Financial statements of
The College of Family Physicians of Canada

May 31, 2022

Deloitte.

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Independent Auditor's Report

To the Members of
The College of Family Physicians of Canada

Opinion

We have audited the financial statements of The College of Family Physicians of Canada (the "College"), which comprise the statement of financial position as at May 31, 2022 and the statement of revenue and expenses, changes in members' equity and cash flows for the year then ended, and a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at May 31, 2022, and the results of its 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 ("Canadian GAAS"). 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 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 audit 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.

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 GAAS 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 GAAS, 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 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 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
October 11, 2022

The College of Family Physicians of Canada

Statement of financial position

As at May 31, 2022

	Notes	2022 $	2021 $
Assets			
Current assets			
Cash		**7,984,419**	9,272,279
Restricted cash	2	**98,227**	80,698
Short-term investments		**2,500,000**	1,000,000
Accounts receivable	12	**805,492**	564,931
Prepaid expenses and other current assets		**1,795,640**	1,790,485
		13,183,778	12,708,393
Long-term investments	3	**30,293,390**	29,295,992
Capital assets	4	**5,497,195**	5,923,804
		48,974,363	47,928,189
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	10	**4,537,340**	2,902,093
Funds held for external projects	2	**98,227**	80,698
Deferred revenue	5	**4,745,743**	4,819,290
		9,381,310	7,802,081
Employee future benefits and employee future non-pension benefits	6	**3,104,000**	1,804,800
		12,485,310	9,606,881
Members' equity			
Reserve fund	8	**36,489,053**	38,321,308
		48,974,363	47,928,189

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

	Revenue	Expenses	Year ended May 31, 2022 Net	Revenue	Expenses	Year ended May 31, 2021 Net
	$	$	$	$	$	$
Membership revenue	**25,386,287**	**—**	**25,386,287**	26,611,004	—	26,611,004
Programs NOT supported through member fees						
Family Medicine Forum	**1,644,852**	**2,366,019**	**(721,167)**	1,537,781	2,459,669	(921,888)
Non Member Mainpro+ Participants	**2,253,268**	**2,502,844**	**(249,576)**	2,692,266	2,360,810	331,456
Self Learning	**2,515,619**	**1,443,883**	**1,071,736**	2,159,216	1,286,462	872,754
Investment income	**1,067,161**	**—**	**1,067,161**	3,666,460	—	3,666,460
	7,480,900	**6,312,746**	**1,168,154**	10,055,723	6,106,941	3,948,782
Certification and Assessment						
Family Medicine Exam	**6,180,246**	**7,889,650**	**(1,709,404)**	6,035,646	6,524,044	(488,398)
Certificate of Added Competence Plus Emergency Medicine Exam	**901,733**	**2,039,084**	**(1,137,351)**	644,769	1,314,719	(669,950)
Alternate Pathways plus Pearls CE	**989,815**	**613,790**	**376,025**	713,294	555,622	157,672
	8,071,794	**10,542,524**	**(2,470,730)**	7,393,709	8,394,385	(1,000,676)
Core member programs supported through member fees						
Continuing Professional Development	**486,453**	**6,105,296**	**(5,618,843)**	344,461	5,501,934	(5,157,473)
Canadian Family Physician Journal	**890,208**	**3,988,901**	**(3,098,693)**	1,015,207	3,484,350	(2,469,143)
Health Policy & Government Relations	**25,278**	**1,895,930**	**(1,870,652)**	—	1,533,377	(1,533,377)
Education	**—**	**3,744,935**	**(3,744,935)**	—	4,028,156	(4,028,156)
Accreditation	**—**	**1,750,661**	**(1,750,661)**	—	1,539,241	(1,539,241)
Research	**9,025**	**2,394,360**	**(2,385,335)**	9,162	2,365,072	(2,355,910)
Programs and Practice Support	**625,851**	**5,965,624**	**(5,339,773)**	613,547	5,072,845	(4,459,298)
Besrour Centre	**27,477**	**1,203,880**	**(1,176,403)**	16,580	1,150,539	(1,133,959)
Foundation of Advancing Family Medicine	**94,972**	**1,530,470**	**(1,435,498)**	72,482	1,423,575	(1,351,093)
Federal Wage Subsidy	**1,298,727**	**—**	**1,298,727**	2,673,634	—	2,673,634
	3,457,991	**28,580,057**	**(25,122,066)**	4,745,073	26,099,089	(21,354,016)
	44,396,972	**45,435,327**	**(1,038,355)**	48,805,509	40,600,415	8,205,094

