

# **College of Physicians & Surgeons of Alberta**

Financial Statements  
**December 31, 2020**



## Independent auditor's report

To the Members of College of Physicians & Surgeons of Alberta

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### Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of College of Physicians & Surgeons of Alberta (the Entity) as at December 31, 2020 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.

#### What we have audited

The Entity's financial statements comprise:

- the statement of financial position as at December 31, 2020;
- the statement of revenues and expenditures for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

#### Independence

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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### Other information

Management is responsible for the other information. The other information comprises the information included in the annual report.

PricewaterhouseCoopers LLP  
Stantec Tower, 10220 103 Avenue NW, Suite 2200, Edmonton, Alberta, Canada T5J 0K4  
T: +1 780 441 6700, F: +1 780 441 6776



Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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### **Responsibilities of management and those charged with governance for the financial statements**

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

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

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### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting



a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 auditor's 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 auditor's 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.

We 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.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants

Edmonton, Alberta  
May 28, 2021

# College of Physicians & Surgeons of Alberta

## Statement of Financial Position

As at December 31, 2020

	2020 \$	2019 \$ (note 13)
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	34,261,703	26,569,135
Accounts receivable	1,933,685	4,976,396
Accrued interest receivable	10,937	6,805
Prepaid expenses and other assets	704,761	710,503
	<u>36,911,086</u>	<u>32,262,839</u>
<b>Investments</b> (note 3)	29,918,431	28,314,076
<b>Equipment and leasehold improvements</b> (note 4)	5,950,161	6,740,192
<b>Employee future benefits – registered plan</b> (note 7)	9,023,571	4,797,375
	<u>81,803,249</u>	<u>72,114,482</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	2,838,508	2,738,302
Deferred fee revenue	25,531,212	24,999,896
Deferred contributions (note 5)	203,558	48,601
Deferred leasehold inducements (note 6)	336,716	336,716
	<u>28,909,994</u>	<u>28,123,515</u>
<b>Deferred fee revenue</b>	107,768	-
<b>Deferred rent inducement</b>	214,777	137,375
<b>Deferred leasehold inducements</b> (note 6)	2,413,131	2,749,847
<b>Employee future benefits – supplemental plan</b> (note 7)	7,902,881	7,689,996
	<u>39,548,551</u>	<u>38,700,733</u>
<b>Net Assets</b>		
<b>Invested in equipment and leasehold improvements</b>	5,950,161	6,740,192
<b>Internally restricted</b> (note 9)	8,890,808	8,274,549
<b>Unrestricted</b>	27,413,729	18,399,008
	<u>42,254,698</u>	<u>33,413,749</u>
	<u>81,803,249</u>	<u>72,114,482</u>
<b>Commitments</b> (note 8)		

Approved by the Council President

Louie Francescutti (lfrances@ualberta.ca)

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

# College of Physicians & Surgeons of Alberta

## Statement of Revenues and Expenditures

For the year ended December 31, 2020

	2020 \$	2019 \$ (note 13)
<b>Revenues</b>		
Physician annual fees	26,185,373	23,399,995
Practice readiness fees	1,696,030	1,662,010
Professional corporation fees	1,858,890	1,863,650
Grant funding (note 5)	766,279	867,894
Physician registration fees	734,600	783,000
Investment income	898,641	871,501
Miscellaneous	583,125	618,087
Recovery of investigation and hearing expenditures	474,863	283,883
Continuing competence	164,178	288,856
Physician health monitoring fees	104,112	99,988
	33,466,091	30,738,864
<b>Expenditures</b> (notes 10 and 12)		
Administration	5,266,006	5,185,321
Information technology	2,564,832	2,454,349
Office of the registrar	1,246,870	1,466,070
Communication and government relations	1,228,896	1,428,484
Governance	1,167,851	1,247,576
Amortization	890,631	883,770
CPSA activities		
Professional conduct	4,887,342	4,578,434
Continuing competence	3,371,467	4,072,099
Analytics, innovation & research	3,002,195	3,158,747
Registration	2,357,946	2,401,059
Physician health monitoring and practice conditions monitoring	1,883,145	1,798,973
Practice readiness	1,838,512	1,793,522
	29,705,693	30,468,404
<b>Excess of revenues over expenditures before other items</b>	3,760,398	270,460
<b>Developmental costs</b>	305,296	321,907
<b>Accredit Health Facilities</b>		
Revenues	2,674,956	3,279,707
Expenses	(2,448,520)	(3,255,093)
<b>Excess of revenues over expenditures for facilities</b>	226,436	24,614
<b>Excess (deficiency) of revenues over expenditures before other income</b>	3,681,538	(26,833)
<b>Other income</b>		
Fair value changes in investments (note 3)	634,642	1,635,694
Investment income building fund, net of fees	389,823	377,515
	1,024,465	2,013,209
<b>Excess of revenues over expenditures for the year</b>	4,706,003	1,986,376

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

# College of Physicians & Surgeons of Alberta

## Statement of Changes in Net Assets

For the year ended December 31, 2020

				2020	2019
	Invested in equipment and leasehold improvements \$	Internally restricted \$	Unrestricted \$	Total \$	Total \$
<b>Net assets – Beginning of year</b>	6,740,192	8,274,549	18,399,008	33,413,749	27,622,417
Excess of revenues over expenditures for the year	(891,488)	-	5,597,491	4,706,003	1,986,376
Remeasurement of employee future benefits	-	-	4,134,946	4,134,946	3,804,956
Net investment in equipment and leasehold improvements	101,457	-	(101,457)	-	-
Net investment in building fund (note 9)	-	389,823	(389,823)	-	-
Net investment in accreditation program (note 9)	-	226,436	(226,436)	-	-
<b>Net assets – End of year</b>	<b>5,950,161</b>	<b>8,890,808</b>	<b>27,413,729</b>	<b>42,254,698</b>	<b>33,413,749</b>

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

# College of Physicians & Surgeons of Alberta

## Statement of Cash Flows

For the year ended December 31, 2020

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	2020 \$	2019 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Cash received from fees	36,829,839	34,559,456
Cash paid to suppliers and employees	(30,994,192)	(34,049,526)
Cash received from grant funding	933,236	750,494
Cash received from investments	928,173	890,849
Cash received from other sources	1,070,374	934,152
	<u>8,767,430</u>	<u>3,085,425</u>
<b>Investing activities</b>		
Purchase of equipment and software and leasehold improvements	(101,457)	(3,754,922)
Proceeds on sale and maturity of investments	7,011,094	27,730,581
Purchase of investments	(7,984,499)	(30,820,382)
	<u>(1,074,862)</u>	<u>(6,844,723)</u>
<b>Increase (decrease) in cash and cash equivalents during the year</b>	7,692,568	(3,759,298)
<b>Cash and cash equivalents – Beginning of year</b>	<u>26,569,135</u>	<u>30,328,433</u>
<b>Cash and cash equivalents – End of year</b>	<u>34,261,703</u>	<u>26,569,135</u>
<b>Cash and cash equivalents consist of</b>		
Money market fund	23,626,368	19,455,063
Cash on deposit	10,508,397	6,850,414
Restricted cash on deposit	126,938	263,658
	<u>34,261,703</u>	<u>26,569,135</u>

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



# College of Physicians & Surgeons of Alberta

## Notes to Financial Statements

December 31, 2020

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### 1 Purpose and authority

The College of Physicians & Surgeons of Alberta (CPSA) is constituted under the authority of the *Health Professions Act* of the Province of Alberta. CPSA's principal function is the regulation of the practice of medicine in Alberta. As a not-for-profit organization under the Income Tax Act (Canada), CPSA is not subject to either federal or provincial income taxes.

### 2 Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). Significant accounting policies observed in the preparation of the financial statements are summarized below.

#### Measurement uncertainty

The precise determination of certain assets and liabilities is dependent on future events and the preparation of financial statements for a period necessarily involves identification of assets and liabilities that are subject to estimates and approximations. Actual results could differ from those estimates. Significant estimates include providing for amortization of equipment and leasehold improvements, employee future benefits and the collectibility of accounts receivable.

