
Financial statements of
Foundation for Advancing
Family Medicine

May 31, 2018

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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, 2018, 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, 2018, 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.



Chartered Professional Accountants
Licensed Public Accountants
October 10, 2018

Foundation for Advancing Family Medicine

Statement of financial position

As at May 31, 2018

	Notes	2018	2017
		\$	\$
Assets			
Cash		1,341,689	544,267
Investments	2	1,429,310	1,616,842
Accounts receivable		133,274	82,631
Goods and Services Tax/Harmonized Sales Tax rebates receivable		9,796	1,527
Prepaid expenses		9,247	—
		2,923,316	2,245,267
Long-term investments	2	1,507,946	1,539,792
		4,431,262	3,785,059
Liabilities			
Due to the College of Family Physicians of Canada ("CFPC")		435,991	160,999
Awards and accounts payable		240,622	227,855
Accrued liabilities		44,874	10,660
		721,487	399,514
Fund balances			
General fund		689,924	547,574
Endowment fund		1,939,403	1,894,354
Restricted fund		1,080,448	943,617
		3,709,775	3,385,545
		4,431,262	3,785,059

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

Approved on behalf of the Board

_____ Director

_____ Director

Foundation for Advancing Family Medicine

Statement of revenue, expenses, and changes in fund balances

Year ended May 31, 2018

Notes	2018				2017			
	General fund	Endowment fund	Restricted fund	Total	General fund	Endowment fund	Restricted fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Interest	13,299	43,183	—	56,482	12,066	36,084	—	48,150
Member contributions	48,351	48,053	251,132	347,536	56,446	10,922	44,972	112,340
Walk with the Docs	—	—	12,110	12,110	—	—	16,143	16,143
Silent auction and raffles	3,169	—	5,000	8,169	14,820	—	—	14,820
Employee and individual donations	16,859	—	14,676	31,535	14,827	35	19,322	34,184
Corporate and foundation contributions	25	—	1,084,483	1,084,508	725	—	910,084	910,809
Gifts-in-kind	6,094	—	—	6,094	8,984	—	—	8,984
Transfer from CFPC	138,013	—	—	138,013	—	—	—	—
Unrealized (loss) gain on investments	(10,106)	—	—	(10,106)	45,700	—	—	45,700
	215,704	91,236	1,367,401	1,674,341	153,568	47,041	990,521	1,191,130
Expenses								
Awards and programs	12,187	50,093	1,068,178	1,130,458	5,161	44,612	1,013,385	1,063,158
Gifts-in-kind	6,094	—	—	6,094	8,984	—	—	8,984
Fundraising	3,815	—	167,892	171,707	8,696	—	—	8,696
Operating	35,656	—	—	35,656	30,380	—	—	30,380
Committee	6,196	—	—	6,196	15,737	—	—	15,737
	63,948	50,093	1,236,070	1,350,111	68,958	44,612	1,013,385	1,126,955
Excess (deficiency) of revenue over expenses	151,756	41,143	131,331	324,230	84,610	2,429	(22,864)	64,175
Fund balances, beginning of year	547,574	1,894,354	943,617	3,385,545	315,405	1,821,387	1,184,578	3,321,370
Inter-fund transfer	(9,406)	3,906	5,500	—	147,559	70,538	(218,097)	—
Fund balances, end of year	689,924	1,939,403	1,080,448	3,709,775	547,574	1,894,354	943,617	3,385,545

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

Foundation for Advancing Family Medicine

Statement of cash flows

Year ended May 31, 2018

	2018	2017
	\$	\$
Operating activities		
Excess of revenues over expenses	324,230	64,175
Item not involving cash		
Unrealized (loss) gain on investments	(10,106)	45,700
Changes in non-cash operating working capital		
Accounts receivable	(50,643)	8,268
Goods and Services Tax/Harmonized Sales Tax rebates receivable	(8,269)	(1,527)
Prepaid expenses	(9,247)	—
Due to the College of Family Physicians of Canada	274,992	(99,594)
Awards and accounts payable	12,767	(71,150)
Awards payable - British Columbia Chapter	—	(10,500)
Accrued liabilities	34,214	10,660
	567,938	(53,968)
Investing activity		
Net sale of investments	229,484	21,299
Increase (decrease) in cash	797,422	(32,669)
Cash, beginning of year	544,267	576,936
Cash, end of year	1,341,689	544,267

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

Foundation for Advancing Family Medicine

Notes to the financial statements

May 31, 2018

The Foundation for Advancing Family Medicine (the "Foundation" or "FAFM") 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 College of Family Physicians of Canada), effective November 30, 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, accounts receivable, sales tax rebates receivable, and prepaid expenses. Financial liabilities are comprised of due to the College of Family Physicians of Canada, accounts payable, awards payable, and accrued liabilities.