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

	Notes	Invested in capital assets $	Unrestricted $	Reserve fund $	2022 Total $	2021 Total $
Members' equity, beginning of year		**5,923,804**	**(5,923,804)**	**38,321,308**	**38,321,308**	28,927,414
Excess of revenue over expenses		**(2,444,667)**	**1,406,312**	**—**	**(1,038,355)**	8,205,094
Remeasurements and other items		**—**	**—**	**(793,900)**	**(793,900)**	1,188,800
Capital asset additions		**2,018,058**	**(2,018,058)**	**—**	**—**	—
Transfers	8	**—**	**1,038,355**	**(1,038,355)**	**—**	—
Members' equity, end of year		**5,497,195**	**(5,497,195)**	**36,489,053**	**36,489,053**	38,321,308

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

The College of Family Physicians of Canada
Statement of cash flows
Year ended May 31, 2022

	Notes	2022	2021
		$	$
Operating activities			
Excess of revenue over expenses		**(1,038,355)**	8,205,094
Amortization		**2,444,667**	2,864,592
Loss on disposal		**—**	29
Employee future benefits and employee future non-pension benefits (net of remeasurements and other items ($793,900) ($1,188,800 in 2021)		**505,300**	711,200
Change in unrealized gain on investments		**(173,437)**	(2,436,457)
		1,738,175	9,344,458
Change in non-cash operating working capital	9	**1,333,513**	(825,469)
		3,071,688	8,518,989
Investing activities			
Purchase of capital assets		**(2,018,058)**	(1,052,512)
Increase in long-term investments		**(823,961)**	(1,204,588)
(Purchase)/sale of short-term investments		**(1,500,000)**	1,500,000
		(4,342,019)	(757,100)
(Decrease) increase in cash		**(1,270,331)**	7,761,889
Cash, beginning of year		**9,352,977**	1,591,088
Cash, end of year		**8,082,646**	9,352,977
Represented by			
Cash and cash equivalents		**7,984,419**	9,272,279
Restricted cash		**98,227**	80,698
		8,082,646	9,352,977
Supplemental cash flow information			
Interest received		**294,288**	500,826

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

The College of Family Physicians of Canada (the "College"), founded in 1954, was incorporated in 1960 by Special Act of Parliament and, in 1968, was granted letters patent under the Canada Corporations Act and was continued under the Canada Not-for-Profit Corporations Act on June 1, 2014. The College was established to sustain and improve the professional qualifications of members of the medical profession who are engaged in family practice in Canada through education, research, and the publication of journals.

The College is a not-for-profit organization and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) are met.

1. Significant accounting policies

(a) Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations published by the Chartered Professional Accountants of Canada, using the deferral method of accounting for restricted contributions.

These financial statements do not include the results of operations and assets and liabilities of each of the provincial chapters of the College (the "Chapters").

(b) Revenue

Membership fees are billed annually to members with the effective date of July 1st as the renewal date. Any new members joining during the year are billed at a pro-rata fee from the date they joined to the next June 30th. A similar approach is followed for Non-Member MainPro+ Participants (NMMPs). Deferred membership fees represent unearned funds received as membership fees. Revenue for Examinations, professional development, Family Medicine Forum and other are recognized as revenue in the year in which the related expenses are incurred.

(c) Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided on the straight-line basis as follows:

Furniture and fixtures	15 years
Office equipment	5 years
Computer equipment	3 years
Software	3-8 years
Leasehold improvements	Over term of lease

For the purposes of financial reporting, the accounting treatment for capital assets is as follows: all movable and fixed equipment having a useful life in excess of one year and a unit or grand total cost in excess of $1,000; all leasehold improvements having a useful life in excess of one year and a total cost in excess of $20,000 and software development having a useful life in excess of one year and a cost in excess of $5,000 per project will be capitalized. Equipment costing less than $1,000 is amortized at 100% in the year of acquisition. Capital assets not ready for use are not amortized.