#### Investments

CPSA's investments consist of fixed income and equity-based instruments held primarily for trading purposes. The investment portfolios, managed by third party investment managers, are subject to an investment policy set by management and reviewed by the Finance and Audit Committee of CPSA. CPSA's primary investment objective is to maximize returns within a low to medium level of risk, with medium liquidity. Fixed income investments, consisting of federal, provincial and corporate bonds, are capable of prompt liquidation. The equity-based investments are widely held and diversified and are traded on a regular basis at the discretion of the investment managers.

Investments are recorded at fair value on the latest closing bid price. This accounting treatment results in unrealized changes in the market value of the investment portfolio being reported as a component of fair value changes reported on the statement of revenues and expenditures.

Transaction costs on investments recorded at fair value are expensed when incurred. The purchase and sale of investments are recognized on the settlement date.

On occasion, investments may include cash intended for reinvestment purposes, which is excluded from operational cash.

# College of Physicians & Surgeons of Alberta

## Notes to Financial Statements

December 31, 2020

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### Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and investments in money market instruments maintained for operational purposes. Restricted cash on deposit consists of grant funding received from the provincial government to fund specific CPSA initiatives within various programs.

### Equipment and leasehold improvements

Equipment and leasehold improvements are recorded at cost less accumulated amortization. CPSA provides amortization on its equipment and leasehold improvements to reflect the life of the asset using the straight-line method at the following rates:

	<b>Rate</b>
Computer equipment	3 – 5 years
Furniture and equipment	3 – 10 years
Software	5 years
Leasehold improvements	lease term

Initial leasehold improvements are amortized on a straight-line basis over the life of the initial lease. Subsequent improvements are amortized to the expiry of the lease term upon completion of leasehold improvements.

When equipment or leasehold improvements no longer contribute to CPSA's ability to provide services, its carrying amount would be written down to residual value, if any.

CPSA internally restricts net assets invested in equipment and leasehold investments. This internal restriction policy does not include the corresponding obligation related to the deferred leasehold inducements.

### Leasehold inducements

Tenant allowances and lease inducements are deferred and amortized on a straight-line basis as a reduction of rent expense over the term of the related lease. For lease contracts with escalating lease payments, total rent expense for the lease term is expensed on a straight-line basis over the lease term. The difference between rent expensed and amounts paid is recorded as an increase or deferral in unamortized lease inducements.

### Deferred contributions

CPSA receives restricted contributions from the Government of Alberta and other organizations. CPSA uses the deferral method of accounting for restricted contributions. Contributions are recognized as revenue in the same period the related expenditures are incurred.

# College of Physicians & Surgeons of Alberta

## Notes to Financial Statements

December 31, 2020

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### Employee future benefits

CPSA has a defined benefit pension plan for all full-time permanent and for eligible part-time permanent employees. Effective December 31, 2020, the defined benefit pension plan was closed to new entrants and active members stopped accruing credited service. On September 6, 2019, the CPSA Council approved an establishment of a defined contribution registered pension plan and a notional defined contribution supplementary retirement pension plan effective January 1, 2021.

CPSA recognizes its defined benefit obligation as the employees render services giving them the right to earn the pension benefit. The defined benefit obligation at the statement of financial position date is determined using the most recent actuarial valuation report prepared for funding purposes. The measurement date of the plan assets and the defined benefit obligation is CPSA's statement of financial position date. The date of the most recent actuarial valuation prepared for funding purposes is December 31, 2019.

In its year-end statement of financial position, CPSA recognizes the defined benefit obligation, less the fair value of the plan assets, adjusted for any valuation allowance in the case of a net defined benefit asset. The plan cost for the year is recognized on the statement of revenues and expenditures.

Remeasurements and other items comprise the aggregate of the following: the difference between the actual return on plan assets and the return calculated using the discount rate; actuarial gains and losses; the effect of any valuation in the case of a net defined benefit asset; past service costs; and gains and losses arising from settlements and curtailments. The remeasurement costs are reflected in the statement of changes in net assets.

### Revenue recognition

- Annual physician, professional corporation and facility fees

Annual physician, professional corporation and facility fees are set annually by Council and are recognized as revenue in the fiscal year to which they relate. Fees are recognized when collectibility is reasonably assured. Fees received in advance are recognized as deferred fee revenue.

- Registration fees

Registration fees are recognized when received or receivable and collectibility is reasonably assured.

# College of Physicians & Surgeons of Alberta

## Notes to Financial Statements

December 31, 2020

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- General and miscellaneous revenue

Other general revenue is recognized when the related services are provided or goods are shipped and collectibility is reasonably assured.

- Investment income

Investment income includes interest and dividends and is recognized when earned.

- Grant funding

Grant funding is recognized in accordance with the terms of the grant agreement and when collectibility is reasonably assured.

### **Disclosure of allocated expenses**

The costs of each CPSA program include the costs of personnel and other expenses that are directly related to providing the program. CPSA also incurs a number of general support expenses that are common to the administration of the organization and each of its programs.

CPSA allocates certain general support expenses by identifying the appropriate basis of allocating each component expense and applies that basis consistently each year. The general support expenses are allocated on the following bases:

- Computer programming costs – proportionately on the basis of time allocated by programming staff for the program.
- Operating costs – proportionately on the basis of time allocated by staff in the program.
- Rent costs – proportionately on the basis of space occupied and time allocated by staff in the program.
- Salary and benefit costs – proportionately on the basis of time allocated by staff in the program.

Details on the amounts allocated can be found in note 10.

### **Accounting standards issued but not yet adopted**

In November 2020, the Accounting Standards Board issued amendments to Section 3462 Employee Future Benefits. Key features of the amendments include:

- When an entity elects to use a funding valuation for defined benefit plans with a funding valuation requirement:
  - the defined benefit obligation is measured at the amount that is required to be funded by contributions in accordance with legislative, regulatory or contractual requirements;

# College of Physicians & Surgeons of Alberta

## Notes to Financial Statements

December 31, 2020

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- the aggregate of all underlying components of the legislative, regulatory or contractual requirements is included in that measurement of the defined benefit obligation.
- When an enterprise has defined benefit plans without a funding valuation requirement, the defined benefit obligation for these plans is measured using an accounting valuation (i.e., a funding valuation is no longer an available option).

CPSA's supplemental pension plan does not have a funding valuation requirement, therefore, upon adoption of this amendment the funding valuation method for the supplemental pension plan will change from a funding valuation to an accounting valuation. The amendments are effective for annual financial statements relating to fiscal years beginning on or after January 1, 2022, and specific transitional provisions are provided. Earlier application is permitted, but only for all of an enterprise's defined benefit plans.

### 3 Investments

	<b>2020</b>	<b>2019</b>
	\$	\$
Investments		
Cash	704,085	419,031
Term deposits	-	511,070
Corporate bonds, at fair value, bearing yield rates of 3.31% to 4.55%, due 2026 to 2041	1,787,914	5,928,284
Provincial government, 2.30% to 4.10%, due 2021 to 2029	1,288,169	1,590,978
Government of Canada securities, at fair value, bearing yield rates of 1.50% to 2.35%, due 2026 to 2027	203,427	212,400
	<u>3,983,595</u>	<u>8,661,763</u>
Equities (including trust units) – at fair value		
Foreign	7,065,779	5,883,521
Domestic	18,869,057	13,768,792
	<u>25,934,836</u>	<u>19,652,313</u>
	<u>29,918,431</u>	<u>28,314,076</u>

Investment income comprises interest and dividends. Fair value changes in investments comprise the following:

	<b>2020</b>	<b>2019</b>
	\$	\$
Unrealized gain on investments	660,553	1,369,143
Realized gain on investments	30,314	355,056
Foreign exchange loss	(56,225)	(88,505)
	<u>634,642</u>	<u>1,635,694</u>

