
Financial statements of
The Ontario College of Family
Physicians

March 31, 2018

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Independent Auditor's Report

To the Members of
The Ontario College of Family Physicians

We have audited the accompanying financial statements of the Ontario College of Family Physicians (the "College"), which comprise the statement of financial position as at March 31, 2018, and the statements of operations and changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2018 and the results of its operations and cash flows for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.



Chartered Professional Accountants
Licensed Public Accountants
June 25, 2018

The Ontario College of Family Physicians

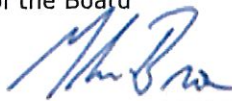
Statement of financial position

As at March 31, 2018

	Notes	2018	2017
		\$	\$
Assets			
Current assets			
Cash		5,587,655	4,842,623
Short-term investments	3	365,544	461,652
Accounts receivable		228,216	85,783
Prepaid expenses		55,539	26,010
Due from College of Family Physicians of Canada ("CFPC")		248,848	265,501
		6,485,802	5,681,569
Capital assets			
	4	464,931	500,426
		6,950,733	6,181,995
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	5	507,312	262,866
Due to Ministry of Health and Long-Term Care ("MOHLTC")	6	69,621	1,310
Unearned revenue		1,395,869	1,361,943
Deferred lease inducements		40,684	40,684
		2,013,486	1,666,803
Deferred lease inducements		457,704	498,388
		2,471,190	2,165,191
Commitments			
	7		
Fund balances			
Invested in capital assets		464,931	500,426
Externally restricted (Schedule)		53,412	—
Operating		1,812,213	1,407,461
Internally restricted		2,148,987	2,108,917
		4,479,543	4,016,804
		6,950,733	6,181,995

The accompanying notes to the financial statements are an integral part of this financial statement.

On behalf of the Board



Director



Director

The Ontario College of Family Physicians
Statement of operations and changes in fund balances
Year ended March 31, 2018

	2018					2017				
	Operating	Invested in capital assets	Externally restricted	Internally restricted	Total	Operating	Invested in capital assets	Externally restricted	Internally restricted	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue										
Membership fees	2,574,667	—	—	—	2,574,667	2,245,268	—	—	—	2,245,268
CFFC - Ontario Chapter Subsidy	14,050	—	—	—	14,050	13,775	—	—	—	13,775
	2,588,717	—	—	—	2,588,717	2,259,043	—	—	—	2,259,043
Program revenue										
Annual Scientific Assembly ("ASA")/ Family Medicine Forum	666,642	—	—	—	666,642	738,281	—	—	—	738,281
MainPro	379,200	—	—	—	379,200	382,800	—	—	—	382,800
Pre-Canadian Family Physicians Certification	112,500	—	—	—	112,500	84,375	—	—	—	84,375
Regional Continuing Medical Education ("CME")	259,540	—	—	—	259,540	290,223	—	—	—	290,223
	1,417,882	—	—	—	1,417,882	1,495,679	—	—	—	1,495,679
Project revenue (Schedule)										
Collaborative Mentoring Networks ("CMN")	—	—	1,071,694	—	1,071,694	—	—	283,046	—	283,046
Osteoporosis	—	—	104,207	—	104,207	—	—	104,010	—	104,010
Other	—	—	172,965	—	172,965	—	—	153,873	—	153,873
	—	—	1,348,866	—	1,348,866	—	—	540,929	—	540,929
Interest income	32,438	—	—	—	32,438	31,045	—	—	—	31,045
Other income	22	—	—	—	22	19,605	—	—	—	19,605
	32,460	—	—	—	32,460	50,650	—	—	—	50,650
	4,039,059	—	1,348,866	—	5,387,925	3,805,372	—	540,929	—	4,346,301
Expenses										
Salaries and benefits	1,720,548	—	—	—	1,720,548	1,732,417	—	—	—	1,732,417
Operating	722,194	—	—	—	722,194	572,245	—	—	—	572,245
Professional fees	240,451	—	—	—	240,451	270,268	—	—	—	270,268
Board of Directors and Committees	129,775	—	—	—	129,775	108,288	—	—	—	108,288
Program	752,610	—	—	—	752,610	888,492	—	—	—	888,492
Externally restricted projects (Schedule)	—	—	1,295,454	—	1,295,454	—	—	578,325	—	578,325
Amortization of capital assets	—	64,154	—	—	64,154	—	65,188	—	—	65,188
	3,565,578	64,154	1,295,454	—	4,925,186	3,571,710	65,188	578,325	—	4,215,223
Excess (deficiency) of revenue over expenses for the year	473,481	(64,154)	53,412	—	462,739	233,662	(65,188)	(37,396)	—	131,078
Inter-fund transfers	(68,729)	28,659	—	40,070	—	(87,615)	2,804	37,396	47,415	—
Fund balances, beginning of year	1,407,461	500,426	—	2,108,917	4,016,804	1,261,414	562,810	—	2,061,502	3,885,726
Fund balances, end of year	1,812,213	464,931	53,412	2,148,987	4,479,543	1,407,461	500,426	—	2,108,917	4,016,804

