

Financial statements of

**Foundation for Advancing
Family Medicine**

May 31, 2017

Foundation for Advancing Family Medicine

May 31, 2017

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Independent Auditor's Report

To the Board of Directors of
Foundation for Advancing Family Medicine

We have audited the accompanying financial statements of The Foundation for Advancing Family Medicine (the "Foundation"), which comprise the statement of financial position as at May 31, 2017, and the statements of revenue, expenses and changes in fund balances, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Foundation as at May 31, 2017 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.

A handwritten signature in black ink that reads "Deloitte LLP". The word "Deloitte" is written in a cursive script, and "LLP" is written in a simpler, blocky font.

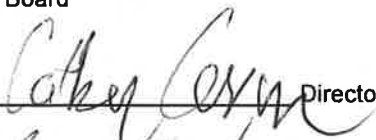
Chartered Professional Accountants
Licensed Public Accountants
November 9, 2017

Foundation for Advancing Family Medicine

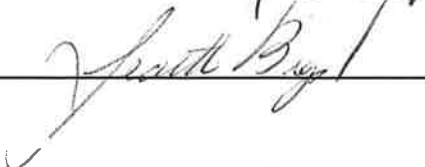
Statement of financial position
as at May 31, 2017

	2017	2016
	\$	\$
Assets		
Cash	544,267	576,936
Investments (Note 2)	1,616,842	2,154,304
Accounts receivable	82,631	90,899
GST/HST rebates receivable	1,527	-
	2,245,267	2,822,139
Long-term investments (Note 2)	1,539,792	1,069,329
	3,785,059	3,891,468
Liabilities		
Due to the College of Family Physicians of Canada ("CFPC")	160,999	260,593
Awards payable	227,855	299,005
Accrued liabilities	10,660	-
Awards payable - British Columbia Chapter	-	10,500
	399,514	570,098
Fund balances		
General fund	547,574	315,405
Endowment fund	1,894,354	1,821,387
Restricted fund	943,617	1,184,578
	3,385,545	3,321,370
	3,785,059	3,891,468

On behalf of the Board



Director



Director

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

Foundation for Advancing Family Medicine

Statement of revenue, expenses and changes in fund balances
year ended May 31, 2017

	2017				2016			
	General fund	Endowment fund	Restricted fund	Total	General fund	Endowment fund	Restricted fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Interest	12,066	36,084	-	48,150	16,408	42,837	7,507	66,752
Member contributions (Note 3)	56,446	10,922	44,972	112,340	49,518	29,439	42,337	121,294
Walk for the Docs	-	-	16,143	16,143	-	-	18,391	18,391
Silent auction and raffles	14,820	-	-	14,820	18,005	-	-	18,005
Employee and individual donations (Note 3)	14,827	35	19,322	34,184	11,132	60	14,323	25,515
Corporate and foundation contributions (Note 4)	725	-	910,084	910,809	2,047	-	739,672	741,719
Gifts-in-kind	8,984	-	-	8,984	23,972	-	-	23,972
Transfer from CFPC	-	-	-	-	-	451,976	-	451,976
Unrealized loss on investments	45,700	-	-	45,700	(61,821)	-	-	(61,821)
	153,568	47,041	990,521	1,191,130	59,261	524,312	822,230	1,405,803
Expenses								
Awards and programs (Note 5)	5,161	44,612	1,013,385	1,063,158	13,867	36,196	980,263	1,030,326
Gifts-in-kind	8,984	-	-	8,984	23,972	-	-	23,972
Fundraising	8,696	-	-	8,696	-	-	-	-
Operating	30,380	-	-	30,380	-	-	-	-
Committee	15,737	-	-	15,737	-	-	-	-
	68,958	44,612	1,013,385	1,126,955	37,839	36,196	980,263	1,054,298
Excess (deficiency) of revenue over expenses	84,610	2,429	(22,864)	64,175	21,422	488,116	(158,033)	351,505
Fund balances, beginning of year	315,405	1,821,387	1,184,578	3,321,370	303,983	1,333,271	1,332,611	2,969,865
Inter-fund transfer	147,559	70,538	(218,097)	-	(10,000)	-	10,000	-
Fund balances, end of year	547,574	1,894,354	943,617	3,385,545	315,405	1,821,387	1,184,578	3,321,370

