



FINANCIALS

Report of the Independent Auditor on the Summary Financial Statements

To the Members of College of Physicians & Surgeons of Alberta

May 11, 2016

The accompanying summary financial statements, which comprise the summary statement of financial position as at December 31, 2015, and the summary statement of revenue and expenditures for the year then ended, and the related notes, are derived from the audited financial statements of College of Physicians & Surgeons of Alberta for the year ended December 31, 2015. We expressed an unmodified audit opinion on those financial statements in our report dated May 11, 2016.

The summary financial statements do not contain all of the disclosures required by the Canadian auditing standards for not-for-profit organizations. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of College of Physicians & Surgeons of Alberta.

Management's responsibility for the financial statements

Management is responsible for the preparation of a summary of the audited financial statements on the basis described in note 1.

Auditor's responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures which were conducted in accordance with Canadian Auditing Standards (CAS) 810 – Engagement to Report on Summary Financial Statements.

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of College of Physicians & Surgeons of Alberta for the year ended December 31, 2015 are a fair summary of those financial statements, on the basis described in note 1.

Other matter

The auditors' report on the audited financial statements of College of Physicians & Surgeons of Alberta, for the year ended December 31, 2015 contains one other matter paragraph. This matter relates to the inclusion of accompanying schedules subsequent to the related notes, provided for informational purposes only.

PricewaterhouseCoopers LLP

**Chartered Professional Accountants
Edmonton, Alberta**

Financial Position

- summary statement as at Dec. 31

Assets	2015	2014 (restated)
Current assets		
Cash and cash equivalents	\$27,290,025	\$27,353,607
Accounts receivable	3,096,044	2,617,350
Accrued interest receivable	259,032	146,022
Prepaid expenses and other assets	409,473	349,772
Total current assets	31,054,574	30,466,751
Investments	19,221,080	13,426,478
Equipment and leasehold improvements	1,485,315	1,941,878
TOTAL ASSETS	\$51,760,969	\$45,835,107

Liabilities	2015	2014 (restated)
Current Liabilities		
Accounts payable and accrued liabilities	\$2,818,321	\$2,925,692
Deferred fee revenue	20,292,768	19,118,332
Deferred contributions	294,584	178,541
Total current liabilities	23,405,673	22,222,565
Deferred leasehold inducements	413,167	543,641
Employee future benefits	4,643,788	3,950,273
Asset retirement obligations	259,124	245,382
Total liabilities	\$28,721,752	\$26,961,861

Net Assets	2015	2014 (restated)
Invested in equipment and leasehold improvements	\$1,443,067	\$1,886,289
Internally restricted	5,954,543	4,300,463
Unrestricted	15,641,607	12,686,494
Total net assets	23,039,217	18,873,246
TOTAL LIABILITIES AND NET ASSETS	\$51,760,969	\$45,835,107

The accompanying notes on page 40 are an integral part of these summary financial statements.

Revenues & Expenditures – summary statement for the year ended Dec. 31

Revenues	2015	2014 (restated)	Expenditures	2015	2014 (restated)
Physician annual fees	\$18,995,999	\$18,025,588	Administration	\$4,354,253	\$3,713,317
Assessment and competency enhancement fees	3,531,260	3,174,622	Amortization	716,380	721,051
Facility fees	2,799,910	2,823,280	Information technology	2,099,718	1,946,322
Professional corporation fees	1,313,181	1,173,850	Governance	1,147,347	1,107,760
Physician registration fees	947,828	920,931	Office of registrar	1,124,772	1,257,875
Grant funding	692,258	781,004	Communication	1,238,368	1,031,419
Investment income	472,754	440,502	College activities:		
Miscellaneous	747,761	600,922	Registration	2,100,000	2,028,264
Recovery of investigation and hearing expenditures	236,320	128,784	Professional conduct	3,560,967	3,024,644
Rental income	99,684	96,874	Continuing competency	5,449,985	4,779,589
Physician health monitoring fees	64,725	64,150	Physician wellness and practice conditions monitoring	1,079,237	974,518
Total Revenues	\$29,901,680	\$28,230,507	Physician prescribing practices	1,724,392	1,752,724
			Accreditation	2,696,603	2,534,971
			Total Expenditures	\$27,292,022	\$24,872,454

	2015	2014 (restated)
Excess of revenues over expenditures before other income	\$2,609,658	\$3,358,053
Other income		
Annual fee for building fund	1,542,600	1,464,075
Fair value changes in investments	51,376	613,541
Investment income building fund	111,480	77,634
	1,705,456	2,155,250
Excess of revenues over expenditures for the year	\$4,315,114	\$5,513,303

The accompanying notes on page 40 are an integral part of these summary financial statements.

Notes – to summary financial statements

1. Basis of presentation

The summary financial statements are derived from the audited financial statements, prepared in accordance with Canadian accounting standards for not-for-profit organizations, as at December 31, 2015, and for the year then ended.

The preparation of these summary financial statements requires management to determine the information that needs to be reflected in them so that they are consistent in all material respects with, or represent a fair summary of, the audited statements.

Management prepared these summary financial statements using the following criteria:

- the summary financial statements include all statements included in the audited financial statements with the exception of the statement of changes in net assets and statement of cash flows, as these statements are readily available upon request;
- information in the summary financial statements agrees with the related information in the audited financial statements;
- major subtotals, totals, and comparative information from the audited financial statements are included; and
- the summary financial statements contain the information from the audited financial statements dealing with matters having a pervasive or otherwise significant effect on the summary financial statements, such as described in note 2.

The audited financial statements of College of Physicians & Surgeons of Alberta (the College) are available upon request by contacting the College.

2. Summary of select significant accounting policies

Investments

Investments are recorded at fair value on the latest closing bid price, with the exception of the long-term deposit for the building fund (2015 – \$5,586,756; 2014 – \$4,044,541), which is measured at amortized cost.

Revenue recognition

- Annual physician, professional corporation and facility fees – fees are set annually by Council and are recognized as revenue in the fiscal year to which they relate.

Fees are recognized when collectability is reasonably assured. Fees received in advance are recognized as deferred revenue.

- Grant funding – revenue is recognized in accordance with the terms of the grant agreement and when collectability is reasonably assured.
- Investment income – includes interest and dividends and is recognized when earned.
- General and miscellaneous revenue – Other revenue is recognized when the related services are provided or goods are shipped and collectability is reasonably assured.

Employee future benefits

The College has a defined benefit pension plan for all permanent employees.

In the year-end statement of financial position, the College recognizes the defined benefit obligation, less the fair value of the plan assets.

	2015	2014
Fair value of plan assets	\$24,956,539	\$22,702,757
Accrued benefit obligation	\$29,600,327	\$26,653,030
Plan deficit	\$(4,643,788)	\$(3,950,273)