# College of Physicians & Surgeons of Alberta

## Notes to Financial Statements

December 31, 2020

### 4 Equipment and leasehold improvements

	<b>2020</b>		
	<b>Cost</b>	<b>Accumulated</b>	<b>Net</b>
	\$	amortization	\$
		\$	\$
Leasehold improvements	5,913,850	1,176,977	4,736,873
Furniture and equipment	2,148,879	1,272,442	876,437
Computer equipment	2,135,027	1,833,413	301,614
Software	768,552	733,315	35,237
	<u>10,966,308</u>	<u>5,016,147</u>	<u>5,950,161</u>
	<b>2019</b>		
	<b>Cost</b>	<b>Accumulated</b>	<b>Net</b>
	\$	amortization	\$
		\$	\$
Leasehold improvements	5,889,733	597,649	5,292,084
Furniture and equipment	2,123,077	1,138,954	984,123
Computer equipment	2,097,750	1,678,938	418,812
Software	759,246	714,073	45,173
	<u>10,869,806</u>	<u>4,129,614</u>	<u>6,740,192</u>

### 5 Deferred contributions

During the year, CPSA received restricted contributions from the provincial government and other organizations to fund various CPSA initiatives. Deferred contributions as at December 31, 2020 are as follows:

	<b>Deferred</b>	<b>Received</b>	<b>Recognized</b>	<b>Deferred</b>
	<b>contributions</b>		<b>as revenue</b>	<b>contributions</b>
	<b>2019</b>		<b>2020</b>	<b>2020</b>
	\$	\$	\$	\$
Government of Canada – CRA:				
Temporary Wage Subsidy for				
Employers	-	25,000	25,000	-
Canada-Alberta Job Grant	-	10,000	10,000	-
Analytics, Innovation & Research				
TPP Alberta Program	48,601	758,836	603,879	203,558
	<u>48,601</u>	<u>793,836</u>	<u>638,879</u>	<u>203,558</u>

# College of Physicians & Surgeons of Alberta

## Notes to Financial Statements

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Contributions recognized as revenue in the current year but not reflected in the above table and included in accounts receivable at year-end are as follows:

	<b>2020</b>	<b>2019</b>
	\$	\$
TPP Alberta Program – other sources	127,400	139,400

### 6 Deferred leasehold inducements

	<b>2020</b>	<b>2019</b>
	\$	\$
Opening balance	3,086,563	3,388,905
Recognized in statement of revenues and expenditures	(336,716)	(302,342)
	2,749,847	3,086,563
Less: Current portion	336,716	336,716
	2,413,131	2,749,847

The deferred leasehold inducements are being amortized over the lease term to February 28, 2029. The amortization is recognized as a reduction of office facilities.

### 7 Employee future benefits

CPSA has a defined benefit pension plan for all full-time permanent and for eligible part-time permanent employees. The benefits are based on years of service and the employees' final average earnings. The cost of this program is being funded currently.

CPSA accrues its obligations under the employee defined benefit plan as the employees render the services necessary to earn the pension.

CPSA measures its accrued employee future benefit obligation and the fair value of plan assets using the valuation for funding purposes as at December 31 each year. The most recent actuarial valuation of the pension plans for funding purposes was as at December 31, 2019, and the next required valuation will be as at December 31, 2022.

	<b>2020</b>		<b>2019</b>	
	<b>Registered</b>	<b>Supplemental</b>	<b>Registered</b>	<b>Supplemental</b>
	\$	\$	\$	\$
Fair value of plan assets	49,665,240	-	41,845,706	-
Accrued benefit obligation	(40,641,669)	(7,902,881)	(37,048,331)	(7,689,996)
Plan surplus (deficit)	9,023,571	(7,902,881)	4,797,375	(7,689,996)

# College of Physicians & Surgeons of Alberta

## Notes to Financial Statements

December 31, 2020

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The significant actuarial assumptions adopted in measuring CPSA's employee future benefit obligation are as follows:

	2020		2019	
	Registered	Supplemental	Registered	Supplemental
Discount rate	4.70%	4.70%	4.70%	4.70%
Rate of compensation increase	various	various	various	various

Total cash payments for employee future benefits for 2020, consisting of cash contributed by CPSA to the registered pension plan and cash payments directly to beneficiaries for the Supplementary Pension Plan for Employees of CPSA benefit plan, were \$2,907,486 (2019 – \$2,637,530).

### 8 Commitments

CPSA has entered into an agreement for office internet connection, a dedicated connection for the offsite backup, an offsite hosting of backup servers and business connection services, including installation and training, until May 2023. Commitments under these contracts are as follows:

	\$
2021	246,929
2022	188,635
2023	44,358
	<u>479,922</u>

CPSA is committed to a lease agreement related to its office premises until February 2029. The basic rental due in each of the next five years and thereafter is as follows:

	\$
2021	759,120
2022	759,120
2023	838,195
2024	854,010
2025	854,010
Thereafter	<u>2,941,590</u>
	<u>7,006,045</u>

CPSA is committed to contractual arrangements with an external company to develop and maintain a database, provide user licences and analysis work for prescribing data, support CPSA's physician practice portal, and to support peer-reviewed publications until December 2021. The fees due are \$796,000.



# College of Physicians & Surgeons of Alberta

## Notes to Financial Statements

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CPSA is committed to a contractual arrangement with an external organization until April 2021 to organize assessment and personal development programs for physicians who have been identified as having practice concerns. The annual fees due are \$93,500.

CPSA has committed to a contractual arrangement with an external organization until December 2021 to provide survey administrations. The estimated fees due are \$175,500 in 2021.

CPSA has committed to a joint funding arrangement with external organizations to contribute funds between January 1, 2021 and March 31, 2022 towards an initiative to help physician and patient conversations to avoid unnecessary tests, treatments and procedures. The fees due are \$40,000.

CPSA is required, under the *Health Professions Act* of the Province of Alberta, to provide funding for the treatment or counselling for patients who meet the requirements of sexual abuse or sexual misconduct. The funding available for eligible patients is \$22,500 over a five-year period. The amount paid for treatment or counselling costs in 2020 was \$34,724.

In the normal course of business, CPSA may become subject to litigation; losses, if any, are expected to be fully covered by CPSA's insurance. The results of such claims are not determinable at this time and therefore, no amounts have been accrued for in the financial statements.

### 9 Internally restricted net assets

The internally restricted fund reports interest earned on the funds that have been allocated for the Building Reserve Fund by the Council of CPSA.

The internally restricted fund also reports the net results of the accreditation program to be used by the accreditation department for future development costs.

	<b>Building Fund \$</b>	<b>Accreditation Program \$</b>	<b>Total \$</b>
Opening balance	8,249,935	24,614	8,274,549
Additions	389,823	226,436	616,259
	<u>8,639,758</u>	<u>251,050</u>	<u>8,890,808</u>

# College of Physicians & Surgeons of Alberta

## Notes to Financial Statements

December 31, 2020

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### 10 Allocation of expenses

The general support expenses, including programming costs, operating costs, rent and salary and benefits, have been allocated as follows:

	2020 \$	2019 \$
Professional conduct	3,795,864	3,454,786
Administration	3,199,425	2,851,163
Continuing competence	2,749,739	2,872,087
Information technology	2,161,391	1,955,348
Accreditation	2,050,064	1,809,044
Analytics, innovation & research	1,868,496	1,759,473
Registration	1,625,184	1,759,652
Physician health monitoring and practice conditions monitoring	1,135,945	1,129,733
Communication and government relations	996,718	1,150,175
Office of the registrar	793,707	986,107
Governance	599,845	622,018
Practice readiness	472,721	483,437
Development costs	205,664	191,185
	<hr/> 21,654,763	<hr/> 21,024,208

### 11 Financial instruments

CPSA's financial instruments include cash and cash equivalents, accounts receivable, accrued interest receivable, investments and accounts payable and accrued liabilities. Cash and cash equivalents, accounts receivable and accrued interest are classified as loans and receivables and accounted for at amortized cost using the effective interest rate method. Loans and receivables are initially recorded at fair value. Accounts payable and accrued liabilities are classified as other liabilities and are accounted for at amortized cost using the effective interest rate method. Financial liabilities are initially recorded at fair value.

