

**BRITISH COLUMBIA COLLEGE OF
FAMILY PHYSICIANS**

**Financial Statements
June 30, 2024**

<u>Index</u>	<u>Page</u>
Independent Auditors' Report to the Members	1 – 3
Financial Statements	
Statement of Financial Position	4
Statement of Operations	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8 – 13

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BRITISH COLUMBIA COLLEGE OF FAMILY PHYSICIANS

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of British Columbia College of Family Physicians (the "College"), which comprise:

- ◆ the statement of financial position as at June 30, 2024;
- ◆ the statements of operations for the year ended;
- ◆ the statement of changes in net assets for the year ended;
- ◆ the statement of cash flows for the year then ended; and
- ◆ the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2024, 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.

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.

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.

Report on Other Legal and Regulatory Requirements

As required by the *Societies Act* (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Chartered Professional Accountants

Vancouver, British Columbia
November 2, 2024

DRAFT

BRITISH COLUMBIA COLLEGE OF FAMILY PHYSICIANS
Statement of Financial Position
June 30

	2024	2023
Assets		
Current		
Cash	\$ 761,199	\$ 326,846
Marketable securities (note 4)	1,757,880	1,616,936
Accounts receivable	8,360	6,656
Prepaid expense	-	2,050
	2,527,439	1,952,488
Capital Assets (note 5)	20,963	27,873
Investment	30,000	-
	\$ 2,578,402	\$ 1,980,361
Liabilities		
Current		
Accounts payable and accrued liabilities (note 6)	\$ 76,494	\$ 65,807
Net Assets		
Unrestricted – General Fund	1,348,962	904,758
Internally Restricted – Other Reserves	670,928	587,625
Internally Restricted – Contingency Reserve	482,018	422,171
	2,501,908	1,914,554
	\$ 2,578,402	\$ 1,980,361

Commitment (note 7)

Approved on behalf of the Board:

..... Director

..... Director

BRITISH COLUMBIA COLLEGE OF FAMILY PHYSICIANS

Statement of Operations

Year Ended June 30

	General Fund	Other Reserves	Contingency Reserve	2024	2023
Revenues					
Membership dues	\$ 1,509,505	\$ -	\$ -	\$ 1,509,505	\$ 1,227,429
Accreditation	35,536	-	-	35,536	46,270
Interest	35,086	-	-	35,086	13,496
Other income	18,004	-	-	18,004	17,497
Transfer payment from CFPC (Note 2(c))	-	-	-	-	32,100
	1,598,131	-	-	1,598,131	1,336,792
Expenses					
Salaries and benefits	391,897	-	-	391,897	419,538
Honoraria	213,278	-	-	213,278	176,047
Consultants	136,121	-	-	136,121	82,684
Awards and sponsorship	82,450	-	-	82,450	88,812
Travel	76,617	-	-	76,617	61,640
Events and CPD	71,232	-	-	71,232	29,949
Professional fees	70,009	-	-	70,009	61,950
Office	58,789	-	-	58,789	58,023
Rent	40,903	-	-	40,903	39,112
Communications and marketing	6,695	-	-	6,695	20,611
Amortization	5,936	-	-	5,936	7,136
	1,153,927	-	-	1,153,927	1,045,502
Operating Surplus Before Other Items	444,204	-	-	444,204	291,290
Other Items					
Unrealized gain on marketable securities	-	75,617	54,325	129,942	105,130
Interest from marketable securities	-	9,842	7,071	16,913	18,366
Realized gain (loss) on sale of marketable securities	-	4,744	3,408	8,152	(14,031)
Investment fees	-	(6,900)	(4,957)	(11,857)	(11,153)
	-	83,303	59,847	143,150	98,312
Excess of Revenues over Expenses	\$ 444,204	\$ 83,303	\$ 59,847	\$ 587,354	\$ 389,602

See notes to financial statements

BRITISH COLUMBIA COLLEGE OF FAMILY PHYSICIANS
Statement of Changes in Net Assets
Year Ended June 30

	General Fund	Other Reserves	Contingency Reserve	2024	2023
Net Assets, Beginning of Year	\$ 904,758	\$ 587,625	\$ 422,171	\$ 1,914,554	\$ 1,524,952
Excess of revenues over expenses	444,204	83,303	59,847	587,354	389,602
Net Assets, End of Year	\$ 1,348,962	\$ 670,928	\$ 482,018	\$ 2,501,908	\$ 1,914,554