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

Foundation for Advancing Family Medicine

Statement of cash flows year ended May 31, 2017

	2017	2016
	\$	\$
Operating activities		
Excess of revenues over expenses	64,175	351,505
Item not involving cash		
Unrealized loss (gain) on investments	45,700	(61,821)
Changes in non-cash operating working capital		
Accounts receivable	8,268	21,764
HST/GST rebates receivable	(1,527)	-
Due to the College of Family Physicians of Canada	(99,594)	135,023
Awards payable	(71,150)	49,578
Awards payable - British Columbia Chapter	(10,500)	(4,500)
Accrued liabilities	10,660	-
	(53,968)	491,549
Investing activity		
Net sale (purchase) of investments	21,299	(437,876)
(Decrease)/increase in cash	(32,669)	53,673
Cash, beginning of year	576,936	523,263
Cash, end of year	544,267	576,936

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

Foundation for Advancing Family Medicine

Notes to the financial statements

May 31, 2017

The Foundation for Advancing Family Medicine (the Foundation") was established in 1994, granted letters patent under the Canada Corporations Act, and continued under the Canada Not-for-Profit Corporations Act on June 1, 2014. The Foundation's 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 Foundation is a registered charitable organization and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) are met.

FAFM changed its legal name from REF (Research and Education Foundation of the Family Physicians of Canada), effective November 30th 2016.

The purposes of the Foundation are to:

- (a) Carry on educational programs
- (b) Provide support for primary care research
- (c) Maintain funds for the purpose of scholarships, fellowships, bursaries, prizes, and financial assistance to undergraduate and post-graduate medical students, and practicing family physicians, and
- (d) Promote the health of the community by educating the public.

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.

(b) Revenue recognition

The Foundation follows the restricted fund method of accounting for restricted contributions and endowments.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assumed.

Restricted contributions are recorded as revenue when an agreement in writing is received from the donor and collection is reasonably assured.

A portion of the investment income of the endowment fund may be used for operating activities.

(c) Financial instruments

The Foundation's financial assets are comprised of cash, investments, and accounts receivable. Financial liabilities are comprised of due to the College of Family Physicians of Canada and awards payable.

Financial assets and financial liabilities are initially recognized at fair value when the Foundation becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost, except for investments quoted in active markets, which are carried at fair value. Any subsequent changes in fair value are recorded in the Statement of revenue, expenses and changes in fund balances.

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

(d) Endowment fund

Under the terms of certain donations received, the Foundation is required to maintain the principal amount of the donation for a period of 10 years.

(e) Restricted fund

Under request by the donor of these funds, the donations are to be used for a designated award or a specific initiative.

Foundation for Advancing Family Medicine

Notes to the financial statements

May 31, 2017

1. Significant accounting policies (continued)

(f) Use of estimates

The preparation of financial statements 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. The only balance which requires some degree of estimation and assumption is investments.

2. Investments

Investments consist of fixed income securities with an annual yield of 3.63%. (May 31, 2016 - annual yield of 3.38% maturing between 2016 and 2017).

The Foundation 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 gains and losses and interest income. The Foundation mitigates these risks by following a Statement of Investment Objectives and Guidelines for Socially Responsible Investing.

3. Member contributions and employee and individual donations

Contributions received from the members, employees and individuals for the various funds are as set out below:

(a) Endowment fund

	2017	2016
	\$	\$
Calvin Gutkin Family Medicine Ambassador Award	35	160
BC Chapter - Family Medicine Resident Scholarship	-	25,000
Marco Terwiel - Remote Family Medicine Practice Innovation Award	-	550
Health Disparities Grant	10,000	-
Ian McWhinney Family Medicine Education Award	-	1,749
Hollister King - Rural Family Practice Grant	922	2,040
	<u>10,957</u>	<u>29,499</u>

(b) General fund

	2017	2016
	\$	\$
Contributions to the general fund	<u>71,273</u>	<u>60,650</u>

(c) Restricted fund

	2017	2016
	\$	\$
Contributions to the restricted fund	<u>64,294</u>	<u>56,660</u>

Foundation for Advancing Family Medicine

Notes to the financial statements

May 31, 2017

4. Corporate and foundation contributions

Contributions received from corporations and foundations are as set out below:

				2017	2016
	General fund	Endowment fund	Restricted fund	Total	Total
	\$	\$	\$	\$	\$
Donor (Award/Scholarship/Grant/Program)					
Fondation Docteur Sadok Besrouir (Sadok Besrouir Award and Global Health Award Program)	-	-	216,500	216,500	-
Scotiabank (Medical Student Scholarships)	-	-	180,000	180,000	170,000
Scotiabank (Prevention in Hand Program)	-	-	100,000	100,000	-
Health Canada (Air Quality Health Index Program)	-	-	82,910	82,910	51,163
Public Health Agency of Canada (Prevention in Hand Program)	-	-	77,544	77,544	255,972
Scotiabank (Canada's Family Physician of the Year)	-	-	75,000	75,000	75,000
Scotiabank (Family Medicine Interest Groups)	-	-	50,000	50,000	50,000
Scotiabank (Indigenous Medical Student Scholarship)	-	-	36,000	36,000	10,000
Salus Global Incorp	-	-	25,000	25,000	-
North American Primary Care Research Group (FM Advocacy)	-	-	10,130	10,130	10,937
Associated Medical Services (Patient Medical Home)	-	-	10,000	10,000	10,000
TD Meloche Monnex (Early Career Award)	-	-	10,000	10,000	10,000
Fondation Michaëlle Jean Foundation (Power of the Arts Fellowship)	-	-	10,000	10,000	10,000
College of Family Physicians of Canada (Donald I. Rice Award)	-	-	10,000	10,000	12,047
College of Family Physicians of Canada (Patient Medical Home)	-	-	5,000	5,000	5,000
College of Family Physicians of Canada (Power of the Arts Fellowship)	-	-	5,000	5,000	5,000
Heritage Canada (Simultaneous Interpretation)	-	-	5,000	5,000	-
Canadian Family Physician (CFP Best Original Research Award)	-	-	1,500	1,500	1,500
Dre Asunta Luyela C. Pinc (Prevention in Hand Program)	-	-	500	500	-
R.I. Algie Medicine Professional Corporation	400	-	-	400	-
Fraser R. Brenneis Professional Corporation	275	-	-	275	-
CFPC - Memory of Michele Gascon Seaton	50	-	-	50	-
College of Family Physicians of Canada (Janus Grants)	-	-	-	-	451,976
Scotiabank (Leadership Awards)	-	-	-	-	34,000
Scotiabank (Patient Education Program)	-	-	-	-	16,000
Scotiabank (CFPC/Scotiabank Family Medicine Lectureship)	-	-	-	-	15,000
North American Primary Care Research Group (Daniel Glazier Award)	-	-	-	-	100
	725	-	910,084	910,809	1,193,695

CFPC - College of Family Physicians of Canada

CFP - Canadian Family Physician

Foundation for Advancing Family Medicine

Notes to the financial statements

May 31, 2017

5. Awards and programs

Amounts disbursed related to awards and programs are as follows:

				2017	2016
	General fund	Endowment fund	Restricted fund	Total	Total
	\$	\$	\$	\$	\$
Medical Student Scholarships (SB and FAFM)	-	-	14,578	14,578	187,359
Prevention in Hand (Public Health Agency of Canada)	-	-	232,075	232,075	201,441
Janus Research Grants and Scholarships (AMS, SB and FAFM)	-	26,744	77,867	104,611	99,178
Air Quality Health Index Program (Health Canada)	-	-	8,894	8,894	51,163
Canada's Family Physicians of the Year - The Reg L. Perkin Award (SB and FAFM)	-	-	75,000	75,000	75,000
Palix Grants and Sessions (Palix Foundation (formerly Norlien) and FAFM)	-	-	-	-	30,000
Global Health Award and Programs (Sadok Besrou Foundation and FAFM)	-	-	256,535	256,535	116,872
Family Medicine Interest Groups (SB and FAFM)	-	-	50,000	50,000	50,000
Medical Student and Resident Leadership Awards (SB and FAFM)	-	-	208,422	208,422	35,640
Donald I. Rice Award (FAFM and D. I. Rice Fund)	-	-	20,000	20,000	-
Mimi Divinsky Awards and History and Narrative Program (AMS and FAFM)	-	-	-	-	11,895
Daniel Glazier Grants (Friends and Family of Daniel Glazier and FAFM)	-	-	5,000	5,000	10,000
Patient Education (SB and FAFM)	-	-	39,306	39,306	97,905
Indigenous Medical Student Scholarship (SB and FAFM)	-	-	11,000	11,000	11,000
Early Career Development Award (TD Meloche Monnex and FAFM)	-	-	5,500	5,500	5,500
Power of the Arts Fellowship (Fondation Michaëlle Jean Foundation and FAFM)	-	-	20,000	20,000	20,000
Calvin Gutkin Ambassador Award (Friend and Family of Calvin Gutkin and FAFM)	-	5,000	-	5,000	5,000
Hollister King Rural Family Practice Grants (Hollister King Fund and FAFM)	-	3,594	-	3,594	4,100
C. Robert Kemp Palliative Care (Hamilton Community Foundation/Kemp Family and FAFM)	-	-	5,000	5,000	5,000
Simultaneous Interpretation (Heritage Canada)	-	-	5,000	5,000	-
Team Williams (Friends and Family of Dave Williams and FAFM)	-	-	2,500	2,500	2,500
Research Advocacy (North American Primary Care Research Group)	-	-	8,000	8,000	-
British Columbia College of Family Physicians FM Resident Scholarship (Gurjar Family and FAFM)	-	3,000	-	3,000	4,000
Bruce Halliday Awards (Friends and Family of Bruce Halliday and FAFM)	-	-	8,000	8,000	4,000
Balance carried forward	-	38,338	1,052,677	1,091,015	1,027,553

