



ROYAL COLLEGE
OF PHYSICIANS AND SURGEONS OF CANADA

COLLÈGE ROYAL
DES MÉDECINS ET CHIRURGIENS DU CANADA

Summary Financial Statements

And Report of the Independent Auditors on the
Summary Financial Statements thereon

Year ended March 31, 2020



KPMG LLP
150 Elgin Street, Suite 1800
Ottawa ON K2P 2P8
Canada
Telephone 613-212-5764
Fax 613-212-2896

REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY FINANCIAL STATEMENTS

To the Fellows of The Royal College of Physicians and Surgeons of Canada

Opinion

The summary financial statements of The Royal College of Physicians and Surgeons of Canada (the Entity), which comprise:

- the summary statement of financial position as at end of March 31, 2020
- the summary statement of operations for the year then ended
- the summary statement of changes in net assets for the year then ended
- and related notes

are derived from the audited financial statements of The Royal College of Physicians and Surgeons of Canada as at and for the year ended end of March 31, 2020 (audited financial statements).

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the criteria disclosed in Note 1 in the summary financial statements

However, we were not able to determine if any adjustments to the summary financial statements were necessary for the reasons described in the ***Audited Financial Statements and Out Report Thereon*** section of this audit report.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the Entity's audited financial statements and the auditor's report thereon.

The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.



Page 2

The Audited Financial Statements and Our Report Thereon

On our report dated September 22, 2020:

- We expressed an unqualified opinion on the audited financial statements.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with the criteria disclosed in Note 1 in the summary financial statements.

Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standards 810, Engagements to Report on Summary Financial Statements.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, slanted font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

September 22, 2020

THE ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF CANADA

Summary Statement of Financial Position

March 31, 2020, with comparative information for 2019
(In thousands of Canadian dollars)

	2020	2019
Assets		
Current assets:		
Cash	\$ 25,187	\$ 26,793
Short-term investments	2,418	2,361
Accounts receivable	1,746	1,440
Prepaid expenses	803	926
	<u>30,154</u>	<u>31,520</u>
Investments	42,679	48,107
Tangible capital and intangible assets	28,692	29,911
Employee future benefit asset	–	2,554
	<u>\$ 101,525</u>	<u>\$ 112,092</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 9,134	\$ 3,741
Deferred revenue	23,020	34,486
	<u>32,154</u>	<u>38,227</u>
Long-term liabilities:		
Deferred contributions	5,560	5,461
Employee future benefit liability	12,856	8,530
	<u>18,416</u>	<u>13,991</u>
Net assets:		
Unrestricted	8,011	13,003
Endowments	4,714	4,681
Investment in tangible capital and intangible assets	28,692	29,911
Internally restricted:		
Pension plan funding differential	–	2,554
Awards and grants	1,989	1,970
Building	3,000	3,000
Strategic initiatives	2,824	3,030
Contingency	1,725	1,725
	<u>50,955</u>	<u>59,874</u>
	<u>\$ 101,525</u>	<u>\$ 112,092</u>

See accompanying notes to summary financial statements.

Approved by:


M. Ian Bowmer, MDCM, FRCPC, FRCP, FCAHS


Susan D. Moffatt-Bruce, BSc, MD, PhD, MBA, MBOE, FACS, FRCSC

THE ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF CANADA

Summary Statement of Operations

Year ended March 31, 2020, with comparative information for 2019
(In thousands of Canadian dollars)

	2020	2019
Revenue:		
Fellowship dues	\$ 38,137	\$ 36,259
Examination fees	15,850	13,680
Assessment fees	3,451	3,804
MOC program fees	2,123	2,001
External organizations	3,086	2,361
Investment - realized	2,229	3,092
Conference and course registrations	1,700	1,548
	<u>66,576</u>	<u>62,745</u>
Expenses:		
Salaries and benefits	34,304	31,639
Operations	15,217	14,683
Committee and travel	8,119	7,484
Amortization of tangible capital and intangible assets	3,884	3,492
Strategic initiatives	2,406	2,300
	<u>63,930</u>	<u>59,598</u>
Excess of revenue over expenses before unrealized (losses) gains on investments	2,646	3,147
Unrealized (losses) gains on investments	(5,099)	548
(Deficiency) excess of revenue over expenses	<u>\$ (2,453)</u>	<u>\$ 3,695</u>

Summary Statement of Changes in Net Assets

Year ended March 31, 2020, with comparative information for 2019
(In thousands of dollars)

	2020	2019
Balance, beginning of year	\$ 59,874	\$ 61,018
(Deficiency) excess of revenue over expenses	(2,453)	3,695
Transfer to deferred contributions	-	(54)
Re-measurements and other items related to employee future benefits	(6,466)	(4,785)
Balance, end of year	<u>\$ 50,955</u>	<u>\$ 59,874</u>

See accompanying notes to summary financial statements.

THE ROYAL COLLEGE OF PHYSICIANS AND SURGEONS OF CANADA

Notes to Summary Financial Statements

Year ended March 31, 2020

The Royal College of Physicians and Surgeons of Canada (the “Royal College”) is the voice of specialty medicine in Canada. It ensures the highest standards for the medical education, professional standards and physician competence of medical and surgical specialists in 67 specialty disciplines of medical, surgical and laboratory medicine. The Royal College requires Fellows worldwide to maintain their competence throughout their careers; it acts and speaks out in support of the most appropriate context for the practice of specialty medicine and the best patient care. The Royal College is not a licensing or disciplinary body; its mission is educational and dedicated to setting standards. The Royal College is governed by an elected Council which sets strategic policy, makes decisions and monitors the implementation of policies and decisions.

The Royal College is incorporated under the laws of Canada without share capital as a not-for-profit organization, is a registered charity under paragraph 149(1)(f) of the Income Tax Act of Canada and is exempt from income taxes. The Royal College was previously incorporated under the Canada Corporations Act and was continued under the Canada Not-for-profit Corporations Act in March 2013.

1. Summary financial statements:

The summary financial statements are derived from the complete audited financial statements, prepared in accordance with Canadian accounting standards for not-for-profit organizations, as at and for the year ended March 31, 2020.

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

These summarized financial statements have been prepared by management using the following criteria:

- (a) whether information in the summary financial statements is in agreement with the related information in the complete audited financial statements; and
- (b) whether, in all material respects, the summary financial statements contain the information necessary to avoid distorting or obscuring matters disclosed in the related complete audited financial statements, including the notes thereto.

Management determined that the statement of cash flows does not provide additional useful information and as such has not included them as part of the summary financial statements.

The complete audited financial statements of the Royal College of Physicians and Surgeons of Canada are available upon request by contacting the Royal College.