The fair value of financial instruments that are not recorded at fair value approximates their carrying amounts due to the short-term maturity of these instruments.

CPSA is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks as at December 31, 2020.

#### Credit risk

Credit risk refers to the risk a counterparty may default on its contractual obligations resulting in a financial loss. CPSA's investment in bonds and interest accrued thereon is primarily with federal and provincial governments with a portion allocated to investment grade corporate bonds concentrated in Canada. Accounts receivable consist of numerous parties operating primarily in the medical field, are of a short-term nature and no individual account receivable is significant to CPSA's financial position.

# College of Physicians & Surgeons of Alberta

## Notes to Financial Statements

December 31, 2020

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A portion of the assets held in the pension plan is exposed to credit risk, similar to the risks on CPISA's bond portfolio. In the event of loss in the pension plan, CPISA would be obligated to fund any deficiency that may arise. The fund invests in a mix of government and investment grade corporate bonds.

Cash and cash equivalents and term deposits are maintained with a Schedule I financial institution. There has been no change to credit risk from the prior year.

### **Market and other price risk**

CPISA's equity interests, including exchange traded funds, are primarily focused on the Canadian public market and are subject to fluctuations due to changes in market prices of individual securities, general market and industry trends, changes in interest rates and creditworthiness and foreign exchange rates. CPISA is also exposed to interest rate risk through its holdings of bonds. Market and other price risk is directly influenced by the volatility and liquidity in the markets in which the related underlying assets are traded. All investments are of large market entities regularly traded on the exchanges.

A portion of the assets held in the pension plan is exposed to market and other price risk, similar to the risks on CPISA's investment portfolio. In the event of loss in the pension plan, CPISA would be obligated to fund any deficiency that may arise. The fund invests in a mix of large market entities or funds regularly traded on the exchanges.

CPISA holds assets denominated in the US dollar. It is therefore exposed to currency risk as the value of the financial instruments denominated in the US dollar will fluctuate due to changes in exchange rates.

In March 2020, the outbreak of COVID-19 caused by a novel strain of the coronavirus was recognized as a pandemic by the World Health Organization. COVID-19 has introduced uncertainty and volatility in global markets and economies. The length and extent of the impact of the virus on the fair value of the investments will depend on future developments, which can not be predicted at this time.

### **Liquidity risk**

Since inception, CPISA has primarily financed its liquidity through member dues, fees and investment income. CPISA expects to continue to meet future requirements through all of the above sources.

CPISA is not subject to any externally imposed capital requirements. The investments are subject to liquidity risk if CPISA is required to sell at a time that the market for investments is unfavourable. There have been no changes to CPISA's objectives and what it manages as capital since the prior year.

# College of Physicians & Surgeons of Alberta

## Notes to Financial Statements

December 31, 2020

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### 12 Nature of expenses

Supplemental information with respect to the nature of expenses included in the statement of revenues and expenditures is as follows:

	2020 \$	2019 \$
Salary and benefits	21,338,537	21,024,207
Consulting	4,052,747	5,224,820
Office facilities	1,546,644	1,595,189
Programs	1,059,240	887,977
Legal	1,010,761	910,697
Amortization	890,631	883,770
Bank and interest charges	663,786	598,982
Honoraria	581,311	787,349
Printing and supplies	444,583	417,291
Other	342,699	512,627
Grants and scholarships	321,113	279,968
Travel, meals and accommodation	207,457	922,527
	<hr/>	<hr/>
Total expenditures	32,459,509	34,045,404

Expenses included in the table above are presented in the following categories on the statement of revenues and expenditures:

	2020 \$	2019 \$
Total expenditures	29,705,693	30,468,404
Development costs	305,296	321,907
Accredited Health Facilities	2,448,520	3,255,093
	<hr/>	<hr/>
	32,459,509	34,045,404

### 13 Comparative figures

Some of the comparative figures have been reclassified to conform to the current year's presentation.

# **College of Physicians & Surgeons of Alberta**

Unaudited schedules  
**December 31, 2020**

# College of Physicians & Surgeons of Alberta

Schedule A

Schedule of Administration

(Unaudited)

For the year ended December 31, 2020

	2020	2019
	\$	\$
<b>Staff costs</b>		
Salaries	1,575,848	1,327,781
Pension and supplemental	1,331,955	1,284,095
Benefits	225,309	232,676
Professional development	41,387	36,557
Membership fees and dues	14,057	15,657
Team building	954	1,347
	<u>3,189,510</u>	<u>2,898,113</u>
<b>General expenditures</b>		
Amortization	686,870	636,914
Audit and accounting	48,215	42,949
Bank fees	124,778	107,851
Conferences	850	7,345
Consulting fees	302,503	377,330
Furniture and equipment – net of gain/loss on disposal	27,111	138,509
Insurance	91,613	84,371
Legal	7,597	3,939
Lunchroom	8,354	25,186
Office expenses – net of internal recoveries	4,770	(32,401)
Travel, meals and accommodations	820	3,062
Recovery of costs	(92,506)	(91,055)
	<u>1,210,975</u>	<u>1,304,000</u>
<b>Privacy</b>		
Staffing costs	127,712	160,947
General expenses	1,030	1,888
	<u>128,742</u>	<u>162,835</u>
<b>Office facilities</b>		
Office rent	1,521,200	1,556,045
Recovery of rent	(117,797)	(109,800)
Maintenance	20,246	11,042
	<u>1,423,649</u>	<u>1,457,287</u>
<b>Net expense for the year</b>	<u>5,952,876</u>	<u>5,822,235</u>

**College of Physicians & Surgeons of Alberta**

Schedule B

Schedule of Information Technology

(Unaudited)

For the year ended December 31, 2020

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Staff costs</b>		
Salaries and benefits	2,180,342	2,182,956
Professional development	8,671	21,727
	<hr/>	<hr/>
	2,189,013	2,204,683
<b>General expenditures</b>		
Amortization	203,761	246,856
Computer – external support	122,549	125,195
Computer supplies	220,500	159,388
Consulting fees	37,007	4,452
Consulting fees – server hosting	70,258	87,713
Furniture and equipment	6,512	30,269
Office expenses	27,509	10,421
Travel, meals and accommodations	276	2,567
Website maintenance and internet	111,594	78,996
	<hr/>	<hr/>
	799,966	745,857
<b>Recovery of programming and operating costs</b>	<hr/>	<hr/>
	(220,386)	(249,335)
<b>Net expense for the year</b>	<hr/>	<hr/>
	2,768,593	2,701,205

# College of Physicians & Surgeons of Alberta

Schedule C

Schedule of Governance

(Unaudited)

For the year ended December 31, 2020

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Staff costs</b>		
Salaries and benefits	586,532	616,375
Professional development	13,313	5,643
	<u>599,845</u>	<u>622,018</u>
<b>Council meetings and retreat</b>	<u>319,533</u>	<u>324,142</u>
<b>Elections</b>	<u>-</u>	<u>7,484</u>
<b>Strategic Planning</b>	<u>12,507</u>	<u>-</u>
<b>Committees of council</b>		
Council appeals committee	26,982	115,407
Ad Hoc – for council	101,476	3,325
Executive committee	9,886	25,594
Finance and audit committee	43,641	59,453
Medical informatics	-	3,787
Legislation committee	3,360	508
Competence committee	12,191	34,029
Governance committee	16,075	16,651
Presidential business	22,355	35,178
	<u>235,966</u>	<u>293,932</u>
<b>Net expense for the year</b>	<u>1,167,851</u>	<u>1,247,576</u>



**College of Physicians & Surgeons of Alberta**

Schedule D

Schedule of Office of the Registrar

(Unaudited)