1. Significant accounting policies (continued)

(d) Employee future benefits

The cost of pension benefits earned by employees is actuarially determined using the most recently completed actuarial valuation prepared for funding purposes (but not one prepared using a solvency, wind-up, or similar valuation basis) for measuring its defined benefit plan obligations. A funding valuation is prepared in accordance with pension legislation and regulations, generally to determine required cash contributions to the plan.

The College recognizes:

- the defined benefit obligation, net of the fair value of any plan assets, adjusted for any valuation allowance, in the statement of financial position; and
- the costs of the plans for the year.

(e) Financial instruments

The College's financial assets are comprised of cash, restricted cash, short-term and long-term investments, accounts receivable, and accrued interest receivable. Financial liabilities are comprised of accounts payable and accrued liabilities and funds held for external projects.

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, except for equities quoted in active markets, which are carried at fair value. The College has elected to use the fair value option to measure all of its investments. Any subsequent changes in fair value are recorded in the statement of revenue and expenses.

Fair value of investments is determined as follows: fixed income and equity securities are valued at year-end quoted bid prices where available. Where quoted bid prices are not available, estimated fair values are calculated using comparable securities. Transaction costs are expensed as incurred.

(f) Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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. Actual results could differ from those estimates. Accounts requiring significant estimates and assumptions include allowance for doubtful accounts, accrued liabilities, deferred revenue, employee future benefits and employee future non-pension benefits, and amortization expense.

2. Restricted cash

Restricted cash includes amounts held in bank accounts and are restricted for eligible expenditures on external projects.

Amounts being held for external projects are as follows:

	2022 $	2021 $
Coalition for Physician Learning & Practice Improvement ("CPLPI")	**67,311**	48,525
Association of Canadian Chairs in Family Medicine ("ACCFM")	**23,521**	30,210
Family Medicine National Education Administrators ("FMNEA")	**7,395**	1,963
	98,227	80,698

3. Long-term investments

Long-term investments consist of the following:

	2022 Market value $	2022 Cost $	2021 Market value $	2021 Cost $
Fixed income	**15,677,398**	**16,637,334**	16,544,845	16,343,526
Equity portfolio	**14,615,992**	**8,166,956**	12,751,147	7,636,803
	30,293,390	**24,804,290**	29,295,992	23,980,329

The College has investments in bonds and other government secured certificates with varying dates of maturity, as well as investments in equity instruments. These investments yield returns at rates ranging from 0.9% to 9.3% (0.2% to 6.5% in May 31, 2021 per annum).

The College holds securities, which are subject to market risk, interest rate risk, and cash flow risk. These risks will also impact future cash flow streams, including dividends, gains, and losses, and interest income.

The value of equities changes with stock market conditions, which are affected by general economic and market conditions. The value of securities will vary with developments within specific governments and corporations, which issue the security.

The value of fixed income securities will generally increase if interest rates decrease and decrease if interest rates increase. Changes in interest rates may also affect the value of equity securities. The College does not enter into any derivative instrument arrangements for hedging or for speculative purposes.

3. Long-term investments (continued)

Further information on the fixed income securities is as set out below:

	2022 Market value $	2022 Annual yield %	2021 Market value $	2021 Annual yield %
Term to maturity				
One to three years	**4,960,209**	**2.18**	5,944,059	1.14
Greater than three years	**10,717,189**	**3.42**	10,600,786	2.73
	15,677,398		16,544,845	

4. Capital assets

	2022 Cost $	2022 Accumulated amortization $	2022 Net book value $	2021 Net book value $
Computer equipment and software	**15,994,660**	**10,786,835**	**5,207,825**	5,563,320
Leasehold improvements	**2,995,762**	**2,859,082**	**136,680**	162,414
Office equipment	**714,889**	**652,830**	**62,059**	96,637
Furniture and fixtures	**174,009**	**83,378**	**90,631**	101,433
	19,879,320	**14,382,125**	**5,497,195**	5,923,804

