

**SOCIETY OF GENERAL PRACTITIONERS OF BC**  
**Financial Statements**  
**Year Ended December 31, 2021**

**SOCIETY OF GENERAL PRACTITIONERS OF BC**  
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**Year Ended December 31, 2021**

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DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

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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, 2021, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2021, 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 (ASNPO)

### *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 ASNPO, 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.

*DMCL*

Port Coquitlam, BC  
April 26, 2022

**DALE MATHESON CARR-HILTON LABONTE LLP**  
CHARTERED PROFESSIONAL ACCOUNTANTS

**SOCIETY OF GENERAL PRACTITIONERS OF BC**  
**Statement of Financial Position**  
**December 31, 2021**

	2021	2020
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	\$ 976,358	\$ 299,562
Term deposits <i>(Note 2)</i>	621,500	1,168,096
Prepaid expenses	3,564	3,057
	1,601,422	1,470,715
EQUIPMENT <i>(Note 3)</i>	15,099	19,441
	\$ 1,616,521	\$ 1,490,156
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 19,638	\$ 14,712
<b>NET ASSETS</b>		
General funds	994,784	1,456,003
Internally restricted funds <i>(Note 4)</i>	587,000	-
Invested in capital assets	15,099	19,441
	1,596,883	1,475,444
	\$ 1,616,521	\$ 1,490,156

LEASE COMMITMENTS *(Note 6)*

**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, 2021**

	2021	2020
<b>REVENUES</b>		
Membership dues	\$ 1,038,489	\$ 931,366
Doctors of BC grant	43,460	42,900
Interest income	7,643	31,685
Website access	4,310	-
	<u>1,093,902</u>	<u>1,005,951</u>
<b>EXPENDITURES</b>		
Amortization	4,343	2,847
Catering costs	740	4,055
Consulting fees	116,064	145,507
Gifts and donations	700	73,286
Honoraria	150,509	217,903
Interest and bank charges	1,302	1,045
Meeting expenses	1,017	20,422
Office	31,791	44,029
Payroll benefits	65,326	50,124
Professional fees	18,893	17,830
Rental	27,466	28,368
Wages and benefits	544,827	428,008
Website	9,485	7,927
	<u>972,463</u>	<u>1,041,351</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 121,439</b>	<b>\$ (35,400)</b>

See notes to financial statements

**SOCIETY OF GENERAL PRACTITIONERS OF BC**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2021**

	General Funds	Internally Restricted Funds	Invested in Capital Assets	<b>2021</b>	2020
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 1,456,003	\$ -	\$ 19,441	<b>\$ 1,475,444</b>	\$ 1,510,844
Excess (Deficiency) of revenues over expenditures	125,781	-	(4,342)	<b>121,439</b>	(35,400)
Interfund transfer	(587,000)	587,000	-	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 994,784</b>	<b>\$ 587,000</b>	<b>\$ 15,099</b>	<b>\$ 1,596,883</b>	<b>\$ 1,475,444</b>

**SOCIETY OF GENERAL PRACTITIONERS OF BC****Statement of Cash Flows****Year Ended December 31, 2021**

	<u>2021</u>	<u>2020</u>
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenditures	\$ 121,439	\$ (35,400)
Item not affecting cash:		
Amortization of equipment	<u>4,342</u>	<u>2,847</u>
	<u>125,781</u>	<u>(32,553)</u>
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	4,926	(13,729)
Prepaid expenses	<u>(507)</u>	<u>(6)</u>
	<u>4,419</u>	<u>(13,735)</u>
Cash flow from (used by) operating activities	<u>130,200</u>	<u>(46,288)</u>
<b>INVESTING ACTIVITY</b>		
Purchase of equipment	<u>-</u>	<u>(20,392)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>130,200</b>	<b>(66,680)</b>
Cash and cash equivalents - beginning of year	<u>1,467,658</u>	<u>1,534,338</u>
<b>CASH - END OF YEAR</b>	<b><u>\$ 1,597,858</u></b>	<b><u>\$ 1,467,658</u></b>
<b>CASH CONSISTS OF:</b>		
Cash and cash equivalents	\$ 976,358	\$ 299,562
Term deposits	<u>621,500</u>	<u>1,168,096</u>
	<b><u>\$ 1,597,858</u></b>	<b><u>\$ 1,467,658</u></b>

See notes to financial statements



# SOCIETY OF GENERAL PRACTITIONERS OF BC

## Notes to Financial Statements

Year Ended December 31, 2021

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### 1. PURPOSE OF THE SOCIETY

The Society of General Practitioners of BC is incorporated under the Societies Act of British Columbia as a not-for-profit organization and is exempt from income taxation under Section 149 of the Income Tax Act.