For the year ended December 31, 2020

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Staff costs</b>		
Salaries and benefits	777,781	751,333
Professional development	11,622	29,076
	<u>789,403</u>	<u>780,409</u>
<b>Registrar's office</b>		
Registrar's administration	98,293	203,495
Executive search/resignation costs	-	202,397
Grants and scholarships	147,070	50,570
	<u>245,363</u>	<u>456,462</u>
<b>Liaison</b>		
AMA	821	1,120
FMRAC	154,194	175,737
MCC	(91)	1,955
National organizations	13,587	20,475
Provincial organizations	22,908	18,738
	<u>191,419</u>	<u>218,025</u>
<b>Speaker's Bureau</b>	-	287
<b>Standards</b>	12,400	4,008
<b>Abandoned records</b>	3,977	3,519
<b>Alberta expert review panel</b>	4,308	3,360
<b>Net expense for the year</b>	<u>1,246,870</u>	<u>1,466,070</u>

**College of Physicians & Surgeons of Alberta**

Schedule E

Schedule of Communication

(Unaudited)

For the year ended December 31, 2020

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Staff costs</b>		
Salaries and benefits	901,931	901,314
Dues and assessments	289	314
Professional development	19,266	19,755
Team building	942	929
	<hr/>	<hr/>
	922,428	922,312
<b>General expenditures</b>		
Conferences	2,706	4,777
Office expenses	20,391	13,634
Public relations	-	193
Research and evaluation	46,836	13,378
Travel, meals and accommodations	2,436	7,491
	<hr/>	<hr/>
	72,369	39,473
<b>Annual report</b>	10,131	11,050
<b>Communication projects</b>	75,996	99,879
<b>Community relations</b>	3,948	8,785
<b>Internal communications</b>	-	25
<b>Media</b>	7,995	12,017
<b>Messenger</b>	2,429	2,132
	<hr/>	<hr/>
<b>Net expense for the year</b>	1,095,296	1,095,673

**College of Physicians & Surgeons of Alberta**

Schedule F

Schedule of Government Relations

(Unaudited)

For the year ended December 31, 2020

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Staff costs</b>		
Salaries and benefits	68,800	225,578
Dues and assessments	-	480
Professional development	2,490	2,541
	<hr/>	<hr/>
	71,290	228,599
	<hr/>	<hr/>
<b>General expenditures</b>		
Conferences	-	2,907
Consulting fees	34,125	44,014
MLA events	-	500
Office expenses	1,125	2,433
Political functions	250	3,918
Research and evaluation	23,100	25,699
Travel, meals and accommodations	710	9,258
	<hr/>	<hr/>
	59,310	88,729
	<hr/>	<hr/>
<b>Regional tours</b>		
Per diem	-	3,279
Sundry	-	337
Travel, meals and accommodations	-	11,809
	<hr/>	<hr/>
	-	15,425
	<hr/>	<hr/>
<b>Net expense for the year</b>	130,600	332,753
	<hr/>	<hr/>

**College of Physicians & Surgeons of Alberta**

Schedule G

Schedule of CPSA Activities

(Unaudited)

For the year ended December 31, 2020

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	Schedule	2020 \$	2019 \$
<b>CPSA activities</b>			
<b>Register physicians</b>			
Registration	H	2,345,146	2,360,816
Practice readiness	I	142,483	131,512
		<u>2,487,629</u>	<u>2,492,328</u>
<b>Investigate complaints</b>			
Professional conduct	J	<u>4,412,180</u>	<u>4,294,551</u>
<b>Support continuing competence</b>			
Continuing competence	K	3,207,289	3,778,743
Analytics, innovation & research	L	<u>2,095,391</u>	<u>2,125,418</u>
		<u>5,302,680</u>	<u>5,904,161</u>
<b>Monitor physicians</b>			
Physician health monitoring and practice conditions monitoring	N	<u>1,779,033</u>	<u>1,698,985</u>
<b>Accredit health facilities</b>			
Accreditation programs	O	<u>(226,436)</u>	<u>(24,614)</u>
<b>Net expense for the year</b>		<u>13,755,086</u>	<u>14,365,411</u>

**College of Physicians & Surgeons of Alberta**

Schedule H

Schedule of Registration

(Unaudited)

For the year ended December 31, 2020

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>General program expenditures</b>		
Bank/credit card fees	539,009	491,132
Legal	25,959	24,786
Legal independent	85,990	26,814
Office expenses	68,039	22,180
Postage and courier	10,916	15,211
Travel, meals and accommodations	2,417	9,431
	<u>732,330</u>	<u>589,554</u>
<b>Staff costs</b>		
Salaries and benefits	1,609,201	1,729,728
Dues and assessments	1,132	347
Professional development	14,351	28,462
Team building	500	1,462
	<u>1,625,184</u>	<u>1,759,999</u>
<b>Other assessments</b>	(12,000)	11,863
<b>Registrar approvals</b>	(800)	(600)
<b>Physician Assistant Advisory Committee</b>	432	-
<b>Net expense for the year</b>	<u>2,345,146</u>	<u>2,360,816</u>

**College of Physicians & Surgeons of Alberta**

Schedule I

Schedule of Practice Readiness

(Unaudited)

For the year ended December 31, 2020

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Practice Readiness</b>		
<b>Revenue</b>		
Practice readiness fees	(1,127,250)	(1,093,790)
Practice readiness assessment administration fee	(497,900)	(497,900)
Therapeutics exam fees	(70,880)	(70,320)
	<u>(1,696,030)</u>	<u>(1,662,010)</u>
<b>Practice readiness expenditures</b>		
Consulting fees	1,206,665	1,130,106
Computer programing	7,575	37,875
Legal	672	2,509
Occupancy cost	14,300	15,000
Office expenses	1,547	2,704
Operating cost	34,200	36,400
Professional development	3,358	3,880
Salaries and benefits	413,288	390,282
Administration fee	88,290	90,210
License cost	67,680	62,775
Travel, meals and accommodations	938	21,781
	<u>1,838,513</u>	<u>1,793,522</u>
<b>Total practice readiness expenses</b>		
	<u>1,838,513</u>	<u>1,793,522</u>
<b>Net expense for the year</b>	<u>142,483</u>	<u>131,512</u>

# College of Physicians & Surgeons of Alberta

Schedule J

## Schedule of Professional Conduct

(Unaudited)

For the year ended December 31, 2020

	2020 \$	2019 \$
<b>Staff costs</b>		
Salaries and benefits	3,742,682	3,386,384
Professional development and dues	26,455	62,929
Team building	2,971	2,153
Casual labour	23,756	9,659
	3,795,864	3,461,125
<b>General program expenditures</b>		
Consulting fees	-	77,794
Office expenses	39,268	40,419
Legal	6,990	7,183
Travel, meals and accommodations	2,535	2,679
	48,793	128,075
<b>Complaint expenditures</b>		
Consulting fees/per diem	21,500	19,876
Legal	-	10,412
Office expenses	797	403
Travel, meals and accommodations	6,471	11,225
Treatment and counseling	31,928	2,796
External file review	35	-
	60,731	44,712
<b>Investigation expenditures</b>		
Consulting fees/per diem	94,594	101,816
Legal	332,060	284,481
Office expenses	402	1,164
Travel, meals and accommodations	3,553	64
	430,609	387,525
<b>Recovery of investigation costs – net of expenses</b>	(425,140)	(169,868)
<b>Recovery of external file review costs</b>	(99,857)	(125,434)
<b>Net investigation costs</b>	(94,388)	92,223
<b>Judicial review / court of appeal</b>	41,119	148,126
<b>Complaint review committee</b>	312,999	234,236
<b>Hearing tribunal</b>	247,062	186,054
<b>Net expense for the year</b>	4,412,180	4,294,551

# College of Physicians & Surgeons of Alberta

Schedule K

## Schedule of Continuing Competence

(Unaudited)

