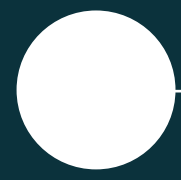


COLLEGE OF
PROFESSORS

LLMB



College of Physicians and Surgeons of British Columbia
Financial Statements 2019/20

College of Physicians and Surgeons of British Columbia
Financial Statements
February 29, 2020

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KPMG LLP
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Canada



- 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

Chartered Professional Accountants

Vancouver, Canada

May 21, 2020

College of Physicians and Surgeons of British Columbia

Statement of Operations

(Expressed in thousands of dollars)

Year ended February 29, 2020, with comparative information for 2019

	2020	2019
Revenues		
Annual registrant and incorporation fees	\$ 24,961	\$ 23,876
Annual accreditation fees	4,913	4,695
Investment income (note 9)	1,540	1,008
Application fees	1,428	1,327
Other income	1,162	1,078
Rental income	312	220
	<u>34,316</u>	<u>32,204</u>
Expenses		
Salaries and benefits	17,474	15,938
Assessments, accreditations and reviews	3,261	

College of Physicians and Surgeons of British Columbia

Statement of Financial Position

(Expressed in thousands of dollars)

As at February 29, 2020, with comparative information for 2019

	2020	2019
Assets		
Current assets		
Cash and cash equivalents	\$ 22,639	\$ 24,339
Short term investments (note 4)	1,485	3,640
Accounts receivable	87	83
Prepaid expenses and deposits	729	799
	<u>24,940</u>	<u>28,861</u>
Prepaid expenses- non current	196	325
Long term investments (note 4)	25,375	18,378
Intangible assets (note 5)	3,299	3,477
Property and equipment (note 6)	32,247	32,509
	<u>\$ 86,057</u>	<u>\$ 83,550</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	\$ 2,322	\$ 2,456
Tenant deposits	14	r
Unearned revenue	24,982	24,548
Current portion of pension liabilities (note 8(b))	499	499
	<u>27,817</u>	<u>27,503</u>
Tenant deposits	9	14
Pension liabilities- non current (note 8(b))	5,784	5,457
	<u>33,610</u>	<u>32,974</u>
Net assets		
Investment in property, equipment and intangible assets	35,546	35,986
Internally restricted (note 3)	3,834	4,000
Unrestricted	13,067	10,590
	<u>52,447</u>	<u>50,576</u>
	<u>\$ 86,057</u>	<u>\$ 83,550</u>

Commitments and contingent liabilities (note 10)

Subsequent event (note 14)

See accompanying notes to financial statements.

Approved on behalf of the Board:

_____ Board Member

_____ Board Member

College of Physicians and Surgeons of British Columbia

Statement of Changes in Net Assets

(Expressed in thousands of dollars)

Year ended February 29, 2020, with comparative information for 2019

			2020	2019
Investment in property, equipment and intangible assets	restricted (note 3)	Unrestricted	Total	

College of Physicians and Surgeons of British Columbia

(Tabular amount expressed in thousands of dollars)
Notes to the Financial Statements
February 29, 2020

1. Purpose of the organization

The purpose of the College of Physicians and Surgeons of British Columbia (the "College") is to set and enforce standards of practice and ethics within the medical

College of Physicians and Surgeons of British Columbia
(Tabular amounts expressed in thousands of dollars)
Notes to the Financial Statements (continued)
February 29, 2020

2. Summary of significant accounting policies (continued)

(c) Property and equipment

In March 2018, the Accounting Standards Board issued "Basis for Conclusions – Accounting Standards Improvements for Not for Profit Organizations" resulting in the introduction of Section 4433 Tangible capital assets held by not for profit organizations which directs organizations to apply the accounting guidance of Section 3061, Property, Plant and Equipment in Part II of the Handbook. In doing so, the new section requires that organizations annually assess for partial impairment of tangible capital assets, to be recorded where applicable, as a non-reversible impairment expense. In addition, where applicable, to componentize capital assets when estimates can be made of the useful lives of the separate components. This section is applied on a prospective basis.

The

College of Physicians and Surgeons of British Columbia
(Table amounts)

College of Physicians and Surgeons of British Columbia
 (Tabular amount expressed in thousands of dollars)
 Notes to the Financial Statements (continued)
 February 29, 2020

2. Summary of significant accounting policies (continued)

(i) *Interfund transfers:*

Transfers are made between funds as approved by the Board for internally restricted funds.

3. Internally restricted net assets

Internally restricted net assets include funds for the implementation of an Enterprise Content Management system to facilitate the management of electronic documents and records.

4. Investments

	2020	2019
Bond funds	\$ 10,198	\$ 10,935

College of Physicians and Surgeons of British Columbia
 (Tabular amounts expressed in thousands of dollars)
 Notes to the Financial Statements (continued)
 February 29, 2020

6. Property and equipment

			2020		2019	
	Cost	Accumulated amortization	Net book value	Net book value		
Land	\$ 8,301	\$	\$ 8,301	\$	\$ 8,301	
Building	22,445	3,743	18,702		19,152	
Building improvements	5,275	1,519	3,756		3,745	
Furniture and equipment	3,449	2,600	849		835	
Computer equipment	1,549	910	639		476	
	\$ 41,019	\$ 8,772	\$ 32,247	\$	\$ 32,509	

In fiscal year 2019,

College of Physicians and Surgeons of British Columbia
(Tabular amounts expressed in thousands of dollars)
Notes to the Financial Statements (continued)
February 29, 2020

8. Pension plans (continued)

(b) Supplementary Pension Plans

- (i) For executive officers hired prior to 2004, the supplementary pension arrangements provide for pensions determined on a defined benefit basis. This plan provides pension benefits, based on length of service and best three year average salary, that are in excess of those that can be funded under a registered pension plan. The College pays supplementary defined benefits to

College of Physicians and Surgeons of British Columbia
(Table amounts)

College of Physicians and Surgeons of British Columbia
 (Tabular amount expressed in thousands of dollars)
 Notes to the Financial Statements (continued)
 February 29, 2020

10. Commitments and contingent liabilities (continued)

(b) The College has been named as a defendant in certain lawsuits and has been advised by legal counsel that these claims are without substantial merit. In the event the College is unsuccessful in defending any of these claims, the College has sufficient liability insurance to cover any legal obligation. When it is anticipated the College will ultimately incur a liability and the amount can be reasonably estimated, a provision is made in the financial statements.

11. Changes in operating working capital

	2020	2019
Accounts receivable	\$ (4)	\$ 51
Prepaid expenses and deposits	199	(217)
Accounts payable and accrued liabilities	(134)	375
Tenants deposits	9 rÀ 0 0	

College of Physicians and Surgeons of British Columbia
(Tabular amounts expressed in thousands of dollars)
Notes to the Financial Statements (continued)
February 29, 2020

13. Comparative information

Certain comparative information has been reclassified to conform with the