The objective of the Society is to represent family practice and to act on behalf of family physicians to advance scientific, educational, professional and economic welfare of all family physicians in British Columbia.

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### 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 (ASNPO).

#### Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and cash on deposit with the bank and term deposits which are readily convertible into cash with maturity dates less than 90 days.

#### Term deposits

Term deposits have maturity dates in excess of 90 days. The currently held Guaranteed Investment Certificate has an annual interest rate of 0.70% and matures on September 14, 2022.

#### Equipment

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

Computer equipment	30%	declining balance method
Furniture and fixtures	20%	declining balance method
Leasehold improvements	5 years	straight-line method

The Society regularly reviews amortization rates and methods, and the estimated useful life of its equipment.

#### Revenue recognition

The Society follows the deferral method of accounting for contributions and substantially all of the membership fees are billed and collected by Doctors of BC. This membership revenue is recognized when it becomes receivable from the Doctors of BC and the amounts can be reasonably estimated and collection is reasonably assured. Interest income from short term investments is recorded when earned. All other revenue is recorded when received.

#### 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.

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# SOCIETY OF GENERAL PRACTITIONERS OF BC

## Notes to Financial Statements

Year Ended December 31, 2021

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

#### 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.

#### 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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### 3. EQUIPMENT

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Computer equipment	\$ 53,426	\$ 52,656	\$ 770	\$ 1,100
Furniture and fixtures	17,861	8,697	9,164	11,455
Leasehold improvements	8,608	3,443	5,165	6,886
	<u>\$ 79,895</u>	<u>\$ 64,796</u>	<u>\$ 15,099</u>	<u>\$ 19,441</u>

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### 4. INTERNALLY RESTRICTED FUNDS

Internally Restricted Funds was set up during the current fiscal year to provide for the ongoing financial stability of the Society. It sets aside funds to be used to maintain operations during difficult financial circumstances or to cover unexpected costs. It is the objective of the Board of Directors to maintain this reserve fund consisting of approximately six-months of the annual operating budget. Any expenditures out of these funds require Board approval.

During the current fiscal year, \$587,000 was internally transferred for the initial set up of this reserve.

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### 5. MANAGEMENT REMUNERATION

During the year the Society remunerated two employees of the Society in excess of \$75,000. The combined total amount paid to these employees for the year was \$405,063.

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# SOCIETY OF GENERAL PRACTITIONERS OF BC

## Notes to Financial Statements

Year Ended December 31, 2021

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### 6. LEASE COMMITMENTS

The Society leases premises under a long term lease that expires on March 31, 2026. Under the lease, the Society is required to pay a base rent of \$13,272 for the first and second year, \$14,536 for the third and fourth year, and \$15,800 for the 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:

2022	\$	17,022
2023		17,970
2024		16,411
2025		15,474
2026		3,950
		<hr/>
	\$	<u>70,827</u>

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### 7. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash and cash equivalents, term deposits, prepaid expenses, and accounts payable and accrued liabilities. The carrying amounts of all financial instruments approximate their respective fair values. The Society is exposed to various risks through its financial instruments and the following analysis provides information about the Society's risk exposure:

#### Interest rate risk

The Society is exposed to interest rate risk with respect to its investment in term deposits which bear interest subject to change by the bank. Fluctuation in the rate of interest will impact the company's interest income in future years.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest rate risk arising from these financial instruments.

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### 8. COVID-19

On March 11, 2020 the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic, leading to a severe slow-down in global economic activity. Government and health authorities in British Columbia and around the world implemented emergency measures to mitigate the spread of the virus

These events are highly uncertain and as such, the Society cannot determine the ultimate financial impacts at this time.

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### 9. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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