Foundation for Advancing Family Medicine

Notes to the financial statements

May 31, 2017

5. Awards and programs (continued)

				2017	2016
	General fund	Endowment fund	Restricted fund	Total	Total
	\$	\$	\$	\$	\$
Balance brought forward	-	38,338	1,052,677	1,091,015	1,027,553
Ian McWhinney Family Medicine Education Award (Ian McWhinney Fund and FAFM)	-	1,500	-	1,500	1,500
Scotiabank Family Medicine Lectureship (SB and FAFM)	-	-	(7,000)	(7,000)	23,466
General honours, grants and awards (FAFM)	19,484	-	-	19,482	6,000
Jean-Pierre Despins Award (FAFM and Jean-Pierre Despins Fund)	-	-	1,500	1,500	1,500
Jim Ruderman Award (Friends and Family of James Ruderman)	-	-	1,000	1,000	1,000
Patient's Medical Home Grants (AMS and CFPC)	-	-	20,000	20,000	12,000
Marco Terwiel - Rural Family Medicine Practice Innovation Award	-	5,000	-	5,000	-
Awards write-off (recovered)	(14,323)	(226)	(54,792)	(69,341)	(42,693)
	5,161	44,612	1,013,385	1,063,158	1,030,326

AMS - Associated Medical Services Inc.

SB - Scotiabank

Foundation for Advancing Family Medicine

Notes to the financial statements

May 31, 2017

6. Related party transactions

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

The College was founded in 1954, was incorporated in 1960 by Special Act of Parliament and, in 1968, was granted letters patent under the Canada Corporations Act. 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.

During the year ended May 31, 2017, the Foundation received \$21,500 (2016 - \$23,476) from the College towards the Awards program costs. In addition, the College incurred \$ 251,040 (2016 - \$319,409) of operational and administrative expenses on behalf of the Foundation. Related party transactions are measured at the exchange amount.

7. Accounts payable and accrued liabilities

There are no outstanding government remittances as at May 31, 2017 and May 31, 2016.

8. Guarantees

Indemnity has been provided to all directors and/or offices of the Foundation for various items including, but not limited to, all costs to settle suits or actions due to their association with the Foundation, subject to certain restrictions. The Foundation has purchased director's and officer's liability insurance to mitigate the cost of any potential future suits or actions. The maximum amount of any potential future payment cannot be reasonably estimated.