5. Deferred revenue

The College defers revenue in certain cases, as these amounts have been paid in advance of the completion of the particular program, examination, or service to be provided. These amounts will be recorded as revenue when earned. Deferred revenue is comprised of the following:

	2022 $	2021 $
Membership fees	**2,184,971**	2,154,557
Examination fees	**1,215,305**	1,412,005
Self learning program	**836,221**	903,312
Family Medicine Forum ("FMF")	**218,424**	—
Maintenance of proficiency ("MainPro+") non-member	**182,337**	191,976
Pearls certification eligibility	**100,860**	157,440
Canadian Family Physician ("CFP")	**7,625**	—
	4,745,743	4,819,290

6. Employee future benefits and employee future non-pension benefits

The College maintains a pension plan for certain employees, which provides benefits, the greater of a defined benefit or defined contribution plan. The College also offers certain employees other supplemental benefits in a non-funded plan. The defined benefit members approved a transfer of the registered pension plan to the College of Applied Arts and Technology ("CAAT") pension plan. As such, a curtailment has been accounted for, as disclosed below. The following significant actuarial assumptions were employed to determine the periodic pension expense and the accrued benefit obligation:

	Registered pension plan	Supplemental benefits	2022 Future non-pension benefits
Discount rate, beginning of year	**4.95%**	**4.95%**	**0.00%**
Discount rate, end of year	**5.05%**	**4.95%**	**4.95%**
Assumed rate of compensation increase	**3.25%**	**3.25%**	**—**

	Registered pension plan	Supplemental benefits	2021 Future non-pension benefits
Discount rate, beginning of year	4.95%	4.95%	2.00%
Discount rate, end of year	4.95%	4.95%	—
Assumed rate of compensation increase	3.85%	3.85%	—

	Registered pension plan $	Supplemental benefits $	Future non-pension benefits $	2022 Total $
Accrued benefit obligation, beginning of year	**10,663,400**	**2,188,700**	**1,878,000**	**14,730,100**
Service cost	**480,500**	**121,000**	**(710,807)**	**(109,307)**
Past service cost (including curtailment)	**(425,800)**	**-**	**-**	**(425,800)**
Interest cost	**536,700**	**113,800**	**-**	**650,500**
Benefits paid	**(928,700)**	**(21,400)**	**(119,193)**	**(1,069,293)**
Transfer from defined contribution plan	**325,200**	**-**	**-**	**325,200**
Actuarial gain	**53,900**	**(346,100)**	**-**	**(292,200)**
Accrued benefit obligation, end of year	**10,705,200**	**2,056,000**	**1,048,000**	**13,809,200**
Fair value of assets, end of year	**12,360,700**	**-**	**-**	**12,360,700**
Valuation Allowance	**1,655,500**	**-**	**-**	**1,655,500**
Employee future benefits liability, end of year	**-**	**(2,056,000)**	**(1,048,000)**	**(3,104,000)**

6. Employee future benefits and employee future non-pension benefits (continued)

	Registered pension plan $	Supplemental benefits $	Future non-pension benefits $	2021 Total $
Accrued benefit obligation, beginning of year	10,320,100	1,996,300	1,320,000	13,636,400
Service cost	488,700	115,300	675,260	1,279,260
Interest cost	522,500	104,000	—	626,500
Benefits paid	(505,500)	(21,400)	(117,260)	(644,160)
Actuarial gain	(162,400)	(5,500)	—	(167,900)
Accrued benefit obligation, end of year	10,663,400	2,188,700	1,878,000	14,730,100
Fair value of assets, end of year	12,925,300	—	—	12,925,300
Employee future benefits liability, end of year	2,261,900	(2,188,700)	(1,878,000)	(1,804,800)

The expense recognized in the statement of revenue and expenses for the year ended May 31, 2022, for the defined benefit pension plan was $31,763 ($27,845 in 2021), for the defined contribution plan was $696,029 ($567,661 in 2021), and for the supplemental benefits was $234,760 ($219,260 in 2021).

