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Financial statements of  
The College of Family  
Physicians of Canada

May 31, 2019

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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, 2019 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, 2019, 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.

The image shows a handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants  
Licensed Public Accountants  
October 3, 2019

# The College of Family Physicians of Canada

## Statement of financial position

As at May 31, 2019

	Notes	2019 \$	2018 \$
<b>Assets</b>			
Current assets			
Cash		4,831,540	5,727,205
Restricted cash	2	123,436	176,963
Short-term investments		11,500,000	9,000,000
Accounts receivable		796,380	1,123,317
Prepaid expenses and other current assets		1,680,532	1,422,107
		<b>18,931,888</b>	17,449,592
Long-term investments	3	25,692,396	24,307,958
Capital assets	4	6,593,214	5,364,149
		<b>51,217,498</b>	47,121,699
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	10	3,705,660	4,056,559
Funds held for external projects	2	123,436	176,963
Deferred revenue	5	16,030,543	15,131,377
		<b>19,859,639</b>	19,364,899
Employee future benefits and employee future non-pension benefits	6	2,465,300	1,263,300
		<b>22,324,939</b>	20,628,199
Lease commitments	7		
<b>Members' equity</b>			
Invested in capital assets		6,593,214	5,364,149
Unrestricted		(6,593,214)	(5,364,149)
Reserve fund	8	28,892,559	26,493,500
		<b>28,892,559</b>	26,493,500
		<b>51,217,498</b>	47,121,699

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

Approved by the Board

\_\_\_\_\_, Director

\_\_\_\_\_, Director

**The College of Family Physicians of Canada**  
**Statement of revenue and expenses**  
Year ended May 31, 2019

	Notes	2019 \$	2018 \$
<b>Revenue</b>			
Membership fees		22,945,563	23,237,863
Examinations		7,980,485	6,792,564
Continuing professional development ("CPD") and Programs/Practice Support ("PPS")		5,119,731	5,560,894
Family Medicine Forum ("FMF")		4,269,414	3,703,289
Change in unrealized gains on investments		1,384,438	602,570
Canadian Family Physician ("CFP") and other publications		944,456	841,775
Other departments		410,628	696,601
Investment income – short-term investments		280,396	176,985
Investment income – long-term investments		(5,804)	(34,108)
		<b>43,329,307</b>	<b>41,578,433</b>
<b>Expenses</b>			
CPD/PPS		5,811,809	5,606,888
Examinations		5,122,725	4,759,509
Corporate services		4,651,081	2,702,616
FMF		3,976,748	3,462,766
Membership services		3,608,689	4,022,113
Undergraduate and postgraduate education		3,113,777	2,723,251
Information technology and website communications		2,692,905	2,862,912
CFP and other publications		2,045,246	2,047,013
Executive		1,910,538	1,990,692
Communications		1,611,771	1,556,177
Research		1,385,065	1,381,128
Certification and evaluation		1,247,836	1,209,715
Health policy and government relations		1,038,261	1,061,202
Finance and Asset Management		897,186	948,304
Foundation for Advancing Family Medicine ("FAFM")		817,181	362,738
Communities for Practice in Family Medicine ("CPFM")		758,386	681,659
Honours and awards	12	496,730	379,961
Other meetings		341,297	313,354
Alternative route certification		119,317	258,401
		<b>41,646,548</b>	<b>38,330,399</b>
<b>Excess of revenue over expenses</b>		<b>1,682,759</b>	<b>3,248,034</b>

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

**The College of Family Physicians of Canada**  
**Statement of changes in members' equity**  
Year ended May 31, 2019

	Notes	Invested in capital assets \$	Unrestricted \$	Reserve fund \$	2019 Total \$	2018 Total \$
<b>Members' equity, beginning of year</b>		<b>5,364,149</b>	<b>(5,364,149)</b>	<b>26,493,500</b>	<b>26,493,500</b>	23,241,666
Excess (deficiency) of revenue over expenses		<b>(1,504,566)</b>	<b>3,187,325</b>	—	<b>1,682,759</b>	3,248,034
Remeasurements and other items	8	—	—	<b>716,300</b>	<b>716,300</b>	3,800
Capital asset additions		<b>2,733,631</b>	<b>(2,733,631)</b>	—	—	—
Transfers	8	—	<b>(1,682,759)</b>	<b>1,682,759</b>	—	—
<b>Members' equity, end of year</b>		<b>6,593,214</b>	<b>(6,593,214)</b>	<b>28,892,559</b>	<b>28,892,559</b>	26,493,500

