

SOCIETY OF GENERAL PRACTITIONERS OF BC
Financial Statements
Year Ended December 31, 2019

SOCIETY OF GENERAL PRACTITIONERS OF BC
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Year Ended December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Members of Society of General Practitioners of BC

Opinion

We have audited the financial statements of Society of General Practitioners of BC (the Society), which comprise the statement of financial position as at December 31, 2019, 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 our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2019, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with 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 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 ASNFPPO, 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society'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 Society'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 Society 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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that in our opinion, the accounting applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

DMCL

Port Coquitlam, BC
May 24, 2020

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

SOCIETY OF GENERAL PRACTITIONERS OF BC

Statement of Financial Position

December 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 1,534,338	\$ 1,427,242
Prepaid expenses	<u>3,051</u>	<u>2,922</u>
	1,537,389	1,430,164
EQUIPMENT (Note 3)	<u>1,897</u>	<u>2,652</u>
	<u>\$ 1,539,286</u>	<u>\$ 1,432,816</u>
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	<u>\$ 28,442</u>	<u>\$ 20,110</u>
 NET ASSETS		
Unrestricted fund	1,508,947	1,410,054
Invested in capital assets	<u>1,897</u>	<u>2,652</u>
	<u>1,510,844</u>	<u>1,412,706</u>
	<u>\$ 1,539,286</u>	<u>\$ 1,432,816</u>

LEASE COMMITMENTS (Note 5)

ON BEHALF OF THE BOARD

_____ Director

_____ Director

See notes to financial statements

SOCIETY OF GENERAL PRACTITIONERS OF BC

Statement of Revenues and Expenditures

Year Ended December 31, 2019

	2019	2018
REVENUE		
Membership dues	\$ 916,812	\$ 817,592
Doctors of BC grant	42,185	41,400
Interest income	36,487	19,427
Conference fees	4,157	25,198
Website access	4,124	4,600
GPSC contributions	3,411	12,850
	<u>1,007,176</u>	<u>921,067</u>
EXPENDITURES		
Amortization	755	589
Catering costs	29,366	35,883
Conference costs	272	7,098
Consulting fees	101,412	51,139
Honoraria	264,592	257,116
Interest and bank charges	1,061	1,028
Meetings and conventions	87,394	71,176
Office	26,747	22,376
Payroll benefits	31,649	35,689
Professional fees	19,639	13,427
Rental	28,933	26,832
Telephone	1,125	1,696
Wages - executive assistant	69,994	66,785
Wages - executive director	239,547	289,802
Website	6,552	6,164
	<u>909,038</u>	<u>886,800</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>\$ 98,138</u>	<u>\$ 34,267</u>

SOCIETY OF GENERAL PRACTITIONERS OF BC

Statement of Changes in Net Assets

Year Ended December 31, 2019

	Unrestricted Fund	Invested in Capital Assets	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$ 1,410,054	\$ 2,652	\$ 1,412,706	\$ 1,378,439
EXCESS OF REVENUE OVER EXPENDITURES	98,893	(755)	98,138	34,267
NET ASSETS - END OF YEAR	\$ 1,508,947	\$ 1,897	\$ 1,510,844	\$ 1,412,706

SOCIETY OF GENERAL PRACTITIONERS OF BC

Statement of Cash Flows

Year Ended December 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 98,138	\$ 34,267
Item not affecting cash:		
Amortization of equipment	755	589
	98,893	34,856
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	8,332	5,240
Prepaid expenses	(129)	(3)
	8,203	5,237
Cash flow from operating activities	107,096	40,093
INVESTING ACTIVITY		
Purchase of equipment	-	(2,216)
INCREASE IN CASH FLOW	107,096	37,877
Cash and cash equivalents - beginning of year	1,427,242	1,389,365
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,534,338	\$ 1,427,242
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash	\$ 90,566	\$ 29,948
Term deposits	1,443,772	1,397,294
	\$ 1,534,338	\$ 1,427,242

See notes to financial statements

SOCIETY OF GENERAL PRACTITIONERS OF BC

Notes to Financial Statements

Year Ended December 31, 2019

1. PURPOSE OF THE ORGANIZATION

The Society of General Practitioners of BC is a provincial organization operating to represent general medical practice and to act on behalf of general practitioners to advance scientific, educational, professional and economic welfare of all general practitioners in British Columbia. The Society is incorporated under the Societies Act of British Columbia as a not-for-profit organization and is not taxable under the Income Tax Act.

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).

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and short term notes which are less than 90 days. Gains on disposal of money market and other qualifying investments are included in income in the period of realization.

Revenue recognition

The Society follows the deferral method of accounting for contributions. Substantially all of the membership fees are billed and collected by Doctors of BC. This membership revenue is recognized when receivable from the Doctors of BC. Interest income from short term investments is recorded when earned. All other revenue is recorded when received.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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SOCIETY OF GENERAL PRACTITIONERS OF BC

Notes to Financial Statements

Year Ended December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Equipment

Equipment is stated at cost or deemed cost less accumulated amortization. Equipment is amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Computer equipment	30%	declining balance method
Furniture and fixtures	20%	declining balance method

The Society regularly reviews its equipment to eliminate obsolete items. Government grants are treated as a reduction of equipment cost.

Equipment acquired during the year but not placed into use are not amortized until they are placed into use. One-half of the annual rate is used in the year of acquisition.

Impairment of Long Lived Assets

The Society reviews long-lived assets, including furniture and equipment for impairment whenever events or changes in circumstances indicated that the assets no longer have long-service potential to the Society. If such conditions exist, an impairment loss is measured at the amount by which the carrying amount of the asset exceeds its fair value.

Non-monetary transactions

All non-monetary transactions are measured at the fair value of the asset surrendered or the asset received, whichever is more reliable, unless the transaction lacks commercial substance. The commercial substance requirement is met when the future cash flows are expected to change significantly as a result of the transaction.

3. EQUIPMENT

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Computer equipment	\$ 53,426	\$ 51,855	\$ 1,571	\$ 2,245
Furniture and fixtures	6,078	5,752	326	407
	<u>\$ 59,504</u>	<u>\$ 57,607</u>	<u>\$ 1,897</u>	<u>\$ 2,652</u>

4. MANAGEMENT REMUNERATION

During the year the Society remunerated one employee for the management of the Society in excess of \$75,000. The total amount paid to this employee for the year was \$239,547.

SOCIETY OF GENERAL PRACTITIONERS OF BC

Notes to Financial Statements

Year Ended December 31, 2019

5. LEASE COMMITMENTS

The Society leases premises under a long term lease that expires on March 31, 2021. Under the lease, the Society is required to pay a base rent of \$11,155 for the first year, \$11,660 for the second and third year, and \$12,166 for the fourth and fifth year. In addition to the above base rent, the Society must pay for its proportionate share of utilities, property taxes, maintenance and other related costs for the leased premises.

The Society has entered into an operating lease for use of a photocopier. The lease is for a five year term expiring June 30, 2025 and includes a monthly lease rate of \$279 plus GST and PST.

The combined 5-year lease commitments are as follows:

2020	\$	15,916
2021		6,791
2022		3,750
2023		3,750
2024		1,875
	\$	<u>32,082</u>

6. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of December 31, 2019.

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 Society is exposed to interest rate risk on its fixed rate financial instruments. The fixed rate instruments subject the Society to a fair value risk.

7. SUBSEQUENT EVENTS

The recent outbreak of the coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to rapidly evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Society's business activities. The extent to which the coronavirus may impact the Society's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and as such, the Society cannot determine their financial impact at this time.
