
Summary financial statements of The Royal College of Physicians and Surgeons of Canada

Year ended March 31, 2022

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Independent Auditor's Report 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 "Royal College"), which comprise the summary statement of financial position as at end of PMarch 31, 2022, and the summary statements of operations and changes in net assets for the year then ended and related notes are derived from the audited financial statements of the Royal College for the year ended March 31, 2022.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, in accordance with the criteria disclosed in Note 1 to the summary financial statements.

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 Royal College's audited financial statements and the auditor's report thereon.

The Audited Financial Statements and our Report Thereon

In our report dated September 15, 2022, we included an Other Matter explaining that certain comparative information presented for the year ended March 31, 2021 has been restated and referring to the report of the predecessor auditor for the information presented for the year ended March 31, 2022.

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 to the summary financial statements.

Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, *Engagements to Report on Summary Financial Statements*.

Comparative Information

We draw attention to Note 2 to the summary financial statements, which explains that certain comparative information presented for the year ended March 31, 2021 has been restated. The summary financial statements for the year ended March 31, 2021 (prior to the adjustments that were applied to restate certain comparative information explained in Note 2) were audited by another auditor who expressed an unmodified opinion on those financial statements on September 20, 2021. Our opinion is not modified in respect of this matter.

The image shows a handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants,
Licensed Public Accountants
September 15, 2022

The Royal College of Physicians and Surgeons of Canada

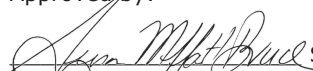
Summary statement of financial position

As at March 31, 2022

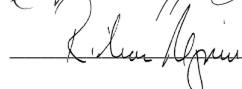
(In thousands of Canadian dollars)

	2022 \$	2021 \$ (Restated) (Note 2)
Assets		
Current assets	43,040	36,350
Cash	2,000	4,010
Short-term investments	1,954	3,437
Accounts receivable	713	808
Prepaid expenses	47,707	44,605
Investments	52,384	49,682
Tangible capital assets	21,313	22,230
Intangible assets	2,427	4,571
	123,831	121,088
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	4,228	7,286
Deferred revenue	26,606	29,152
	30,834	36,438
Long-term liabilities		
Deferred contributions	5,976	5,753
Employee future benefit liability	12,100	11,978
	48,910	54,169
Net assets		
Unrestricted	27,405	22,848
Endowments	4,921	4,749
Investment in tangible capital and intangible assets	23,740	26,801
Internally restricted		
Awards and grants	2,206	2,172
Building	3,000	3,000
Strategic initiatives	9,324	4,324
Contingency	4,325	3,025
	74,921	66,919
	123,831	121,088

Approved by:



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



Richard Reznick, MD, FRCSC, FACS, FRCSEd (hon), FRCSI (hon), FRCS (hon)

The Royal College of Physicians and Surgeons of Canada

Summary statement of operations

Year ended March 31, 2022

(In thousands of Canadian dollars)

	2022	2021
	\$	\$
		(Restated) (Note 2)
Revenue		
Fellowship dues	40,673	38,447
Examination fees	13,710	12,103
Assessment fees	4,060	2,992
MOC program fees	2,379	2,190
External organizations	3,012	1,834
Investment – realized	3,459	1,607
Conference and course registrations	671	332
	67,964	59,505
Expenses		
Salaries and benefits	34,210	35,971
Operations	21,156	17,165
Amortization of tangible capital and intangible assets	4,069	4,048
Committee and travel	240	29
	59,675	57,213
Excess of revenue over expenses before change in unrealized gains on investments and government subsidies	8,289	2,292
Change in unrealized gains on investments	(238)	8,241
Government subsidies	820	4,185
Excess of revenue over expenses	8,871	14,718

The Royal College of Physicians and Surgeons of Canada

Summary statement of changes in net assets

Year ended March 31, 2022

(In thousands of Canadian dollars)

	Endowments	Investment in tangible capital and intangible assets	Awards and grants reserve	Building reserve	Strategic initiative reserve	Contingency reserve	Unrestricted	2022 Total
	\$	\$	\$	\$	\$	\$	\$	\$
Restated balance, beginning of year	4,749	26,801	2,172	3,000	4,324	3,025	22,848	66,919
Excess of revenue over expenses	—	—	—	—	—	—	8,871	8,871
Re-measurements and other items related to employee future benefits	—	—	—	—	—	—	(869)	(869)
Internally imposed restrictions	172	—	34	—	5,000	1,300	(6,506)	—
Tangible capital and intangible asset additions	—	1,008	—	—	—	—	(1,008)	—
Amortization of tangible capital and intangible assets	—	(4,069)	—	—	—	—	4,069	—
Balance, end of year	4,921	23,740	2,206	3,000	9,324	4,325	27,405	74,921

	Endowments	Investment in tangible capital and intangible assets	Awards and grants	Building reserve	Strategic initiative	Contingency	Unrestricted	2021 Total
	\$	\$	\$	\$	\$	\$	\$	\$
								(Restated) (Note 2)
Balance, beginning of year	4,714	28,692	1,989	3,000	2,824	1,725	8,011	50,955
Excess of revenue over expenses, restated	—	—	—	—	—	—	14,718	14,718
Re-measurements and other items related to employee future benefits	—	—	—	—	—	—	1,246	1,246
Internally imposed restrictions	35	—	183	—	1,500	1,300	(3,018)	—
Tangible capital and intangible asset additions	—	2,157	—	—	—	—	(2,157)	—
Amortization of tangible capital and intangible assets	—	(4,048)	—	—	—	—	4,048	—
Restated balance, end of year	4,749	26,801	2,172	3,000	4,324	3,025	22,848	66,919

Royal College of Physicians and Surgeons of Canada

Note to summary financial statements

Year ended March 31, 2022

(In thousands of Canadian dollars)

1. Basis of presentation

The attached summary financial statements, prepared from the audited financial statements for the year ended March 31, 2022, only include the statement of financial position as at March 31, 2022, the statements of operations and changes in net assets for the year then ended of the Royal College of Physicians and Surgeons of Canada (the "Royal College"). The summary financial statements do not include the statement of cash flows, the accounting policies and the notes to the financial statements presented in the complete financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations. Complete audited financial statements are available upon request from the Royal College.

2. Restatement of comparative figures

During the year, a revenue policy change for examination fee revenue occurred. Examination revenue is now recognized at the time the examination is held. In prior years, the Royal College recognized examination fees when all components of the examination were completed by the person taking the examination, which in the case of the comprehensive examinations was only once both the written and oral parts were complete. This change in policy was due to revised processes in 2021 mainly related to refunds, which now assign a separate value to the written and oral portions of the examination. As a result, the 2021 deferred examination fee revenue has been reduced and the examination fee revenue increased resulting in a restatement of the 2021 comparative figures. The impact of this adjustment is as follows.

	2021 Prior to Adjustment \$	Adjustment \$	2021 Restated \$
Revenue			
Fellowship dues	38,447	—	38,447
Examination fees	8,779	3,324	12,103
Assessment fees	2,992	—	2,992
MOC program fees	2,190	—	2,190
External organizations	1,834	—	1,834
Investment - realized	1,607	—	1,607
Conference and course registration	332	—	332
	<u>56,181</u>	<u>3,324</u>	<u>59,505</u>
Deferred revenue	<u>32,476</u>	<u>(3,324)</u>	<u>29,152</u>
Net asset balance, end of year			
Unrestricted	<u>19,524</u>	<u>3,324</u>	<u>22,848</u>