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, 2019

	Notes	2019 \$	2018 \$
<b>Operating activities</b>			
Excess of revenue over expenses		<b>1,682,759</b>	3,248,034
Amortization		<b>1,504,566</b>	1,544,572
Capital asset write offs		—	25,218
Employee future benefits and employee future non-pension benefits (net of remeasurements and other items of \$716,300 (\$3,800 in 2018))		<b>1,918,300</b>	93,900
Change in unrealized gains on investments		<b>5,804</b>	(602,570)
		<b>5,111,429</b>	4,309,154
Change in non-cash operating working capital	9	<b>563,252</b>	(1,883,343)
		<b>5,674,681</b>	2,425,811
<b>Investing activities</b>			
Purchase of capital assets		<b>(2,733,631)</b>	(779,506)
Increase in long-term investments		<b>(1,390,242)</b>	—
Purchase of short-term investments (net of disposals)		<b>(2,500,000)</b>	—
		<b>(6,623,873)</b>	(779,506)
Change in cash		<b>(949,192)</b>	1,646,305
Cash, beginning of year		<b>5,904,168</b>	4,257,863
<b>Cash, end of year</b>		<b>4,954,976</b>	5,904,168
<b>Represented by</b>			
Cash		<b>4,831,540</b>	5,727,205
Restricted cash		<b>123,436</b>	176,963
		<b>4,954,976</b>	5,904,168
<b>Supplemental cash flow information</b>			
Interest received		<b>572,672</b>	478,468

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



# The College of Family Physicians of Canada

## Notes to the financial statements

May 31, 2019

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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 on the birthday of the respective member and are recognized evenly over the 12-month period, which the membership fees cover. 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. Capital assets not ready for use are not amortized.

#### (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.

**1. Significant accounting policies (continued)**

*(d) Employee future benefits (continued)*

The College recognizes:

- (i) 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
- (ii) 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 standard 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.

*(g) Expense categorization*

The expenses in the schedule attached to the financial statements are categorized by cost centre and by program/activity and type of 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:

	<b>2019</b>	2018
	<b>\$</b>	<b>\$</b>
Continuing Medical Education research	<b>48,938</b>	48,938
Initiatives in HIV care	<b>39,879</b>	39,879
Association of Canadian Chairs in Family Medicine ("ACCFM")	<b>23,608</b>	10,858
Future of Medical Education in Canada ("FMEC-CPD")	<b>10,609</b>	76,763
Family Medicine National Education Administrators ("FMNEA")	<b>402</b>	525
	<b>123,436</b>	176,963

## 3. Long-term investments

Long-term investments consist of the following:

	<b>Market value</b>	<b>2019 Cost</b>	Market value	2018 Cost
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Fixed income	<b>15,184,905</b>	<b>15,481,068</b>	14,772,547	15,102,112
Equity portfolio	<b>10,507,491</b>	<b>6,700,442</b>	9,535,411	6,482,163
	<b>25,692,396</b>	<b>22,181,510</b>	24,307,958	21,584,275

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 interest at rates ranging from 2.0% to 5.2% (1.35% to 4.81% in May 31, 2018 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.

