

NEWFOUNDLAND AND LABRADOR COLLEGE OF FAMILY PHYSICIANS INCORPORATED

Financial Statements

Year Ended June 30, 2021

NEWFOUNDLAND AND LABRADOR COLLEGE OF FAMILY PHYSICIANS INCORPORATED
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Year Ended June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Members of Newfoundland and Labrador College of Family Physicians Incorporated

Opinion

I have audited the financial statements of Newfoundland and Labrador College of Family Physicians Incorporated (the College), which comprise the statement of financial position as at June 30, 2021, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2021, 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

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the College in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 relating 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

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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.

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Independent Auditor's Report to the Members of Newfoundland and Labrador College of Family Physicians Incorporated (*continued*)

- 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

St. John's, NL
October 24, 2021

Michael E Bruce
Chartered Professional Accountant

NEWFOUNDLAND AND LABRADOR COLLEGE OF FAMILY PHYSICIANS INCORPORATED
Statement of Financial Position
June 30, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 187,378	\$ 202,744
Restricted cash	151,691	51,189
Accounts receivable	-	29,566
Prepaid expenses	-	2,200
	\$ 339,069	\$ 285,699
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 15,808	\$ 11,379
Harmonized sales tax payable	3,966	6,717
Employee deductions payable	1,838	1,838
Atlantic CPD funding <i>(Note 3)</i>	4,757	30,000
	26,369	49,934
LONG TERM DEBT <i>(Note 4)</i>	30,000	-
	56,369	49,934
NET ASSETS		
General fund	106,409	164,476
Internally restricted fund	151,691	51,189
Research and education special projects fund	24,600	20,100
	282,700	235,765
	\$ 339,069	\$ 285,699

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

See notes to financial statements

NEWFOUNDLAND AND LABRADOR COLLEGE OF FAMILY PHYSICIANS INCORPORATED
Statement of Revenues and Expenditures
Year Ended June 30, 2021

	2021	2020
REVENUE		
Memberships	\$ 92,797	\$ 53,725
Transfer payment from National office	58,838	58,951
FMF Surplus	22,713	35,472
Mainpro fees	5,311	6,780
Family Medical Conference	-	22,897
Advances in labour and risk management	-	28,801
	179,659	206,626
EXPENSES		
Secretariat support	74,611	72,039
Director of external engagement	26,877	7,844
Presidents' & Board honorariums	11,000	11,500
Office and insurance	8,553	8,600
Professional fees	5,500	5,500
Promotion	3,206	11,142
Office equipment and workshop equipment	2,997	-
We specialize in you campaign	2,912	2,400
Student fellowship	2,755	2,548
National and provincial meetings	2,267	9,755
Awards and awards dinner	1,448	2,841
Mainpro accreditation	600	500
Family Medical Conference	-	25,308
Medical students	-	616
Residents	-	2,670
Advances in labour and risk management	-	28,954
	142,726	192,217
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	36,933	14,409
OTHER INCOME		
Canada Emergency Business Account forgivable portion	10,000	-
EXCESS OF REVENUE OVER EXPENSES	\$ 46,933	\$ 14,409

See notes to financial statements

NEWFOUNDLAND AND LABRADOR COLLEGE OF FAMILY PHYSICIANS INCORPORATED
Statement of Changes in Net Assets
Year Ended June 30, 2021

	General Fund	Internally Restricted Fund	Research and Education Special Projects Fund	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 164,476	\$ 51,189	\$ 20,100	\$ 235,765	\$ 224,773
Excess of revenue over expenses	46,933	-	-	46,933	14,409
Inter-fund transfers	(105,000)	100,000	5,000	-	-
Payments from special projects (Schedule 1)	-	-	(500)	(500)	(3,900)
Interest earned	-	502	-	502	483
NET ASSETS - END OF YEAR	\$ 106,409	\$ 151,691	\$ 24,600	\$ 282,700	\$ 235,765

See notes to financial statements

NEWFOUNDLAND AND LABRADOR COLLEGE OF FAMILY PHYSICIANS INCORPORATED
Statement of Cash Flows
Year Ended June 30, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 46,933	\$ 14,409
Changes in non-cash working capital:		
Accounts receivable	29,566	(3,458)
Prepaid expenses	2,200	(2,000)
Accounts payable	4,429	(2,269)
Employee deductions payable	-	9
Harmonized sales tax payable	(2,751)	1
Atlantic CPD funding	(25,243)	30,000
	8,201	22,283
Cash flow from operating activities	55,134	36,692
INVESTING ACTIVITIES		
Internally restricted fund interest	502	483
Research and education special projects	(500)	(3,900)
Cash flow from (used by) investing activities	2	(3,417)
FINANCING ACTIVITIES		
Proceeds from long term financing	40,000	-
Forgiveness of Canada Emergency Business Loan	(10,000)	-
Cash flow from financing activities	30,000	-
INCREASE IN CASH FLOW	85,136	33,275
Cash - beginning of year	253,933	220,658
CASH - END OF YEAR	\$ 339,069	\$ 253,933
CASH CONSISTS OF:		
Cash	\$ 187,378	\$ 202,744
Restricted cash	151,691	51,189
	\$ 339,069	\$ 253,933

