THE SASKATCHEWAN COLLEGE OF FAMILY PHYSICIANS - A CHAPTER OF THE COLLEGE OF FAMILY PHYSICIANS OF CANADA

FINANCIAL STATEMENTS

MAY 31, 2023

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of **The Saskatchewan College of Family Physicians - A Chapter of the College of Family Physicians of Canada** have been prepared by the Organization's management in accordance with Canadian accounting standards for not-for-profit organizations and necessarily include some amounts based on informed judgement and management estimates.

To assist management in fulfilling its responsibilities, a system of internal controls has been established to provide reasonable assurance that the financial statements are accurate and reliable and that assets are safeguarded.

The board of directors have reviewed and approved these financial statements.

These financial statements have been examined by the independent auditors, **Virtus Group LLP**, and their report is presented separately.

Dr. Andries Muller	**Dr. Charles Omosigho**
President	**Treasurer**

INDEPENDENT AUDITORS' REPORT

To the Members,

The Saskatchewan College of Family Physicians - A Chapter of the College of Family Physicians of Canada

Opinion
We have audited the financial statements of **The Saskatchewan College of Family Physicians - A Chapter of the College of Family Physicians of Canada**, which comprise the statement of financial position as at May 31, 2023, and the statements of revenue and expenses, members' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 the ethical requirements that are relevant to our audit of the financial statements in Saskatchewan, 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 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 AUDITORS' REPORT 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, the timing of the audit, and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Virtus Group LLP

August 16, 2023

Saskatoon, Saskatchewan

Chartered Professional Accountants

THE SASKATCHEWAN COLLEGE OF FAMILY PHYSICIANS - A CHAPTER OF THE COLLEGE OF FAMILY PHYSICIANS OF CANADA

STATEMENT OF FINANCIAL POSITION

AS AT MAY 31, 2023

(with comparative figures for 2022)

	2023	2022
ASSETS		
Current assets		
Cash	$ 300,446	$ 351,132
Investments (Note 3)	607,478	602,857
Accounts receivable	12,572	5,472
Prepaid expenses	3,000	3,000
	923,496	962,461
Tangible capital assets (Note 4)	12,533	12,275
	$ 936,029	$ 974,736
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$ 18,836	$ 18,827
Government remittances payable	4,825	5,156
Deferred revenue	24,254	30,536
	47,915	54,519
MEMBERS' EQUITY		
Members' equity		
General reserve	763,114	795,217
Restricted reserve (Note 5)	125,000	125,000
	888,114	920,217
	$ 936,029	$ 974,736

Commitment (Note 6)

See accompanying notes to the financial statements.

APPROVED BY:

______________________________ Director ______________________________ Director

THE SASKATCHEWAN COLLEGE OF FAMILY PHYSICIANS - A CHAPTER OF THE COLLEGE OF FAMILY PHYSICIANS OF CANADA

STATEMENT OF MEMBERS' EQUITY

FOR THE YEAR ENDED MAY 31, 2023

(with comparative figures for the year ended May 31, 2022)

	General reserve	Restricted Reserve	2023	2022
Members' equity - beginning of year	$ 795,217	$ 125,000	$ 920,217	$ 945,636
Excess (deficiency) of revenue over expenses	(32,103)	-	(32,103)	(25,419)
Members' equity - end of year	$ 763,114	$ 125,000	$ 888,114	$ 920,217

See accompanying notes to the financial statements.

THE SASKATCHEWAN COLLEGE OF FAMILY PHYSICIANS - A CHAPTER OF THE COLLEGE OF FAMILY PHYSICIANS OF CANADA

STATEMENT OF REVENUE AND EXPENSES
FOR THE YEAR ENDED MAY 31, 2023
(with comparative figures for the year ended May 31, 2022)

	2023	2022
Revenue		
CFPC transfers	$ 64,158	$ 60,916
CPD registration fees	16,495	13,521
Ethical reviews and mainpro accreditation	12,023	11,930
Interest	12,723	2,733
Membership dues	210,779	200,329
	316,178	289,429
Expenses		
Advertising and promotion	21,285	18,768
Amortization	4,070	4,248
Bank charges and interest	1,293	920
Board	24,692	20,926
CPD programming costs	47,984	43,910
Committees	403	1,100
Insurance	1,556	1,520
Mainpro accreditor	2,344	2,505
Office and general	13,672	7,548
Professional fees	10,022	12,361
Rent	16,664	14,373
Sponsorships and awards	16,496	14,245
Strategic plan and initiatives	-	4,432
Training	722	1,837
Travel	2,596	3,079
Wages and benefits	160,573	148,274
	324,372	300,046
Excess (deficiency) of revenue over expenses before other income	(8,194)	(10,617)
Other income (expenses)		
Miscellaneous	(1,500)	-
Conference loss (Schedule 1)	(22,409)	(14,802)
	(23,909)	(14,802)
Excess (deficiency) of revenue over expenses	$ (32,103)	$ (25,419)

See accompanying notes to the financial statements.

THE SASKATCHEWAN COLLEGE OF FAMILY PHYSICIANS - A CHAPTER OF THE COLLEGE OF FAMILY PHYSICIANS OF CANADA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MAY 31, 2023
(with comparative figures for the year ended May 31, 2022)

	2023	2022
Cash provided by (used in) operating activities:		
Excess (deficiency) of revenue over expenses	$ (32,103)	$ (25,419)
Items not involving cash:		
- Amortization	4,070	4,248
	(28,033)	(21,171)
Non-cash operating working capital (Note 7)	(18,325)	(4,803)
	(46,358)	(25,974)
Cash provided by (used in) investing activities:		
Additions to tangible capital assets	(4,328)	-
Decrease in cash	(50,686)	(25,974)
Cash position - beginning of year	351,132	377,106
Cash position - end of year	$ 300,446	$ 351,132

See accompanying notes to the financial statements.