For the year ended December 31, 2020

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>General program expenditures</b>		
Conferences	2,076	28,847
Consulting fees	6,628	-
Dues	6,460	6,960
Legal	5,262	-
Office expenses	4,291	5,798
Professional development	8,651	3,756
Salaries and benefits	113,767	61,517
Travel, meals and accommodations	5,847	25,328
	<hr/>	<hr/>
	152,982	132,206
	<hr/>	<hr/>
<b>Individual Practice Review (IPR)</b>		
Recovery of Individual Practice Review costs	(27,678)	(103,856)
Practice visits administration fee	(136,500)	(185,000)
Consulting fees	219,424	180,083
Dues and assessments	655	1,681
Office expenses	45,061	15,526
Professional development	8,408	21,114
Salaries and benefits	1,383,254	1,440,164
Travel, meals and accommodations	5,341	37,705
	<hr/>	<hr/>
	1,497,965	1,407,417
	<hr/>	<hr/>
<b>Group practice review program (GPR)</b>		
Consulting fees	12,820	69,374
Office expenses	1,884	6,197
Professional development	6,180	8,600
Salaries and benefits	329,871	335,670
Travel, meals and accommodations	1,036	19,455
	<hr/>	<hr/>
	351,791	439,296
	<hr/>	<hr/>
<b>Factors based IPR pilot</b>		
Consulting fees	92,598	206,495
Office expenses	71	310
Travel, meals and accommodations	4,539	7,190
	<hr/>	<hr/>
	97,208	213,995
	<hr/>	<hr/>
<b>Physician Assessment Feedback (PAF)</b>		
Consulting fees	82,331	-
Office expenses	15	-
Travel, meals and accommodation	48	-
	<hr/>	<hr/>
	82,394	-
	<hr/>	<hr/>



# College of Physicians & Surgeons of Alberta

Schedule of Continuing Competence ...continued

For the year ended December 31, 2020

	2020 \$	2019 \$
<b>Group practice review pilot development project</b>		
Professional development	3,737	10,164
Salaries and benefits	220,951	284,701
	<hr/> 224,688	<hr/> 294,865
<b>Clinic pre-open assessment pilot</b>		
Professional development	-	2,924
Salaries and benefits	-	(2)
	<hr/> -	<hr/> 2,922
<b>Total practice review expenses</b>	<hr/> 2,407,028	<hr/> 2,490,701
<b>Competency enhancement</b>		
Recovery costs	-	(4,500)
Consulting fees	4,550	5,618
Grants and scholarships	-	68,334
Office expenses	51	155
Professional development	1,373	1,828
Salaries and benefits	35,100	36,164
Travel, meals and accommodations	-	441
	<hr/> 41,074	<hr/> 108,040
<b>Multi-source feedback</b>		
Salaries and benefits	94,390	175,129
General program expenditures	153	1,456
MCC 360 survey implementation	(1,058)	126,109
MSF survey facilitation	298,695	405,706
	<hr/> 392,180	<hr/> 708,400
<b>Infection Prevention and Control (IPAC)</b>		
<b>General program expenditures</b>		
Consulting fees	11,565	-
Office expenses	2,927	9,419
Professional development	34,918	30,702
Salaries and benefits	273,994	278,128
Travel, meals and accommodations	29	1,877
	<hr/> 323,433	<hr/> 320,126

# College of Physicians & Surgeons of Alberta

Schedule of Continuing Competence ...continued

For the year ended December 31, 2020

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	2020 \$	2019 \$
<b>IPAC committee expenditures</b>		
Per diem	5,082	12,138
Travel, meals and accommodations	843	1,122
Sundry	1,585	2,648
	<hr/> 7,510	<hr/> 15,908
<b>Physician office assessments (internal)</b>		
Travel, meals and accommodations	374	3,928
Sundry	244	-
	<hr/> 618	<hr/> 3,928
<b>Physician office assessments (external)</b>		
Consulting fees/per diem	29,498	94,644
Travel, meals and accommodations	5,948	36,996
	<hr/> 35,446	<hr/> 131,640
	<hr/> 367,007	<hr/> 471,602
<b>Net expense for the year</b>	<hr/> <b>3,207,289</b>	<hr/> <b>3,778,743</b>

**College of Physicians & Surgeons of Alberta**

Schedule L

Schedule of Analytics, Innovation &amp; Research

(Unaudited)

For the year ended December 31, 2020

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>General program expenditures</b>		
Conferences	-	4,553
Consulting fees	268,256	293,025
Legal	210	1,078
Office expenses	(10,584)	19,041
Professional development	8,084	5,404
Salaries and benefits	767,564	762,689
Travel, meals and accommodations	2,804	15,705
	<hr/> 1,036,334	<hr/> 1,101,495
<b>PPP advisory committee expenses</b>		
Per diem	-	7,580
Sundry	-	1,594
Travel, meals and accommodations	-	1,341
	<hr/> -	<hr/> 10,515
<b>Harm reduction advisory committee</b>		
Grant funding	-	(15,913)
Per diem	-	(2,848)
Sundry	208	34,333
Travel, meals and accommodations	-	(126)
	<hr/> 208	<hr/> 15,446
<b>Analytics portal</b>	199,500	262,500
<b>Case management application</b>	<hr/> -	<hr/> 42,000
<b>Total prescribing and analytics operating costs</b>	<hr/> 1,236,042	<hr/> 1,431,956
<b>Methadone exemption costs</b>		
Office expenses	197	420
Professional development	47	53
Salaries and benefits	5,074	15,696
	<hr/> 5,318	<hr/> 16,169
<b>Research and evaluation</b>		
Consulting fees	7,660	6,450
Grants and scholarships	15,000	-
Office expenses	4,820	7,625
Travel, meals and accommodations	8,674	24,439
Salaries and benefits	756,617	527,980
	<hr/> 792,771	<hr/> 566,494

# College of Physicians & Surgeons of Alberta

Schedule of Analytics, Innovation & Research ...continued

For the year ended December 31, 2020

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	2020 \$	2019 \$
<b>Physician Factors</b>		
<b>General expenditures</b>		
Office expenses	31	305
Professional development	1	1,734
Salaries and benefits	11,664	93,859
Travel, meals and accommodations	(836)	-
	<hr/> 10,860	<hr/> 95,898
<b>Physician risk identification project</b>		
Grant funding	-	(2,387)
Consulting fees	-	-
Travel, meals and accommodations	-	2,387
	<hr/> -	<hr/> -
<b>Physician factors stratification project</b>	<hr/> 50,400	<hr/> 14,901
<b>Subtotal physician factors</b>	<hr/> 61,260	<hr/> 110,799
<b>Net expense for the year</b>	<hr/> 2,095,391	<hr/> 2,125,418

**College of Physicians & Surgeons of Alberta**

Schedule M

Schedule of TPP Alberta Program

(Unaudited)

For the year ended December 31, 2020

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Revenue</b>		
Government grant	(603,879)	(705,694)
Investment income	(357)	(1,818)
Grant – other sources	(127,400)	(139,400)
Designated portion of annual fee	(175,168)	(168,117)
	<u>(906,804)</u>	<u>(1,015,029)</u>
<b>General program expenditures</b>		
Consulting fees	171,675	266,175
Legal	139	-
Occupancy costs	24,000	18,000
Office expenses	415,674	394,846
Operating costs	62,900	66,600
Travel, meals and accommodations	-	-
	<u>674,388</u>	<u>745,621</u>
<b>Staff costs</b>		
Professional development and dues	770	1,384
Salaries and benefits	231,634	267,979
	<u>232,404</u>	<u>269,363</u>
<b>Committee expenditures</b>	<u>12</u>	<u>45</u>
<b>Total expenditures</b>	<u>906,804</u>	<u>1,015,029</u>
<b>Net expense for the year</b>	<u>-</u>	<u>-</u>

**College of Physicians & Surgeons of Alberta**

Schedule N

## Schedule of Physician Health Monitoring and Practice Conditions Monitoring

(Unaudited)