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

	<b>Market value</b>	<b>2019 Annual yield</b>	Market value	2018 Annual yield
	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
Term to maturity				
One to three years	<b>6,368,664</b>	<b>2</b>	4,492,286	2
Greater than three years	<b>8,816,241</b>	<b>3</b>	10,280,261	3
	<b>15,184,905</b>		14,772,547	

#### 4. Capital assets

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2019 Net book value</b>	<b>2018 Net book value</b>
	\$	\$	\$	\$
Computer equipment and software	<b>10,540,743</b>	<b>4,803,100</b>	<b>5,737,643</b>	4,180,633
Leasehold improvements	<b>2,840,672</b>	<b>2,164,706</b>	<b>675,966</b>	1,006,651
Office equipment	<b>643,632</b>	<b>544,376</b>	<b>99,256</b>	91,007
Furniture and fixtures	<b>131,925</b>	<b>51,576</b>	<b>80,349</b>	85,858
	<b>14,156,972</b>	<b>7,563,758</b>	<b>6,593,214</b>	5,364,149

#### 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:

	<b>2019</b>	<b>2018</b>
	\$	\$
Membership fees	<b>11,576,903</b>	10,647,903
Maintenance of proficiency ("Mainpro") non-member	<b>1,487,817</b>	1,553,980
Examination fees	<b>1,412,185</b>	1,233,562
Self learning program	<b>916,538</b>	895,591
Family Medicine Forum ("FMF")	<b>405,635</b>	507,561
Leasehold improvement allowance	<b>117,750</b>	117,750
Pearls certification eligibility	<b>111,930</b>	149,916
Canadian Family Physician ("CFP")	<b>1,785</b>	25,114
	<b>16,030,543</b>	15,131,377

#### 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 following significant actuarial assumptions were employed to determine the periodic pension expense and the accrued benefit obligation:

	<b>Registered pension plan</b>	<b>Supplemental benefits</b>	<b>2019 Future non-pension benefits</b>
Discount rate, beginning of year	<b>4.30%</b>	<b>4.30%</b>	<b>2.00%</b>
Discount rate, end of year	<b>4.95%</b>	<b>4.95%</b>	<b>2.00%</b>
Assumed rate of compensation increase	<b>3.85%</b>	<b>3.85%</b>	—
Remaining service life (in years)	<b>5</b>	<b>4</b>	—

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

	Registered pension plan	Supplemental benefits	2018 Future non-pension benefits
Discount rate, beginning of year	4.75%	4.75%	2.00%
Discount rate, end of year	4.30%	4.30%	2.00%
Assumed rate of compensation increase	3.90%	3.90%	—
Remaining service life (in years)	6	5	—

	Registered pension plan \$	Supplemental benefits \$	Future non-pension benefits \$	2019 Total \$
Accrued benefit obligation, June 1, 2018	9,507,400	1,466,400	1,680,000	12,653,800
Service cost	661,900	100,600	390,003	1,152,503
Interest cost	417,900	66,900	—	484,800
Benefits paid	(902,000)	(21,400)	(115,003)	(1,038,403)
Actuarial gain	341,200	200,600	—	541,800
Accrued benefit obligation, May 31, 2019	10,026,400	1,813,100	1,955,000	13,794,500
Fair value of assets, end of year	11,329,200	—	—	11,329,200
Employee future benefits liability, May 31, 2019	1,302,800	(1,813,100)	(1,955,000)	(2,465,300)

	Registered pension plan \$	Supplemental benefits \$	Future non-pension benefits \$	2018 Total \$
Accrued benefit obligation, June 1, 2017	9,286,000	1,316,600	1,710,000	12,312,600
Service cost	626,000	118,800	88,641	833,441
Interest cost	409,300	61,300	—	470,600
Benefits paid	(943,900)	(20,600)	(118,641)	(1,083,141)
Transfer from defined contribution plan	158,500	—	—	158,500
Actuarial gain	(28,500)	(9,700)	—	(38,200)
Accrued benefit obligation, May 31, 2018	9,507,400	1,466,400	1,680,000	12,653,800
Fair value of assets, end of year	11,390,500	—	—	11,390,500
Employee future benefits liability, May 31, 2018	1,883,100	(1,466,400)	(1,680,000)	(1,263,300)

The expense recognized in the statement of revenue and expenses for the year ended May 31, 2019, for the defined benefit pension plan was \$1,173,321 (\$379,231 in 2018), for the defined contribution plan was \$487,858 (\$431,791 in 2018), and for the supplemental benefits was \$568,660 (\$160,789 in 2018).

