

**ALBERTA COLLEGE OF FAMILY PHYSICIANS**  
*(A Chapter of the College of Family Physicians of Canada)*  
**Financial Statements**  
**Year Ended December 31, 2025**

**ALBERTA COLLEGE OF FAMILY PHYSICIANS**  
**(A Chapter of the College of Family Physicians of Canada)**

**Index to Financial Statements**

**Year Ended December 31, 2025**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Alberta College of Family Physicians A Chapter of the College of Family Physicians of Canada

### *Opinion*

We have audited the financial statements of Alberta College of Family Physicians, A Chapter of the College of Family Physicians of Canada, (the "College"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at December 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *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 are independent of the College in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Matter*

The financial statements for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on February 21, 2025.

### *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 ASNPO, 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 College'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 College or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the College'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 College'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 College'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 College 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.

Edmonton, Alberta  
February 12, 2026

*Givens LLP*

Givens LLP  
Chartered Professional Accountants

**ALBERTA COLLEGE OF FAMILY PHYSICIANS**  
**(A Chapter of the College of Family Physicians of Canada)**

**Statement of Operations**

**Year Ended December 31, 2025**

|   | 2025             | 2024              |
|---|------------------|-------------------|
| <b>REVENUES</b>   |                  |                   |
| Membership fees (Note 8)                                    | \$ 1,633,599     | \$ 1,448,512      |
| Family Medicine Summit                                      | 358,691          | 363,350           |
| Special events  | 76,675           | -                 |
| Other grants  | 50,000           | 25,133            |
| Continuing medical education                                | 37,600           | 37,000            |
| Transfer payment (Note 8)                                   | 31,360           | -                 |
| Special projects  | 10,000           | 58,300            |
| Evidence based programs                                     | -                | 1,688             |
|   | <b>2,197,925</b> | <b>1,933,983</b>  |
| <b>EXPENSES</b>   |                  |                   |
| Salaries and wages  | 832,683          | 758,919           |
| Family Medicine Summit                                      | 370,465          | 398,756           |
| Board expenses  | 190,678          | 123,349           |
| Professional fees   | 159,456          | 141,545           |
| Office and telephone  | 149,762          | 135,869           |
| Special projects  | 137,449          | 106,352           |
| Education outreach  | 99,951           | 74,973            |
| Research and innovation initiatives                         | 73,859           | 46,140            |
| Rental and occupancy costs                                  | 61,864           | 72,623            |
| Public relations  | 37,989           | 51,887            |
| Early career support  | 35,661           | 38,645            |
| Other events  | 30,694           | 21,777            |
| Travel  | 21,395           | 25,287            |
| Amortization  | 8,528            | 4,891             |
| Operational committees                                      | 200              | 384               |
|   | <b>2,210,634</b> | <b>2,001,397</b>  |
| <b>DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS</b> | <b>(12,709)</b>  | <b>(67,414)</b>   |
| <b>OTHER INCOME</b>   |                  |                   |
| Interest income   | 58,427           | 89,663            |
| Gain on employee future benefits obligation (Note 11)       | -                | 164,800           |
| Gain (loss) on disposal of capital assets                   | (1,091)          | 33                |
|   | <b>57,336</b>    | <b>254,496</b>    |
| <b>EXCESS OF REVENUES OVER EXPENSES</b>                     | <b>\$ 44,627</b> | <b>\$ 187,082</b> |

APPROVED ON BEHALF OF THE BOARD:



Melanie Hnatiuk (Mar 17, 2026 10:40:33 MDT)

Director



Dr. Doug Tuck (Mar 17, 2026 16:00:52 MDT)

Director

3 The accompanying notes form an integral part of the financial statements

**ALBERTA COLLEGE OF FAMILY PHYSICIANS**  
**(A Chapter of the College of Family Physicians of Canada)**

**Statement of Financial Position**

**December 31, 2025**

|                                      | 2025                | 2024                |
|--------------------------------------|---------------------|---------------------|
| <b>ASSETS</b>                        |                     |                     |
| <b>CURRENT</b>                       |                     |                     |
| Cash (Note 2)                        | \$ 2,426,967        | \$ 1,880,762        |
| Short term investments (Note 3)      | -                   | 423,172             |
| Accounts receivable (Note 4)         | 139,922             | 41,148              |
| Prepaid expenses                     | 32,730              | 62,512              |
|                                      | <b>2,599,619</b>    | 2,407,594           |
| CAPITAL ASSETS (Note 5)              | 45,665              | 41,839              |
|                                      | <b>\$ 2,645,284</b> | <b>\$ 2,449,433</b> |
| <b>LIABILITIES AND NET ASSETS</b>    |                     |                     |
| <b>CURRENT</b>                       |                     |                     |
| Accounts payable and accrued charges | \$ 96,855           | \$ 109,751          |
| Government remittances payable       | 7,346               | -                   |
| Deferred revenue (Note 6)            | 975,855             | 819,081             |
|                                      | <b>1,080,056</b>    | 928,832             |
| COMMITMENTS (Note 9)                 |                     |                     |
| CONTINGENT LIABILITY (Note 10)       |                     |                     |
| NET ASSETS                           | <b>1,565,228</b>    | 1,520,601           |
|                                      | <b>\$ 2,645,284</b> | <b>\$ 2,449,433</b> |