For the year ended December 31, 2020

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Annual fees	(100,820)	(99,988)
<b>Staffing costs</b>		
Salaries and benefits	900,930	976,515
Professional development	3,682	11,594
	<u>904,612</u>	<u>988,109</u>
<b>General program expenditures</b>		
Conferences	-	3,121
Legal	903	2,718
Office expenses	12,175	13,076
Consulting fees	7,000	-
Travel, meals and accommodations	384	12,923
	<u>20,462</u>	<u>31,838</u>
<b>Monitoring expenses</b>		
Addictions	707,226	589,544
Blood borne illness	6,379	13,492
Boundary	12,923	15,356
Boundary workshop	72	-
	<u>726,600</u>	<u>618,392</u>
<b>Physician health monitoring committee expenditures</b>	<u>4,351</u>	<u>13,042</u>
<b>Education and training</b>		
Chaperone course revenue	(3,292)	-
<b>Practice conditions monitoring</b>		
Salaries and benefits	223,226	140,243
Professional development	3,454	1,382
Dues and assessments	-	187
Office expenses	440	583
Travel, meals and accommodations	-	5,197
	<u>227,120</u>	<u>147,592</u>
<b>Net expense for the year</b>	<u>1,779,033</u>	<u>1,698,985</u>

**College of Physicians & Surgeons of Alberta**

Schedule O

Schedule of Accreditation Programs

(Unaudited)

For the year ended December 31, 2020

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		<b>2020</b>	<b>2019</b>
	<b>Schedule</b>	<b>\$</b>	<b>\$</b>
<b>Accreditation programs</b>			
Imaging	P	(320,643)	(186,375)
Laboratory	Q	(87,977)	(88,058)
Medical Facility Accreditation Committee (MFAC)	R	15,852	11,619
Neurodiagnostics	S	85,796	90,532
Non-Hospital Surgical Facility (NHSF)	T	(69,500)	(97)
Pulmonary	U	(60,823)	(52,474)
Sleep Medicine Diagnostics	V	203,018	197,899
		<hr/>	<hr/>
		(234,277)	(26,954)
<b>Other</b>			
ECG Program	W	7,841	2,340
		<hr/>	<hr/>
<b>Net revenue for the year</b>		<b>(226,436)</b>	<b>(24,614)</b>
		<hr/>	<hr/>

# College of Physicians & Surgeons of Alberta

Schedule P

Schedule of Imaging

(Unaudited)

For the year ended December 31, 2020

	2020 \$	2019 \$
<b>Revenue</b>		
Annual and registration fees	(814,635)	(771,422)
Allocation of fees to MFAC	55,003	43,613
	<u>(759,632)</u>	<u>(727,809)</u>
<b>Expenditures</b>		
General program expenditures		
Computer programmer time	5,805	2,554
Consulting fees	185	1,143
Inspector training	-	263
External accreditation	447	465
Legal	-	2,730
Occupancy costs	17,251	15,800
Office expenses	6,390	10,310
Operating costs	39,176	36,300
Travel, meals and accommodations	87	3,724
	<u>69,341</u>	<u>73,289</u>
<b>Staff costs</b>		
Salaries and benefits	387,761	388,515
Dues and assessments	983	-
Professional development	4,258	6,599
Team building	32	-
	<u>393,034</u>	<u>395,114</u>
<b>Committee expenditures</b>		
Consulting fees / per diem	8,889	55,321
Travel, meals and accommodations	-	23,648
Sundry	137	97
	<u>9,026</u>	<u>79,066</u>
<b>Facilities assessments</b>		
Recovery of assessment costs	(131,018)	(482,537)
Consulting fees	69,190	363,415
Travel, meals and accommodations	29,340	113,042
Sundry	76	45
	<u>(32,412)</u>	<u>(6,035)</u>
<b>Total expenditures</b>	<u>438,989</u>	<u>541,434</u>
<b>Net revenue for the year</b>	<u>(320,643)</u>	<u>(186,375)</u>



# College of Physicians & Surgeons of Alberta

Schedule Q

Schedule of Laboratory

(Unaudited)

For the year ended December 31, 2020

	2020	2019
	\$	\$
<b>Revenue</b>		
Annual, registration, and administration fees	(481,562)	(454,771)
Allocation of fees to MFAC	30,895	46,520
	<u>(450,667)</u>	<u>(408,251)</u>
<b>Expenditures</b>		
General program expenditures		
Computer programmer time	5,170	2,509
Consulting fees	985	2,779
External accreditation	5,257	5,144
Inspector training	-	148
Legal	1,025	3,804
Occupancy costs	11,849	12,800
Office expenses	8,147	10,563
Operating costs	23,999	27,900
Travel, meals and accommodations	1,487	3,912
	<u>57,919</u>	<u>69,559</u>
<b>Staff costs</b>		
Salaries and benefits	282,425	155,874
Dues and assessments	1,178	837
Professional development	5,237	6,895
Team building	260	527
	<u>289,100</u>	<u>164,133</u>
<b>Committee expenditures</b>		
Consulting fees / per diem	15,578	23,940
Travel, meals and accommodations	3,775	5,057
Sundry	142	447
	<u>19,495</u>	<u>29,444</u>
<b>Facilities assessments</b>		
Recovery of assessment costs	(77,402)	(139,885)
Consulting fees / per diem	47,962	135,187
Travel, meals and accommodations	25,449	61,734
Sundry	167	21
	<u>(3,824)</u>	<u>57,057</u>
<b>Total expenditures</b>	<u>362,690</u>	<u>320,193</u>
<b>Net revenue for the year</b>	<u>(87,977)</u>	<u>(88,058)</u>

**College of Physicians & Surgeons of Alberta**  
 Schedule of Medical Facility Accreditation Committee (MFAC)  
 (Unaudited)  
 For the year ended December 31, 2020

Schedule R

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Revenue</b>		
Annual and registration fees	(36,879)	(35,561)
Allocation of fees to MFAC	(154,804)	(145,376)
	<u>(191,683)</u>	<u>(180,937)</u>
<b>Expenditures</b>		
General program expenditures		
Computer programmer time	783	485
Consulting fees	236	1,764
Occupancy costs	6,650	6,600
Office expenses	3,972	34,049
Operating costs	10,200	10,500
Travel, meals and accommodations	-	1,413
	<u>21,841</u>	<u>54,811</u>
<b>Staff costs</b>		
Salaries and benefits	162,161	97,067
Dues and assessments	154	-
Professional development	3,589	3,069
	<u>165,904</u>	<u>100,136</u>
<b>Committee expenditures</b>		
Consulting fees / per diem	15,459	27,351
Travel, meals and accommodations	1,786	5,782
Sundry	48	805
	<u>17,293</u>	<u>33,938</u>
<b>Quality assessments expenses</b>		
	<u>1,368</u>	<u>4,949</u>
<b>Facilities assessments</b>		
Recovery of assessment costs	(1,938)	(25,716)
Consulting fees	2,341	22,684
Travel, meals and accommodations	726	1,754
	<u>1,129</u>	<u>(1,278)</u>
<b>Total expenditures</b>	<u>207,535</u>	<u>192,556</u>
<b>Net expense for the year</b>	<u>15,852</u>	<u>11,619</u>

**College of Physicians & Surgeons of Alberta**

Schedule S

Schedule of Neurodiagnostics

(Unaudited)

For the year ended December 31, 2020

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Revenue</b>		
Annual and registration fees	(90,196)	(87,455)
Allocation of fees to MFAC	6,675	5,815
	<u>(83,521)</u>	<u>(81,640)</u>
<b>Expenditures</b>		
General program expenditures		
Computer programmer time	1,785	985
Consulting fees	956	3,510
Occupancy costs	5,001	4,900
Office expenses	1,694	6,002
Operating costs	12,800	13,200
Travel, meals and accommodations	40	2,936
	<u>22,276</u>	<u>31,533</u>
<b>Staff costs</b>		
Salaries and benefits	121,675	117,809
Dues/conferences	154	438
Professional development	2,161	2,600
	<u>123,990</u>	<u>120,847</u>
<b>Committee expenditures</b>		
Consulting fees / per diem	2,672	11,972
Travel, meals and accommodations	24	2,639
Sundry	-	9
	<u>2,696</u>	<u>14,620</u>
<b>Facilities assessments</b>		
Recovery of assessment costs	(24,092)	(27,067)
Consulting fees	43,895	19,596
Travel, meals and accommodations	473	12,631
Sundry	79	12
	<u>20,355</u>	<u>5,172</u>
<b>Total expenditures</b>	<u>169,317</u>	<u>172,172</u>
<b>Net expense for the year</b>	<u>85,796</u>	<u>90,532</u>