The accompanying notes to the financial statements are an integral part of this financial statement.

The Ontario College of Family Physicians

Statement of cash flows

Year ended March 31, 2018

	2018	2017
	\$	\$
Operating activities		
Excess of revenue over expenses	462,739	131,078
Amortization	64,154	65,188
Amortization of deferred lease inducements	(40,684)	(40,684)
	486,209	155,582
Changes in non-cash operating working capital items		
Prepaid expenses	(29,529)	10,587
Accounts receivable	(142,433)	45,909
Due from CFPC	16,653	(29,892)
Accounts payable and accrued liabilities	244,446	(18,587)
Due to MOHLTC	68,311	(8,565)
Unearned revenue	33,926	309,880
	677,583	464,914
Investing activities		
Acquisition of capital assets	(28,659)	(2,804)
Sale of investments, net	96,108	97,091
	67,449	94,287
Net change in cash	745,032	559,201
Cash, beginning of year	4,842,623	4,283,422
Cash, end of year	5,587,655	4,842,623

The accompanying notes to the financial statements are an integral part of this financial statement.

The Ontario College of Family Physicians
Notes to the financial statements
March 31, 2018

1. Nature of organization and basis of presentation

The Ontario College of Family Physicians (the "College") is incorporated under the laws of Ontario as a not-for-profit organization without share capital. The objectives of the College are to maintain and improve the health of the citizens of Ontario and to enhance the interests of the members of the medical and other health professions in Ontario.

2. Significant accounting policies

Basis of accounting

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

Fund accounting

The College follows the restricted fund method of accounting for contributions.

The Operating fund accounts for the College's program delivery and administrative activities.

The Invested in capital assets fund reports the assets, liabilities, revenues and expenses related to the College's capital assets.

Externally restricted funds report restricted resources that are to be used for specific programs and projects.

Internally restricted funds report resources that have been restricted by the Board of Directors for a specific purpose.

Capital assets

Capital assets are stated at cost less the estimated salvage value and accumulated amortization. Amortization is recorded over the estimated useful lives of the assets as follows:

Leasehold improvements	16 years
Furniture and fixtures	16 years
Computer hardware	5 years
Computer software	3 years

Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. An impairment loss is recognized when the carrying amount of a long-lived asset is not recoverable and exceeds its fair value.

Deferred lease inducements

Deferred lease inducements, consisting of a period of free rent and a leasehold improvement allowance, are amortized on the straight-line basis over the term of the lease.

2. Significant accounting policies (continued)

Revenue recognition

Restricted contributions related to general operations for which no corresponding restricted fund is available, are recognized as revenue of the Operating fund in the period in which the related expenses are incurred (deferred method). All other restricted contributions are recognized as revenue of the appropriate restricted fund as received or receivable.

Unrestricted contributions are recognized as revenue in the Operating fund in the period received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership fees are billed on the birthday of the respective member and are recognized evenly over the 12-month period which the membership fees cover.

Annual Scientific Assembly ("ASA") fees and sponsorships are recognized as revenue of the Operating fund when the ASA is held.

Investment income earned on restricted resources is recognized as revenue of the applicable fund when stipulated in the funding agreement. Other investment income is recognized as revenue of the Operating fund when earned. Investment income is recorded on an accrual basis and includes interest income and dividends.

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.

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. Accounts requiring significant estimates and assumptions include capital assets, accrued liabilities and unearned membership fee revenue.