7. Lease commitments

Future minimum rental payments, including taxes and maintenance charges on office premises and office equipment required under operating leases that have terms in excess of one year, are as follows:

	Office equipment $	Office rent, including taxes and maintenance $	Total $
2023	32,463	1,997,418	2,029,881
2024	32,258	2,052,936	2,085,194
2025	29,854	2,111,229	2,141,083
2026	29,052	2,263,164	2,292,216
2027	9,684	2,363,630	2,373,314
Thereafter	—	9,252,520	9,252,520
	133,311	20,040,897	20,174,208

8. Reserve fund

The reserve fund has been established to provide for unanticipated decreases in revenue or increases in administrative and operating costs of the College. These funds are administered by the College through the Executive Committee under policies established and approved by the Board of Directors.

	2022 $	2021 $
Balance, beginning of year	**38,321,308**	28,927,414
Transfer from		
Unrestricted fund		
Excess of revenue over expenses before reserve transfers	**(1,038,355)**	8,205,094
Net transfer from reserve fund before the undernoted	**(1,038,355)**	8,205,094
Transfer from unrestricted fund	**(793,900)**	1,188,800
Net transfer to reserve fund	**(1,832,255)**	9,393,894
Balance, end of year	**36,489,053**	38,321,308

9. Change in non-cash operating working capital

	2022 $	2021 $
Accounts payable and accrued liabilities	**1,635,247**	(488,398)
Funds held for external projects	**17,529**	(82,294)
Prepaid expenses and other current assets	**(5,155)**	730,297
Deferred revenue	**(73,547)**	(1,237,427)
Accounts receivable	**(240,561)**	252,353
	1,333,513	(825,469)

10. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities is $675 (nil in 2021) with respect to government remittances.

11. Contingencies and guarantees

The College is exposed through various programs to possible litigations matters. Although the College is not currently involved in any new litigation, adequate provision has been made for these matters and, accordingly, their ultimate disposition is not expected to have a material effect on its operations or financial position.

The College has provided indemnities under lease agreements for the use of various operating facilities. Under the terms of these agreements, the College agrees to indemnify the counterparties for various items including, but not limited to, all liabilities, loss, suits, and damages arising during, on, or after the term of the agreement. The maximum amount of any potential future payment cannot be reasonably estimated.

Indemnity has been provided to all directors and/or officers, employees, volunteers, or members of any duly constituted committee of the College for various items including, but not limited to, all costs to settle suits or actions due to association with the College, subject to certain restrictions. The College has purchased directors’ and officers’ liability insurance to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as a director, officer, employee, volunteer, or member of any committee of the College. The maximum amount of any potential future payment cannot be reasonably determined.

In the normal course of business, the College has entered into agreements that include indemnities in favor of third parties, marketing agreements, confidentiality agreements, engagement letters with advisors and consultants, outsourcing agreements, leasing contracts, information technology agreements, and service agreements. These indemnification agreements may require the College to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnities are not explicitly defined and the maximum amount of any potential reimbursement cannot be reasonably estimated.

The nature of these indemnification agreements prevents the College from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability, which stems from the unpredictability of future events and the unlimited coverage offered to counterparties.

Historically, the College has not made any significant payments under such or similar indemnification agreements, and therefore, no amount has been accrued in the financial statements with respect to these agreements.

12. Related party transactions

The College supports the financial requirements for the salaries and operating costs of The Foundation for Advancing Family Medicine (“FAFM”). The College has a separate and distinct Board of Directors, which makes requests to the FAFM for fundraising for the College’s priorities; the FAFM reviews such requests for feasibility before approving and proceeding. The College has an economic interest in the FAFM, as the FAFM raises/solicits funds for various projects undertaken by the College.

12. Related party transactions (continued)

The FAFM was established in 1994 and granted letters of patent under the Canada Corporations Act and it was continued under the Canada Not-for-profit Corporations Act on June 1, 2014. The FAFM mandate is to actively seek sources of funding in order to stimulate and support, at a high level, the science, art, and practice of family medicine. The FAFM is a registered charity organization and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

During the year ended May 31, 2022, the College contributed $123,000 (nil in 2021) towards the Foundation's Awards program costs. In addition, the College incurred $644,139 ($791,069 in 2021) of operational, administrative and shared expenses on behalf of the Foundation. Related party transactions are measured at the exchange amount. At May 31, 2022, the College has a receivable balance of $302,411 from FAFM (payable of $43,282 at May 31, 2021).