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 value of investments is 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.

Foundation for Advancing Family Medicine

Notes to the financial statements

May 31, 2018

1. Significant accounting policies (continued)

(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.

(f) *Use of estimates*

The preparation of financial statements in accordance with Canadian accounting standards 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 some degree of estimation and assumption include investments and accrued liabilities.

2. Investments

Short-term investments consist of fixed income securities maturing between December 2018 and April 2019 and long-term investments consist of fixed income securities maturing between June 2019 and December 2026 with an annual yield of 3.2%. (annual yield of 3.63% in May 31, 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*

	2018	2017
	\$	\$
Health Disparities Grant	44,500	10,000
Hollister King - Rural Family Practice Grant	2,081	922
Ian McWhinney Family Medicine Education Award	1,472	—
Calvin Gutkin Family Medicine Ambassador Award	—	35
	48,053	10,957

3. Member contributions and employee and individual donations (continued)

(b) General fund

	2018	2017
	\$	\$
Contributions to the general fund	65,210	71,273

(c) Restricted fund

	2018	2017
	\$	\$
Contributions to the restricted fund	265,808	64,294

Foundation for Advancing Family Medicine

Notes to the financial statements

May 31, 2018

4. Corporate and foundation contributions

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

	2018			2017
	General fund	Endowment fund	Restricted fund	Total
	\$	\$	\$	\$
Donor (Award/Scholarship/Grant/Program)				
Fondation Docteur Sadok Besroul (The Besroul Centre and Global Health Grant Program)	—	—	360,000	216,500
Scotiabank (Medical Student Scholarships)	—	—	180,000	180,000
Health Canada (Air Quality Health Index Program)	—	—	175,983	82,910
Scotiabank (Prevention in Hand Program)	—	—	100,000	100,000
Scotiabank (The Awards Gala and Canada's Family Physician of the Year)	—	—	75,000	75,000
Scotiabank (Family Medicine Interest Groups)	—	—	50,000	50,000
Scotiabank (Resident/Medical Student Leadership Awards)	—	—	36,000	36,000
Mental Health Commission of Canada	—	—	26,000	—
Associated Medical Services (Patient Medical Home Grants)	—	—	20,000	10,000
Royal College Canada International (The Besroul Centre)	—	—	20,000	—
TD Meloche Monnex (Early Career Development Award)	—	—	10,000	10,000
Fondation Michaille Jean (Power of the Arts Fellowship)	—	—	10,000	10,000
College of Family Physicians of Canada (Donald I. Rice Award)	—	—	10,000	10,000
College of Family Physicians of Canada (Patient Medical Home)	—	—	5,000	5,000
College of Family Physicians of Canada (Power of the Arts Fellowship)	—	—	5,000	5,000
Canadian Family Physician (CFP Best Original Research Award)	—	—	1,500	1,500
College of Family Physicians of Canada	25	—	—	—
Public Health Agency of Canada (Prevention in Hand Program)	—	—	—	77,544
Salus Global Incorp (Antenatal/Postnatal Care)	—	—	—	25,000
North American Primary Care Research Group (FM Advocacy)	—	—	—	10,130
Heritage Canada (Simultaneous Interpretation)	—	—	—	5,000
Dre Asunta Luyela C. Pinc (Prevention in Hand Program)	—	—	—	500
R.I. Algje Medicine Professional Corporation	—	—	—	400
Fraser R. Brenneis Professional Corporation	—	—	—	275
CFPC - Memory of Michele Gascon Seaton	—	—	—	50
	25	—	1,084,483	910,809

CFPC - College of Family Physicians of Canada

CFP - Canadian Family Physician

Foundation for Advancing Family Medicine

Notes to the financial statements

May 31, 2018

5. Awards and programs

Amounts disbursed related to awards and programs are as follows:

	2018			2017	
	General fund	Endowment fund	Restricted fund	Total	
	\$	\$	\$	\$	
Air Quality Health Index Program (Health Canada)	—	—	249,999	249,999	8,894
Global Health Grant and Programs (Foundation Docteur Sadok Besrouer and FAFM)	—	—	237,148	237,148	256,535
Medical Student and Resident Leadership Awards (SB and FAFM)	—	—	222,500	222,500	208,422
Prevention in Hand (SB and Public Health Agency of Canada)	—	—	100,000	100,000	232,075
The Awards Gala (SB and FAFM)	—	—	60,000	60,000	60,000
Family Medicine Interest Groups (SB and FAFM)	—	—	50,000	50,000	50,000
Janus Research Grants and Scholarships (AMS, SB and FAFM)	—	35,468	11,000	46,468	104,611
Antenatal/Postnatal Program (Salus Global Incorporation)	—	—	25,000	25,000	—
Patient's Medical Home Grants(AMS and CFPC)	—	—	24,500	24,500	20,000
Power of the Arts Fellowship & Travel (Fondation Mich�elle Jean, CFPC and FAFM)	—	—	20,000	20,000	20,000
General honours, grants and awards (FAFM)	18,000	—	—	18,000	19,484
Canada's Family Physicians of the Year - The Reg L. Perkin Award (SB and FAFM)	—	—	15,000	15,000	15,000
Indigenous Medical Student Scholarship (SB and FAFM)	—	—	12,000	12,000	11,000
Patient Education (SB and FAFM)	—	—	10,500	10,500	39,306
Daniel Glazier Research Grants (Friends and Family of Daniel Glazier and FAFM)	—	—	10,000	10,000	5,000
Improving Collaborative Mental Health Care (Mental Health Commission of Canada)	—	—	8,917	8,917	—
Early Career Development Award (TD Meloche Monnex and FAFM)	—	—	5,500	5,500	5,500
Calvin Gutkin Ambassador Award (Friends and Family of Calvin Gutkin and FAFM)	—	5,000	—	5,000	5,000
Hollister King Rural Family Practice Grants (Hollister King Fund and FAFM)	—	5,000	—	5,000	3,594
C. Robert Kemp Palliative Care (Friends and Family of Robert Kemp and FAFM)	—	—	5,000	5,000	5,000
Marco Terwiel - Rural Family Medicine Practice Innovation Award	—	5,000	—	5,000	5,000
Bruce Halliday Awards (Friends and Family of Bruce Halliday and FAFM)	—	—	4,000	4,000	8,000
Health Disparities Awards and Grants (Anonymous Donor)	—	3,500	—	3,500	—
Team Williams (Friends and Family of Dave Williams and FAFM)	—	—	2,500	2,500	2,500
Ian McWhinney Family Medicine Education Award (Ian McWhinney Fund and FAFM)	—	1,500	—	1,500	1,500
Jean-Pierre Despins Award (Jean-Pierre Despins Fund and FAFM)	—	—	1,500	1,500	1,500
Balance carried forward	18,000	55,468	1,075,064	1,148,532	1,087,921

Foundation for Advancing Family Medicine

Notes to the financial statements

May 31, 2018

5. Awards and programs (continued)

	2018			2017
	General fund	Endowment fund	Restricted fund	Total
	\$	\$	\$	\$
Balance brought forward	18,000	55,468	1,075,064	1,148,532
Jim Ruderman Award (Friends and Family of James Ruderman)	—	—	1,000	1,000
Medical Student Scholarships (SB and FAFM)	—	—	—	14,578
Donald I. Rice Award (D. I. Rice Fund, CFPC and FAFM)	—	—	—	20,000
Simultaneous Interpretation (Heritage Canada)	—	—	—	5,000
Research Advocacy (North American Primary Care Research Group)	—	—	—	8,000
British Columbia College of Family Physicians FM Resident Scholarship (Gurjar Family and FAFM)	—	—	—	3,000
Scotiabank Family Medicine Lectureship (SB and FAFM)	—	—	—	(7,000)
Awards write-off (recovered)	(5,813)	(5,375)	(7,886)	(69,341)
	12,187	50,093	1,068,178	1,130,458
				1,063,158

AMS - Associated Medical Services Inc.

SB - Scotiabank

Foundation for Advancing Family Medicine

Notes to the financial statements

May 31, 2018

6. Related party transactions

The College of Family Physicians of Canada (the "College") supports the financial requirements for the salaries and some 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 for which it partners with 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, 2018, the Foundation received \$21,500 (\$21,500 in 2017) from the College towards the Awards program costs. In addition, the College incurred \$362,738 (\$251,039 in 2017) 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, 2018 and May 31, 2017.