## 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 \$
2020	88,837	2,142,991	2,231,828
2021	83,486	1,448,876	1,532,362
2022	25,302	—	25,302
	<u>197,625</u>	<u>3,591,867</u>	<u>3,789,492</u>

## 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.

	<b>2019</b> \$	2018 \$
Balance, beginning of year	<b>26,493,500</b>	23,241,666
Transfer from		
Unrestricted fund		
Excess of revenues over expenses before reserve transfers	<b>102,155</b>	2,679,572
Interest income	<b>(5,804)</b>	(34,108)
Unrealized gain on investments	<b>1,384,438</b>	602,570
Besrour Center	<b>201,970</b>	—
	<b>1,682,759</b>	3,248,034
Net transfer from reserve fund before the undernoted	<b>1,682,759</b>	3,248,034
Transfer from unrestricted fund	<b>716,300</b>	3,800
Net transfer to reserve fund	<b>2,399,059</b>	3,251,834
Balance, end of year	<b>28,892,559</b>	26,493,500

**9. Change in non-cash operating working capital**

	<b>2019</b>	2018
	<b>\$</b>	<b>\$</b>
Accounts receivable	<b>326,937</b>	25,939
Prepaid expenses and other current assets	<b>(258,425)</b>	(582,121)
Accounts payable and accrued liabilities	<b>(350,899)</b>	(649,728)
Funds held for external projects	<b>(53,527)</b>	(103,378)
Deferred revenue	<b>899,166</b>	(574,055)
	<b>563,252</b>	(1,883,343)

**10. Accounts payable and accrued liabilities**

Accounts payable and accrued liabilities include \$478 (nil in 2018) 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.

- (a) 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.
- (b) 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.
- (c) 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.

**11. Contingencies and guarantees (continued)**

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.

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, 2019, the College contributed \$16,500 (\$21,500 in 2018) towards the Foundation's Awards program costs, \$2,863 (\$2,504 in 2018) towards legal expenses and \$146,180 (\$120,643 in 2018) representing the Board of Directors approved policy with respect to a share in the surplus generated by Family Medicine Forum. In addition, the College incurred \$817,181 (\$362,738 in 2018) of operational and administrative expenses on behalf of the Foundation. Related party transactions are measured at the exchange amount.



# The College of Family Physicians of Canada

## Schedule of expenses

Year ended May 31, 2019

	Salaries and benefits \$	Operating \$	Committee \$	2019 Total \$	2018 Total \$
Continuing Professional Development ("CPD") and Programs/Practice Support ("PPS")	2,697,106	2,950,279	164,424	5,811,809	5,606,888
Examinations	1,183,562	3,772,320	166,843	5,122,725	4,759,509
Corporate services	3,453,617	1,197,464	—	4,651,081	2,702,616
Family Medicine Forum ("FMF")	1,028,420	2,891,416	56,912	3,976,748	3,462,766
Membership services	1,414,440	1,924,064	270,185	3,608,689	4,022,113
Undergraduate and postgraduate education	1,756,845	1,010,320	346,612	3,113,777	2,723,251
Information technology and website communications	1,535,317	1,157,588	—	2,692,905	2,862,912
CFP and other publications	1,038,244	1,001,509	5,493	2,045,246	2,047,013
Executive	1,116,640	523,529	270,369	1,910,538	1,990,692
Communications	1,223,786	387,985	—	1,611,771	1,556,177
Research	907,794	419,718	57,553	1,385,065	1,381,128
Certification and evaluation	808,817	360,936	78,083	1,247,836	1,209,715
Health policy and government relations	634,034	340,537	63,690	1,038,261	1,061,202
Finance and asset management	665,576	227,577	4,033	897,186	948,303
Foundation for Advancing Family Medicine ("FAFM")	744,455	72,726	—	817,181	362,738
Communities for Practice in Family Medicine ("CPFM")	457,860	177,245	123,281	758,386	681,659
Honours and awards	417,970	78,760	—	496,730	379,961
Other meetings	273,036	68,261	—	341,297	313,354
Alternative route to certification	92,053	27,264	—	119,317	258,402
	<b>21,449,572</b>	<b>18,589,498</b>	<b>1,607,478</b>	<b>41,646,548</b>	<b>38,330,399</b>