3. Investments

Investments are recorded at amortized cost and consist of the following:

	2018	2017
	\$	\$
Guaranteed investment certificates	365,544	461,652

The Ontario College of Family Physicians
Notes to the financial statements
 March 31, 2018

4. Capital assets

	2018		2017
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Leasehold improvements	344,121	75,306	268,815
Furnitures and fixtures	164,339	31,864	132,475
Computer hardware	170,173	106,532	63,641
Computer software	14,534	14,534	—
	693,167	228,236	464,931
			500,426

5. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities includes remittances payable to the government of \$6,455 (2017 - \$8,789) relating to harmonized sales tax.

6. Due to the Ministry of Health and Long-Term Care

The amount due the Ministry of Health and Long-Term Care is comprised of the following:

	2018	2017
	\$	\$
Collaborative Mentoring Networks Program	69,583	—
Osteoporosis Program	38	1,310
	69,621	1,310

7. Commitments

The College has entered into agreements to lease office equipment for various periods until June 2019 and office space until June 2030. Minimum payments are as follows:

	\$
2019	237,826
2020	220,624
2021	221,468
2022	223,661
2023	230,239
Thereafter	1,707,056
	2,840,874

8. General expense allocation to restricted funds

Under the specific programs, funders allow the allocation of certain general expenses to the programs which include administration and human resources costs. These expenses are allocated based on the funding requirements and guidelines for each funder. A total of \$407,451 (2017 - \$249,975) has been allocated from the Operating fund to the Externally restricted fund.

9. Financial instruments and risk management

Credit risk

Credit risk related to cash and credit exposures on outstanding receivables. Cash is held at major financial institutions, and this minimizes any potential exposure to credit risk. It is management's opinion that the risk related to receivables is minimal, as most of the receivables are from provincial governments and the CFPC which historically have posed no collection issues.

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 College is exposed to this risk through its investments, as this balance bears interest at varying rates and are subject to change due to, without limitation, such factors as interest rates and general economic conditions.

Liquidity risk

Liquidity risk is the risk that the College will encounter difficulty in meeting the obligations associated with its financial liabilities. The College is exposed to this risk mainly in respect of its account payables and accrued liabilities.

The Ontario College of Family Physicians
Externally restricted funds
Schedule of operations and changes in fund balances
Year ended March 31, 2018

	CMN	Osteoporosis	Centre for Effective Practice	Practicing Wisely	AMS Phoenix Fellowship	Total 2018
	\$	\$	\$	\$		\$
Revenue						
Contributions - MOHLTC	1,141,277	—	—	—	—	1,141,277
Contributions - other	—	104,245	82,965	65,000	25,000	277,210
	1,141,277	104,245	82,965	65,000	25,000	1,418,487
Amount repayable	69,583	38	—	—	—	69,621
	1,071,694	104,207	82,965	65,000	25,000	1,348,866
Expenses						
Salaries and benefits	286,028	22,875	80,215	18,347	—	407,465
Operating	785,666	81,332	2,750	18,241	—	887,989
	1,071,694	104,207	82,965	36,588	—	1,295,454
Excess of revenue over expenses	—	—	—	28,412	25,000	53,412
Fund balances, beginning of year	—	—	—	—	—	—
Transfer to operating fund	—	—	—	—	—	—
Fund balances, end of year	—	—	—	28,412	25,000	53,412

The accompanying notes to the financial statements are an integral part of this financial statement.

The Ontario College of Family Physicians
Externally restricted funds
Schedule of operations and changes in fund balances
Year ended March 31, 2017

	Collaborative Mental Health Network/ Medical Mentoring for Addiction and Pain	Osteoporosis	Centre for Effective Practice	Early Literacy	Total 2017
	\$	\$	\$	\$	\$
Revenue					
Contributions - MOH	283,046	—	—	—	283,046
Contributions - other	—	105,320	150,000	3,873	259,193
	283,046	105,320	150,000	3,873	542,239
Amount repayable	—	1,310	—	—	1,310
	283,046	104,010	150,000	3,873	540,929
Expenses					
Salaries and benefits	65,000	21,750	147,500	—	234,250
Operating	255,442	82,260	2,500	3,873	344,075
	320,442	104,010	150,000	3,873	578,325
Deficiency of revenue over expenses	(37,396)	—	—	—	(37,396)
Fund balances, beginning of year	—	—	—	—	—
Transfer from operating fund	37,396	—	—	—	37,396
Fund balances, end of year	—	—	—	—	—

The accompanying notes to the financial statements are an integral part of this financial statement.