**College of Physicians & Surgeons of Alberta**

Schedule T

## Schedule of Non-Hospital Surgical Facilities (NHSF)

(Unaudited)

For the year ended December 31, 2020

	2020 \$	2019 \$
<b>Revenue</b>		
Annual and registration fees	(458,376)	(456,100)
Allocation of fees to MFAC	33,055	29,075
	<u>(425,321)</u>	<u>(427,025)</u>
<b>Expenditures</b>		
General program expenditures		
Consulting fees	5,511	18,735
External accreditation	-	465
Occupancy costs	14,075	13,900
Office expenses	9,843	13,329
Operating costs	27,300	28,300
Travel, meals and accommodations	2,002	12,583
	<u>58,731</u>	<u>87,312</u>
<b>Staff costs</b>		
Salaries and benefits	279,140	249,928
Dues and assessments	541	-
Professional development	4,298	7,292
	<u>283,979</u>	<u>257,220</u>
<b>Committee expenditures</b>		
Per diem	29,954	44,839
Travel, meals and accommodations	4,708	14,354
Sundry	53	135
	<u>34,715</u>	<u>59,328</u>
<b>Reportable incident review committee</b>	<u>2,933</u>	<u>14,822</u>
<b>Facilities assessments</b>		
Recovery of assessment costs	(30,315)	(129,153)
Per diem	3,502	121,980
Travel, meals and accommodations	2,276	15,419
	<u>(24,537)</u>	<u>8,246</u>
<b>Total expenditures</b>	<u>355,821</u>	<u>426,928</u>
<b>Net revenue for the year</b>	<u>(69,500)</u>	<u>(97)</u>

**College of Physicians & Surgeons of Alberta**

Schedule U

Schedule of Pulmonary

(Unaudited)

For the year ended December 31, 2020

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Revenue</b>		
Annual and registration fees	(287,295)	(278,287)
Allocation of fees to MFAC	20,694	18,899
	<u>(266,601)</u>	<u>(259,388)</u>
<b>Expenditures</b>		
General program expenditures		
Computer programmer time	2,920	1,494
Consulting fees	447	450
External accreditation	447	465
Legal	-	2,650
Occupancy costs	6,449	6,500
Office expenses	3,884	4,128
Operating costs	17,300	18,400
Travel, meals and accommodations	108	1,180
	<u>31,555</u>	<u>35,267</u>
<b>Staff costs</b>		
Salaries and benefits	175,372	154,096
Dues and assessments	491	556
Professional development	3,106	5,709
	<u>178,969</u>	<u>160,361</u>
<b>Committee expenditures</b>		
Consulting fees / per diem	3,227	10,952
Travel, meals and accommodations	-	3,425
Sundry	56	32
	<u>3,283</u>	<u>14,409</u>
<b>Facilities assessments</b>		
Recovery of assessment costs	(9,839)	(83,084)
Consulting fees	1,697	72,753
Travel, meals and accommodations	113	7,208
	<u>(8,029)</u>	<u>(3,123)</u>
<b>Total expenditures</b>	<u>205,778</u>	<u>206,914</u>
<b>Net revenue for the year</b>	<u>(60,823)</u>	<u>(52,474)</u>

**College of Physicians & Surgeons of Alberta**

Schedule V

## Schedule of Sleep Medicine Diagnostics

(Unaudited)

For the year ended December 31, 2020

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Revenue</b>		
Annual and registration fees	(61,840)	(55,153)
Allocation of fees to MFAC	8,482	1,454
	<u>(53,358)</u>	<u>(53,699)</u>
<b>General program expenditures</b>		
Consulting fees	485	-
Inspector training	447	-
Occupancy costs	9,024	9,100
Office expenses	3,526	3,811
Operating costs	22,400	23,900
Travel, meals and accommodations	87	608
	<u>35,969</u>	<u>37,419</u>
<b>Staff costs</b>		
Salaries and benefits	209,944	187,984
Dues and assessments	428	407
Professional development	3,056	5,536
	<u>213,428</u>	<u>193,927</u>
<b>Committee expenditures</b>		
Consulting fees / per diem	7,436	22,503
Travel, meals and accommodations	-	5,932
Sundry	-	340
	<u>7,436</u>	<u>28,775</u>
<b>Facility assessments</b>		
Recovery of assessment costs	(5,345)	(58,797)
Consulting fees	4,106	39,372
Travel, meals and accommodations	782	10,902
	<u>(457)</u>	<u>(8,523)</u>
<b>Total expenditures</b>	<u>256,376</u>	<u>251,598</u>
<b>Net expense for the year</b>	<u>203,018</u>	<u>197,899</u>

**College of Physicians & Surgeons of Alberta**

Schedule W

Schedule of Electrocardiogram (ECG)

(Unaudited)

For the year ended December 31, 2020

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Exam fees	(10,000)	(18,000)
<b>Expenditures</b>		
General program expenditures		
Consulting fees / per diem	935	1,767
Occupancy costs	1,000	1,000
Office expenses	215	605
Operating costs	1,200	1,500
Travel, meals and accommodations	1,377	-
	4,727	4,872
<b>Staff costs</b>		
Salaries and benefits	12,566	14,762
Professional development	548	706
	13,114	15,468
<b>Total general program expenditures</b>	17,841	20,340
<b>Net expense for the year</b>	7,841	2,340

**College of Physicians & Surgeons of Alberta**

Schedule X

## Schedule of Radiation Equipment

(Unaudited)

For the year ended December 31, 2020

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Registration fees	(202,907)	(211,334)
Surplus revenue recognized	48,683	34,615
	<u>(154,224)</u>	<u>(176,719)</u>
<b>Expenditures</b>		
General program expenditures		
Audit	2,000	2,000
Administration cost	7,344	8,415
Occupancy costs	8,198	6,200
Office expenses	2,079	3,128
Operating costs	26,423	20,800
	<u>46,044</u>	<u>40,543</u>
<b>Staff costs</b>		
Salaries and benefits	107,755	135,411
Professional development	425	765
	<u>108,180</u>	<u>136,176</u>
<b>Total expenditures</b>	<u>154,224</u>	<u>176,719</u>
<b>Net expense for the year</b>	<u>-</u>	<u>-</u>



# College of Physicians & Surgeons of Alberta

Schedule Y

## Schedule of Development Costs

(Unaudited)

For the year ended December 31, 2020

	2020 \$	2019 \$
<b>Information technology</b>		
DOC development costs		
Staffing costs		
Salaries and benefits	205,664	191,185
Office expenses	9	49
	<u>205,673</u>	<u>191,234</u>
<b>Registration</b>		
Summative assessments		
Consulting fees	-	29,450
Office expenses	-	585
Travel, meals and accommodation	-	3,451
	<u>-</u>	<u>33,486</u>
<b>Continuing competence</b>		
Factor-based IPR pilot		
Consulting fees	-	17,776
Travel, meals and accommodation	-	480
Sundry	-	98
	<u>-</u>	<u>18,354</u>
Assessment program advisory committee		
Per diem	15,692	50,708
Travel, meals and accommodation	3,507	19,049
Sundry	424	29
	<u>19,623</u>	<u>69,786</u>
Group practice review pilot development project		
Sundry	-	1,390
	<u>-</u>	<u>1,390</u>
Clinic pre-open assessment pilot		
Consulting fees	-	6,547
Travel, meals and accommodation	-	1,012
Sundry	-	98
	<u>-</u>	<u>7,657</u>
<b>Competency enhancement</b>		
Consulting fees	80,000	-
	<u>80,000</u>	<u>-</u>
<b>Total development costs</b>	<u>305,296</u>	<u>321,907</u>