BRITISH COLUMBIA COLLEGE OF FAMILY PHYSICIANS
Statement of Cash Flows
Year Ended June 30

	2024	2023
Operating Activities		
Excess of revenues over expenses	\$ 587,354	\$ 389,602
Items not involving cash		
Amortization	5,936	7,136
Unrealized gain on marketable securities	(129,942)	(105,130)
	463,348	291,608
Changes in non-cash operating working capital		
Accounts receivable	(1,704)	(795)
Prepaid expenses	2,050	(2,050)
Accounts payable and accrued liabilities	10,687	(28,024)
	11,033	(30,869)
Cash Provided by Operating Activities	474,381	260,739
Investing Activities		
Sale/redemption of marketable securities	368,127	1,761,260
Purchase of marketable securities	(379,129)	(1,855,529)
Disposition of capital asset	974	-
Purchase of capital assets	-	(3,833)
Purchase of investment	(30,000)	-
Cash Used in Investing Activities	(40,028)	(98,102)
Inflow of Cash	434,353	162,637
Cash, Beginning of Year	326,846	164,209
Cash, End of Year	\$ 761,199	\$ 326,846

BRITISH COLUMBIA COLLEGE OF FAMILY PHYSICIANS

Notes to Financial Statements

Year Ended June 30, 2024

1. NATURE OF OPERATIONS

The British Columbia College of Family Physicians ("BCCFP" or the "College"), an affiliate of the College of Family Physicians of Canada ("CFPC"), a national voluntary organization for family physicians, is the heart of family medicine in BC, supporting family physicians in providing equitable, culturally safe, longitudinal, and family medicine led care for all British Columbians. The BCCFP was incorporated pursuant to the *Societies Act* (British Columbia) on November 10, 1989.

The BCCFP provides leadership, support, advocacy and continuing professional development ("CPD") for more than 6,800 members from across the province. Their members are family physicians, family medicine residents, and medical students interested in pursuing a career in family medicine.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the College were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

(a) Net assets

In order to ensure observance of limitations and restrictions placed on the use of resources available to the College, amounts are segregated to different reserves. These funds are held in accordance with the objectives specified by the contributors or in accordance with the directives issued by the Board of Directors.

Transfers between the funds are made when it is considered appropriate and authorized by the Board. To meet these objectives of financial reporting and stewardship over assets, certain interfund transfers are necessary to ensure the appropriate allocation of reserves. These interfund transfers are recorded in the statement of changes in net assets.

For financial reporting purposes, the accounts have been classified into the following funds:

- (i) The unrestricted General Fund is for the College's general administrative activities. The General Fund reports unrestricted resources available for immediate purposes. The College's investment in tangible capital assets is included in this fund.
- (ii) The internally restricted Other Reserves includes funds set aside for various strategic initiatives. It also includes funds for unforeseen revenue downturns.
- (iii) The internally restricted Contingency Reserve includes funds to be used for operations in the case of funding disruptions.

BRITISH COLUMBIA COLLEGE OF FAMILY PHYSICIANS

Notes to Financial Statements

Year Ended June 30, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Amortization

Capital assets are recorded at cost less accumulated amortization. Amortization is provided annually as follows:

Furniture and fixtures	- 20% declining balance
Computer equipment and software	- 30% declining balance

(c) Revenue recognition

The College follows the deferral method of accounting for revenues.

Membership dues are recognized in the year during which the membership relates and when collectability is reasonably assured. Any amounts received relating to the next fiscal year are recorded as deferred revenue.

Accreditation fees are recognized in the year that the programs and conferences are delivered. Revenues received for future programs and conferences are deferred until earned.

The CFPC transfer payments are comprised of interest earned on the CFPC General Reserve Fund and issued by the CFPC to the College based on the number of members in the College. Transfer payments also include any surplus amounts received from CFPC from the annual Family Medicine Forum. Transfer payments are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Grants from CFPC and other income are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income, investment income, realized gains (losses), and unrealized gains (losses) on marketable securities are recorded on an accrual basis and are pro-rated to the reserves.

(d) Income taxes

The College is a non-profit organization as defined in section 149(1)(l) of the *Income Tax Act* (Canada). Accordingly, it is not subject to income taxes.

