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 utilities, property taxes and maintenance costs. Future minimum lease payments as at October 31, 2024, are as follows:

2025	\$ 19,480
2026	19,480
2027	19,480
2028	20,924
2029	20,924
Thereafter	<u>42,869</u>
	<u>\$ 143,157</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.

Notes to Financial Statements

Year Ended October 31, 2024

10. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

Draft for discussion purposes only

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

Membership Services and Administration

(Schedule 1)

Year Ended October 31, 2024

	Budget 2024 (Note 9) (Unaudited)	Actual 2024	Actual 2023
REVENUE			
The College of Family Physicians of Canada			
Membership dues	\$ 224,000	\$ 291,028	\$ 250,589
Transfer payment	-	68,064	-
Celebration of family medicine	12,000	-	-
	<u>236,000</u>	<u>359,092</u>	<u>250,589</u>
Other revenue			
Interest and other revenue	5,000	6,384	8,268
	<u>5,000</u>	<u>6,384</u>	<u>8,268</u>
	<u>241,000</u>	<u>365,476</u>	<u>258,857</u>
EXPENSES			
Administrative			
Advertising	800	-	-
Amortization	-	8,792	8,792
Audit	6,000	10,348	7,852
Bad debt	-	532	-
Bank charges	800	812	663
Bookkeeping	10,000	7,645	12,240
Courier	150	-	-
Credit card charges	5,000	1,014	2,719
Donations and flowers	500	-	-
Insurance	2,800	2,544	2,492
Internet	1,800	1,578	1,560
IT services	11,500	13,461	12,546
Legal	6,000	1,605	3,800
Memberships	2,000	-	646
Office	800	290	9,705
Payroll service fees	600	-	-
Penalties and interest	-	782	295
Postage	100	-	-
President's honorarium	12,000	12,000	12,000
Printing	500	3,066	611
Professional contracting	20,000	15,750	7,500
Professional development	1,200	250	384
Rent	31,800	29,641	32,709
Repairs and maintenance	400	-	-
Sponsorship	-	3,000	-
Staff	1,500	170	1,083
Subscriptions	3,500	4,132	3,881
Supplies	3,000	-	-
Telephone	1,800	1,182	1,309
Utilities	3,300	1,761	1,916
Wages and benefits	303,600	275,491	264,174
	<u>431,450</u>	<u>395,846</u>	<u>388,877</u>

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THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

Membership Services and Administration *(continued)*

(Schedule 1)

Year Ended October 31, 2024

	Budget 2024 (Note 9) <i>(Unaudited)</i>	Actual 2024	Actual 2023
Board			
Celebration of family medicine	15,000	3,145	3,500
Food	1,000	152	947
Honorariums	10,000	4,400	3,275
Insurance	1,400	2,159	1,239
Pictures	800	-	693
Retreat	10,000	-	-
Supplies	1,000	869	968
Travel	6,000	1,940	1,389
	<u>45,200</u>	<u>12,665</u>	<u>12,011</u>
Committee			
Awards	4,000	-	402
Food	2,000	2,135	1,904
Meeting honorariums	2,000	-	-
Speaker fee	1,000	-	21
Supplies	4,000	1,676	372
Venue	500	-	2,000
	<u>13,500</u>	<u>3,811</u>	<u>4,699</u>
	<u>490,150</u>	<u>412,322</u>	<u>405,587</u>
DEFICIENCY OF REVENUE OVER EXPENSES	\$ (249,150)	\$ (46,846)	\$ (146,730)

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

Continuing Professional Development

(Schedule 2)

Year Ended October 31, 2024

	Budget 2024 (Note 9) (Unaudited)	Actual 2024	Actual 2023
REVENUE			
Annual Scientific Assembly registration fees	\$ 65,000	\$ 19,600	\$ 36,584
Continuing professional development	47,000	724	4,800
MainPro certification	12,000	8,200	10,900
Grant	20,000	-	-
	144,000	28,524	52,284
EXPENSES			
Accreditation	1,500	1,350	472
Committee honorariums	7,000	2,450	5,675
Committee meetings	500	-	51
Equipment rental	16,000	6,432	10,093
Food	3,000	1,531	12,146
Giveaways	3,500	-	4,293
Speaker fees	1,000	-	-
Parking for presenters	-	-	1,323
Photographer	1,000	-	150
Supplies	4,500	2,615	6,488
Venue	500	-	2,000
	38,500	14,378	42,691
EXCESS OF REVENUE OVER EXPENSES	\$ 105,500	\$ 14,146	\$ 9,593

THE MANITOBA COLLEGE OF FAMILY PHYSICIANS INC.

Special Projects

(Schedule 3)

Year Ended October 31, 2024

	Budget 2024 (Note 9) (Unaudited)	Actual 2024	Actual 2023
REVENUE			
UBC Partnership immPACC	\$ -	\$ 1,227	\$ 14,000
Data Extraction Project	-	-	13,252
Chapter-led CPD funding	-	-	10,000
	-	1,227	37,252
EXPENSES			
General and administrative	-	-	4,590
Wages and benefits	8,000	1,227	32,662
	8,000	1,227	37,252
EXCESS OF REVENUE OVER EXPENSES	\$ (8,000)	\$ -	\$ -

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