13. Full cost accounting

Allocation of centralized and shared expenses and revenues

The College allocates its centralized and shared expenses and revenues on a functional basis to individual programs offered by the College to its members and others. The method is described in the Budget Principles that are reviewed by the Board of Directors on an annual basis. These allocations are done as a series of steps as follows:

Step 1:

Design and development expenses and revenues related to Certification and Assessment are allocated to the following programs, using the ratio of individual direct program expenses and revenues to the total direct program expenses:

- Family Medicine Certification Examination
- Certificates of Added Competence (includes Emergency Medicine Examination)
- Alternative Pathways plus Pearls CE

Step 2:

Continuing Professional Development expenses and revenues are allocated to the following programs, using the ratio of the number of Non-Member Mainpro+ Participants (NMMPs) as compared to the number of Members that must meet Mainpro+ requirements per licensing bodies and the requirements to maintain membership in the College:

- NMMPs
- Members' Continuing Professional Development expenses

Step 3:

Centralized and shared expenses are allocated between NMMPs and Members based upon the ratio of NMMPs to Members.

13. Full cost accounting (continued)

Allocation of centralized and shared expenses and revenues (continued)

Step 4:

Centralized and shared expenses and revenues allocated in Step 3 to Members are further distributed to the following programs, using the ratio of individual direct program expenses and revenues to the total direct program expenses and revenues:

- Family Medicine Exam
- Certificate of Added Competence plus Emergency Medicine Exam
- Alternate Pathways plus Pearls CE
- FMF - Family Medicine Forum
- Non-Member Mainpro+ Participants
- Self-Learning
- Continuing Professional Development
- Canadian Family Physician Journal
- Health Policy & Government Relations
- Education
- Accreditation
- Research
- Programs and Practice Support
- Besrour Centre
- Foundation for Advancing Family Medicine

Centralized and shared expenses and revenues include:

- Governance and Strategy which combines:
  - Office of the CEO
  - Other Meetings and Events (exclusive of FMF)
- Membership Services which combines:
  - Marketing & Membership Services
  - Communications
- Corporate Services which combines:
  - Human Resources
  - Finance & Asset Management
- Information Technology - Infrastructure and Business Solutions Combined

13. Full cost accounting (continued)

Allocation of centralized and shared expenses and revenues (continued)

The centralized and shared expenses have been allocated as follows:

	Certificate and Assessment $	**Programs not supported through Member Fees $**	**Core Member Programs $**	**2022 Total $**
Membership services	**1,427,817**	**1,227,975**	**3,868,632**	**6,524,424**
Governance and strategy	**466,920**	**401,569**	**1,265,108**	**2,133,597**
Corporate services	**1,261,668**	**1,085,082**	**3,418,457**	**5,765,207**
Information technology	**1,014,330**	**872,362**	**2,748,302**	**4,634,994**
Total	**4,170,735**	**3,586,988**	**11,300,499**	**19,058,222**

	Certificate and Assessment $	Programs not supported through Member Fees $	Core Member Programs $	2021 Total $
Membership services	1,070,781	1,130,718	3,325,478	5,526,977
Governance and strategy	360,805	381,001	1,120,537	1,862,343
Corporate services	979,128	1,033,936	3,040,835	5,053,899
Information technology	780,843	824,551	2,425,030	4,030,424
Total	3,191,557	3,370,206	9,911,880	16,473,643

The centralized and shared revenues have been allocated as follows:

	Certificate and Assessment $	**Programs not supported through Member Fees $**	**Core Member Programs $**	**2022 Total $**
Membership services	**112,504**	**104,268**	**30,096**	**246,868**
Governance and strategy	**54,687**	**50,684**	**14,629**	**120,000**
Corporate services	**148,199**	**137,350**	**39,644**	**325,193**
Total	**315,390**	**292,302**	**84,369**	**692,061**

	Certificate and Assessment $	Programs not supported through Member Fees $	Core Member Programs $	2021 Total $
Membership services	99,811	135,746	27,963	263,520
Governance and strategy	45,451	61,815	12,734	120,000
Corporate services	59,297	80,646	16,613	156,556
Total	204,559	278,207	57,310	540,076