Foundation for Advancing Family Medicine

Schedule of continuity of endowment fund - Schedule A
year ended May 31, 2017

						2017	2016
	Opening balance	Receipts	Interest	Awards	Transfers	Ending balance	Ending balance
	\$	\$	\$	\$		\$	\$
Associated Medical Services - Janus Research Grants	964,180	-	18,424	(20,625)	-	961,979	964,180
British Columbia Chapter - Family Medicine Resident Scholarship	80,696	-	1,537	(3,000)	-	79,233	80,696
Calvin Gutkin - Family Medicine Ambassador Award	158,663	35	3,098	(5,000)	8,003	164,799	158,663
Hollister King - Rural Family Medicine Grant	104,132	922	3,130	(3,594)	62,535	167,125	104,132
Ian McWhinney - Family Medicine Education Award	56,023	-	1,045	(1,274)	-	55,794	56,023
Marco Terwiel - Rural Family Medicine Practice Innovation Award	104,190	-	1,903	(5,000)	-	101,093	104,190
Health Disparities Grant	33,305	10,000	828	-	-	44,133	33,305
Scotiabank - Janus Research Grants	320,198	-	6,119	(6,119)	-	320,198	320,198
	1,821,387	10,957	36,084	(44,612)	70,538	1,894,354	1,821,387

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

Foundation for Advancing Family Medicine

Schedule of continuity of restricted fund - Schedule B
year ended May 31, 2017

					2017	2016
	Opening balance	Receipts	Awards	Transfers	Ending balance	Ending balance
	\$	\$	\$	\$	\$	\$
AMS - Mimi Divinsky Awards and FM History & Narrative Program	25,254	-	-	(25,254)	-	25,254
AMS - Patient's Medical Home	13,000	24,951	(18,000)	-	19,951	13,000
Antenatal/Postnatal	-	25,000	-	-	25,000	-
Bruce Halliday - Care of the Disabled Award	15,370	2,007	(8,000)	-	9,377	15,370
Care of the Elderly	2,020	-	-	(2,020)	-	2,020
C. Robert Kemp - Palliative Care Grant	4,050	5,775	(5,000)	-	4,825	4,050
Canada's Family Physician of the Year - FPOY Awards and Program	75,000	75,000	(75,000)	-	75,000	75,000
Canadian Heritage SI	-	5,000	(5,000)	-	-	-
Daniel Glazier - Adolescent Mental Health Grants	29,080	10,484	(5,000)	-	34,564	29,080
Donald I. Rice - Outstanding Contributions in FM Award	40,474	10,380	(20,000)	-	30,854	40,474
Early Career - Early Career Development Awards	53,924	10,325	(3,934)	(43,924)	16,391	53,924
Education and Research - Janus Research Grants	26,724	11,886	(42,815)	4,205	-	26,724
Family Medicine Interest Groups - FMIG Program	50,000	50,000	(50,000)	-	50,000	50,000
Family Medicine Lectureship - FM Lectureship Award	6,534	-	7,000	(13,534)	-	6,534
First Nations - Indigenous Medical Student Scholarship	26,461	2,146	-	-	28,607	26,461
FM Advocacy	557	25	-	-	582	557
Fondation Michaëlle Jean Foundation - Power of the Arts Fellowship	10,000	15,000	(20,000)	-	5,000	10,000
Health Canada - Air Quality Health Index Program	-	82,910	(8,894)	-	74,016	-
Health Canada - Prevention in Hand	54,531	178,194	(232,075)	-	650	54,531
Jean-Pierre Despins - Family Medicine Advocacy Award	40,267	155	(1,406)	-	39,016	40,267
Jim Ruderman - FM Medicine Leader Mentor	32,438	1,490	(1,000)	-	32,928	32,438
Medical Students - Medical Student Scholarships	339,595	248,304	(219,422)	3,743	372,220	339,595
Medical Students and Residents - Leadership Awards	192,743	-	-	(192,743)	-	192,743
Palix Foundation - Addiction Education Grants and Sessions	9,820	-	-	(9,820)	-	9,820
North American Primary Care Research Group - Research Advocacy	25,668	10,130	(8,000)	-	27,798	25,668
Nova Scotia Chapter - General Awards	1,652	-	-	-	1,652	1,652
Ontario Chapter - General Awards	77	-	-	-	77	77
Patient Education - Patient Education Program	96,191	-	(39,306)	-	56,885	96,191
Sadok Besroun Fondation - Global Health Award	4,657	19,500	(5,000)	-	19,157	4,657
Sadok Besroun Fondation - Global Health Centre	307	201,859	(250,033)	61,250	13,383	307
Team Williams - Family Medicine Innovation Grant	8,184	-	(2,500)	-	5,684	8,184
	1,184,578	990,521	(1,013,385)	(218,097)	943,617	1,184,578

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