See notes to financial statements

NEWFOUNDLAND AND LABRADOR COLLEGE OF FAMILY PHYSICIANS INCORPORATED

Notes to Financial Statements

Year Ended June 30, 2021

1. DESCRIPTION OF BUSINESS

Newfoundland and Labrador College of Family Physicians Incorporated (the "College") was incorporated under the laws of Newfoundland and Labrador on March 23, 2009 as a not-for-profit organization without share capital.

The College's principal business activity is to operate exclusively as a non-profit corporation and without limiting the generality of the foregoing to receive and maintain a fund or funds and from time to time to apply all or part thereof and/or the income therefrom for philanthropic, educational and scientific purposes and, for the attainment of such objects:

- (a) To promote the highest quality of medical care for the people of Newfoundland and Labrador.
- (b) To sustain and improve the professional qualifications of members of the medical profession who are engaged in family practice in Newfoundland and Labrador.
- (c) To enlighten and direct public opinion in relation to family medicine.
- (d) To encourage and strive for the provision of a high standard of teaching and training for undergraduate medical students and postgraduate residents in the Province of Newfoundland and Labrador.
- (e) To conduct, direct, encourage, support or provide research in matters relating to 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 (ASNFPO).

Cash

Cash includes monies held in a current account and in a term deposit at a Canadian bank.

Capital assets

Capital assets are expensed in the year of acquisition

Revenue recognition

The College recognizes revenues when they are earned.

Internally restricted fund

The Internally restricted fund reports resources that have been restricted by the board of Directors for a specific purpose.

Research and education special projects fund

The Research and education special projects fund reports resources that have been set aside by the board of Directors for a specific project. During the year, the Board of Directors approved the transfer of \$5,000 from the General fund to the Special projects fund.

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NEWFOUNDLAND AND LABRADOR COLLEGE OF FAMILY PHYSICIANS INCORPORATED

Notes to Financial Statements

Year Ended June 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

the preparation of the financial statements in conformity with ASNPOs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when the College becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost.

Contributed services

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

3. ATLANTIC CPD FUNDING

	2021	2020
Balance at beginning of year	\$ 30,000	\$ -
Contributions	-	30,000
	30,000	30,000
Expenditures - Joule Inc	25,243	-
	\$ 4,757	\$ 30,000

4. LONG TERM DEBT

	2021	2020
Canada Emergency Business Account unsecured, interest free loan to December 31, 2022. \$10,000 forgivable if loan is repaid in full by December 31, 2022, if not repaid in full interest will accrue at 5% per annum and balance of loan will be repaid over a three year period commencing January 2023 and maturing December 2025. The forgivable portion of \$10,000 has been deducted from the balance and included in other income for 2020.	\$ 30,000	\$ -
Amounts payable within one year	-	-
	\$ 30,000	\$ -

Principal repayment terms are approximately:

2023	<u>\$ 30,000</u>
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5. FINANCIAL INSTRUMENTS

The College manages any significant risks through policies, procedures and oversight designed to reduce risks to an appropriate threshold. Due to the nature of the College's operations and its financial instruments, it is management's opinion that the College is not exposed to significant credit, liquidity, market or interest rate risk..

6. COVID-19

On March 11, 2020 the World Health Organization declared the coronavirus outbreak (COVID-19) a pandemic, resulting in a global economic downturn that continues to have a significant impact. Throughout the year the College followed the recommendations of the Chief Medical Officer of Health for Newfoundland and Labrador and implemented policies to ensure the health and safety of its staff and volunteers.

The College availed of Government programs to assist not-for-profit organizations. The financial impacts of COVID-19 for the year have been reflected in these financial statements.

The on-going pandemic may continue to have an impact on the future operations of the College, however, the extent of the impact will be dependent on future developments, which cannot be reasonably predicted at this time.

NEWFOUNDLAND AND LABRADOR COLLEGE OF FAMILY PHYSICIANS INCORPORATED

**Research and Education Special Projects Fund In Partnership with Discipline of Family
Medicine**

(Schedule 1)

Year Ended June 30, 2021

	2021	2020
Fund balance at beginning of year	\$ 20,100	\$ 19,000
Transfer from general fund	5,000	5,000
	25,100	24,000
Awards and expenses		
Morag Ryan	500	-
Jennifer Smith	-	2,000
Transgender conference	-	1,900
	500	3,900
Fund balance, end of year	\$ 24,600	\$ 20,100

See notes to financial statements