1. Nature of operations

The Saskatchewan College of Family Physicians - A Chapter of the College of Family Physicians of Canada (the "Organization") was incorporated under *The Non-Profit Corporations Act* in the province of Saskatchewan on October 10, 2013 and previously operated as an unincorporated Non-Profit. The Organization represents its members and provides a provincial network to support members in continuing professional development, committee involvement, advocacy and networking.

2. Summary of significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations which required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. The financial statements reflect the following policies:

Financial instruments

Financial assets and liabilities are recorded on the statement of financial position when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are required to be recognized at fair value upon initial recognition, except for certain related party transactions. Measurement in subsequent periods of equity instruments is at fair value. All other financial assets and financial liabilities are subsequently measured at amortized cost adjusted by transactions costs, which are amortized over the expected life of the instrument.

Fair value is the amount at which a financial instrument could be exchanged at arm's length between willing, unrelated parties in an open market. Changes in fair values of financial assets and financial liabilities measured at fair value are recognized in excess (deficiency) of revenue over expenses. When there is an indication of impairment, the carrying amount of financial assets measured at amortized cost may be reduced. Such impairments can be subsequently reversed if the value improves.

The Organization's recognized financial instruments consist of cash, investments, accounts receivable, and accounts payable and accrued liabilities. The fair values of these items approximate their carrying values given the short-term nature of the amounts.

Revenue recognition

Membership revenue is collected on a calendar year basis and is recognized as revenue in the year it is earned. Conference revenue is recognized when earned. Unearned conference revenue is reflected as deferred revenue.

2. **Summary of significant accounting policies** (continued)

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization except as described below. Amortization is provided on the diminishing balance basis over the estimated useful life of the assets at the following annual rates:

Computer equipment	55 %
Furniture and fixtures	20 %

Leasehold improvements are amortized on the straight-line basis over the term of the lease.

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

3. **Investments**

	2023	2022
Term Deposit #1	$ 225,938	$ 224,492
Term Deposit #2	165,722	163,803
Term Deposit #4	215,818	214,562
	$ 607,478	$ 602,857

4. **Tangible capital assets**

	2023			2022
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	$ 13,438	$ 9,754	$ 3,684	$ 1,214
Furniture and fixtures	44,639	35,790	8,849	11,061
Leasehold improvements	106,589	106,589	-	-
	$ 164,666	$ 152,133	$ 12,533	$ 12,275

5. Restricted reserve

The Organization's replacement reserve is allocated as follows. There were no major reserve fund expenditures in fiscal 2023 (2022 - $nil).

Reserve fund balances:

Renovations reserve	$	10,000
Human resources contingency reserve		20,000
Legal reserve		20,000
Major maintenance reserve		20,000
Furniture reserve		5,000
Information technology reserve		5,000
Strategic initiatives reserve		10,000
Annual scientific assembly contingency reserve		25,000
Membership fees revenue stabilization reserve		10,000
Total	$	125,000

6. Commitment

The Organization leases premises under agreements requiring aggregate minimum payments over the next two years as follows:

2024	$	21,509
2025		17,545

7. Non-cash operating working capital

Details of net change in each element of working capital relating to operations excluding cash are as follows:

		2023		2022
(Increase) decrease in current assets:				
Investments	$	(4,621)	$	(6,503)
Accounts receivable		(7,100)		325
		(11,721)		(6,178)
Increase (decrease) in current liabilities:				
Accounts payable and accrued liabilities		9		3,815
Government remittances payable		(331)		546
Deferred revenue		(6,282)		(2,986)
		(6,604)		1,375
	$	(18,325)	$	(4,803)

8. Financial risk management

The Organization has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The significant financial risks to which the Organization is exposed are:

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 Organization is exposed to credit risk on the accounts receivable from its customers, however, does not have a significant exposure to any individual customer or counterpart.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization's exposure to interest rate risk is limited to deposit interest on its bank account. The interest rate on this account is variable; therefore, the Organization may face decreasing interest revenue in a decreasing interest rate market. The investments consist of GICs with fixed interest rates and therefore, do not expose the Organization to additional risk.

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization’s exposure to liquidity risk is dependent on the receipt of funds from its operations and other related sources. Funds from these sources are primarily used to finance working capital and capital expenditure requirements, and are considered adequate to meet the Organization’s financial obligations.

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SCHEDULE OF CONFERENCE LOSS
FOR THE YEAR ENDED MAY 31, 2023
(with comparative figures for the year ended May 31, 2022)

SCHEDULE 1

	2023	2022
Conference revenue		
Registration fees	$ 21,268	$ 20,613
Exhibitor fees	5,214	-
Sponsorships	1,000	1,000
	27,482	21,613
Conference expenses		
Administration	16,641	19,594
Advertising	1,206	1,797
Audio and visual	7,894	-
CME office	-	4,780
Committee expense	977	-
Equipment rentals	2,449	-
Honorariums and speaker fees	7,694	9,950
Office and general	277	50
Venue and catering	12,753	244
	49,891	36,415
Conference income (loss)	$ (22,409)	$ (14,802)