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 A – Schedule of continuity of endowment fund

Year ended May 31, 2018

	2018						2017
	Opening balance	Receipts	Interest	Awards	Award Write-offs	Transfers	Ending balance
	\$	\$	\$	\$			\$
Associated Medical Services – Janus Research Grants	961,979	—	21,637	(26,056)	—	—	961,979
British Columbia Chapter – Family Medicine Resident Scholarship	79,233	—	1,782	—	—	—	79,233
Calvin Gutkin – Family Medicine Ambassador Award	164,799	—	3,622	(5,000)	5,000	—	164,799
Hollister King – Rural Family Medicine Grant	167,125	2,081	3,690	(5,000)	—	—	167,125
Ian McWhinney – Family Medicine Education Award	55,794	1,472	1,242	(1,500)	—	—	55,794
Northern, Rural, Remote Family Practice Marco Terwiel Award	101,093	—	2,246	(5,000)	—	3,906	101,093
Health Disparities Grant	44,133	44,500	1,762	(3,500)	375	—	44,133
Scotiabank – Janus Research Grants	320,198	—	7,202	(9,412)	—	—	320,198
	1,894,354	48,053	43,183	(55,468)	5,375	3,906	1,894,354

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

Foundation for Advancing Family Medicine

Schedule B – Schedule of continuity of restricted fund

Year ended May 31, 2018

	2018							2017	
	Opening balance	Receipts	Awards	Award Write-offs	Transfers to CFPC Programs	Expense Disbursements	Transfers	Ending balance	Ending balance
	\$	\$	\$				\$	\$	\$
AMS – Patient's Medical Home	19,951	30,816	(12,000)	—	(8,000)	—	—	30,767	19,951
Antenatal/Postnatal	25,000	—	—	—	(25,000)	—	—	—	25,000
BC Dr. Ursula Asche - CPD End of Life Care in Rural and Remote BC	—	200,000	—	—	—	—	—	200,000	—
Bruce Halliday – Care of the Disabled Award	9,377	700	(4,000)	—	—	—	—	6,077	9,377
C. Robert Kemp – Palliative Care Grant	4,825	6,150	(5,000)	—	—	—	—	5,975	4,825
Canada's Family Physician of the Year – FPOY Awards and Program	75,000	75,000	(15,000)	—	(60,000)	—	—	75,000	75,000
Daniel Glazier – Adolescent Mental Health Grants	34,564	11,071	(10,000)	—	—	—	—	35,635	34,564
Donald I. Rice – Outstanding Contributions in FM Award	30,854	10,300	—	—	—	—	—	41,154	30,854
Early Career – Early Career Development Awards	16,391	10,000	(5,500)	—	—	—	—	20,891	16,391
Education and Research – Janus Research Grants	—	15,480	(15,480)	—	—	—	—	—	—
Family Medicine Education	—	4,904	—	—	—	—	—	4,904	—
Family Medicine Interest Groups – FMIG Program	50,000	50,000	—	—	(50,000)	—	—	50,000	50,000
Family Medicine Research	—	502	—	—	—	—	—	502	—
First Nations – Indigenous Medical Student Scholarship	28,607	—	(2,000)	97	—	—	—	26,704	28,607
FM Advocacy	582	—	—	—	—	—	—	582	582
Fondation Michaëlle Jean Foundation – Power of the Arts Fellowship	5,000	15,000	(20,000)	—	—	—	—	—	5,000
Health Canada – Air Quality Health Index Program	74,016	175,983	—	—	(249,999)	—	—	—	74,016
Health Canada – Prevention in Hand	650	100,140	—	—	(100,000)	—	—	790	650
Jean-Pierre Despins – Family Medicine Advocacy Award	39,016	659	(1,500)	900	—	—	—	39,075	39,016
Jim Ruderman Academic FM Leadership Award	32,928	1,000	(1,000)	—	—	—	—	32,928	32,928
Medical Students – Medical Student Scholarships	372,220	232,999	(232,500)	6,696	—	—	5,500	384,915	372,220
Mental Health Commission - Improving Collaborative Mental Health Care	—	26,000	—	—	(8,917)	—	—	17,083	—
North American Primary Care Research Group – Research Advocacy	27,798	—	—	—	—	—	—	27,798	27,798
Nova Scotia Chapter – General Awards	1,652	—	—	—	—	—	—	1,652	1,652
Ontario Chapter – General Awards	77	—	—	—	—	—	—	77	77
Patient Education – Patient Education Program	56,885	—	(10,500)	—	—	—	—	46,385	56,885
Sadok Besrouer Fondation – Global Health Award	19,157	—	(6,500)	174	—	—	—	12,831	19,157
Sadok Besrouer Fondation – Global Health Centre	13,383	400,699	—	—	(230,648)	(167,895)	—	15,539	13,383
Team Williams – Family Medicine Innovation Grant	5,684	—	(2,500)	—	—	—	—	3,184	5,684
	943,617	1,367,403	(343,480)	7,867	(732,564)	(167,895)	5,500	1,080,448	943,617

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