BRITISH COLUMBIA COLLEGE OF FAMILY PHYSICIANS

Notes to Financial Statements

Year Ended June 30, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Use of estimates

The preparation of these financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Estimates include collectability of accounts receivable, completeness of accrued liabilities, and useful lives of capital assets. While management believes these estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

(f) Foreign currency translation

Foreign currency transactions and balances are translated into Canadian dollars as follows:

- (i) Monetary assets and liabilities at the rate of exchange in effect as at the statement of financial position date; and
- (ii) Revenues and expenses at the rate of exchange on the transaction date.

Gains and losses arising from the translation of foreign currency denominated investments are recognized in the statement of operations.

(g) Financial instruments

The College initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The College subsequently measures all its financial assets and financial liabilities at amortized cost, except for any investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of any write-down would be recognized in the statement of operations. In the event a previously recognized impairment loss should be reversed, the amount of the reversal is recognized in the statement of operations provided it is not greater than the original amount prior to write-down.

For any financial instrument that is measured at amortized cost, the instrument's cost is adjusted by the transaction costs that are directly attributable to their origination, issuance, or assumption. These transaction costs are amortized into operations on a straight-line basis over the term of the instrument. All other transaction costs are recognized in the statement of operations in the period incurred.

BRITISH COLUMBIA COLLEGE OF FAMILY PHYSICIANS

Notes to Financial Statements

Year Ended June 30, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial instruments (Continued)

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable.

Financial assets measured at fair value include marketable securities.

3. FINANCIAL INSTRUMENTS

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The College's investments in marketable securities are subject to credit risk and the maximum exposure to these instruments is their carrying value.

The College is not exposed to significant credit risk on its accounts receivable, as it is all owed from CFPC. Credit risk with respect to cash is minimized, as cash is held with a major Canadian financial institution.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

Interest rate risk consists of two components:

- (i) To the extent that payments made or received on the College's monetary assets and liabilities are affected by change in prevailing market interest rates, the College is exposed to interest rate cash flow risk.
- (i) To the extent that the market rates differ from the interest rates on the College's monetary assets and liabilities, the College is exposed to interest rate price risk.

The College is not exposed to significant interest rate cash flow risk.

The College is exposed to interest rate price risk as interest earned from its fixed income investments is based on a fixed interest rate; however, this is monitored by professional advisors.

BRITISH COLUMBIA COLLEGE OF FAMILY PHYSICIANS

Notes to Financial Statements

Year Ended June 30, 2024

3. FINANCIAL INSTRUMENTS (Continued)

(c) Liquidity risk

Liquidity risk is the risk that the College will encounter difficulty in meeting obligations associated with its financial liabilities.

The College is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The College has set up the Contingency Reserve fund to be used in operations in the case of funding disruption.

(d) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk).

The College is exposed to other price risk on marketable securities as the fair value of those investments change with changes in their quoted market prices.

(e) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. As at June 30, 2024, the College holds US dollar denominated investments of \$398,104 (2023 - \$311,559) at their Canadian dollar equivalent. This risk is monitored by professional advisors.

4. MARKETABLE SECURITIES

	2024	2023
Money market investments (cost \$782,842; 2023 - \$901,863)	\$ 782,942	\$ 892,588
Equities (cost \$449,438; 2023 - \$338,465)	663,066	482,462
Fixed income (cost \$309,638; 2023 - \$244,402)	311,872	241,886
	\$ 1,757,880	\$ 1,616,936

BRITISH COLUMBIA COLLEGE OF FAMILY PHYSICIANS

Notes to Financial Statements

Year Ended June 30, 2024

5. CAPITAL ASSETS

					2024		
		Historical Cost		Accumulated Amortization		Net	
Furniture and fixtures	\$	57,832	\$	39,592	\$	18,240	
Computer equipment and software		33,111		30,388		2,723	
	\$	90,943	\$	69,980	\$	20,963	

					2023		
		Historical Cost		Accumulated Amortization		Net	
Furniture and fixtures	\$	57,832	\$	35,032	\$	22,800	
Computer equipment and software		34,085		29,012		5,073	
	\$	91,917	\$	64,044	\$	27,873	

6. GOVERNMENT REMITTANCES

Included in accounts payable and accrued liabilities are government remittances payable of \$17,679 (2023 - \$19,589).

7. COMMITMENT

The College is committed to base rental payments for its office premises with the term of the lease expiring December 31, 2026. Operating costs are charged separately. Minimum lease payments are required under the remaining terms of the lease in the next three fiscal years as follows:

2025	\$	17,200
2026		17,200
2027		8,600
	\$	43,000