**ALBERTA COLLEGE OF FAMILY PHYSICIANS**  
**(A Chapter of the College of Family Physicians of Canada)**

**Statement of Changes in Net Assets**

**Year Ended December 31, 2025**

|  | 2024<br>Balance     | Excess of<br>revenues over<br>expenses | Interfund<br>transfers | 2025<br>Balance     |
|--|---------------------|--|------------------------|---------------------|
| Unrestricted operating fund                  | \$ 619,323          | \$ 32,239                              | \$ (13,745)            | \$ <b>637,817</b>   |
| Internally restricted fund ( <i>Note 7</i> ) | 859,439             | 22,307                                 | -                      | <b>881,746</b>      |
| Invested in capital assets                   | 41,839              | (9,919)                                | 13,745                 | <b>45,665</b>       |
|  | <b>\$ 1,520,601</b> | <b>\$ 44,627</b>                       | <b>\$ -</b>            | <b>\$ 1,565,228</b> |

|  | 2023<br>Balance     | Excess of<br>revenues over<br>expenses | Interfund<br>transfers | 2024<br>Balance     |
|--|---------------------|--|------------------------|---------------------|
| Unrestricted operating fund                  | \$ 496,160          | \$ 157,581                             | \$ (34,418)            | \$ 619,323          |
| Internally restricted fund ( <i>Note 7</i> ) | 825,080             | 34,359                                 | -                      | 859,439             |
| Invested in capital assets                   | 12,279              | (4,858)                                | 34,418                 | 41,839              |
|  | <b>\$ 1,333,519</b> | <b>\$ 187,082</b>                      | <b>\$ -</b>            | <b>\$ 1,520,601</b> |

**ALBERTA COLLEGE OF FAMILY PHYSICIANS**  
**(A Chapter of the College of Family Physicians of Canada)**

**Statement of Cash Flows**

**Year Ended December 31, 2025**

|   | 2025                | 2024                |
|---|---------------------|---------------------|
| <b>OPERATING ACTIVITIES</b>                 |                     |                     |
| Excess of revenues over expenses            | \$ 44,627           | \$ 187,082          |
| Items not affecting cash:                   |                     |                     |
| Amortization of capital assets              | 8,528               | 4,891               |
| Loss (gain) on disposal of capital assets   | 1,091               | (33)                |
|   | <u>54,246</u>       | <u>191,940</u>      |
| Changes in non-cash working capital:        |                     |                     |
| Accounts receivable                         | (98,474)            | 227,489             |
| Accounts payable and accrued charges        | (12,897)            | (139,484)           |
| Deferred revenue                            | 156,775             | 149,267             |
| Prepaid expenses                            | 29,782              | (46,206)            |
| Government remittances payable              | 7,346               | 262                 |
|   | <u>82,532</u>       | <u>191,328</u>      |
| Cash flow from operating activities         | <u>136,778</u>      | <u>383,268</u>      |
| <b>INVESTING ACTIVITIES</b>                 |                     |                     |
| Purchase of capital assets                  | (13,745)            | (34,618)            |
| Proceeds on disposal of capital assets      | -                   | 200                 |
| Investments redeemed                        | 423,172             | 401,908             |
|   | <u>409,427</u>      | <u>367,490</u>      |
| Cash flow from investing activities         | <u>409,427</u>      | <u>367,490</u>      |
| <b>INCREASE IN CASH FLOW</b>                | <b>546,205</b>      | <b>750,758</b>      |
| Cash - beginning of year                    | <u>1,880,762</u>    | <u>1,130,004</u>    |
| <b>CASH - END OF YEAR</b>                   | <b>\$ 2,426,967</b> | <b>\$ 1,880,762</b> |
| <b>CASH FLOWS SUPPLEMENTARY INFORMATION</b> |                     |                     |
| Interest received                           | \$ (58,427)         | \$ (89,663)         |

**ALBERTA COLLEGE OF FAMILY PHYSICIANS**  
**(A Chapter of the College of Family Physicians of Canada)**

**Notes to Financial Statements**  
**Year Ended December 31, 2025**

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**PURPOSE OF THE COLLEGE**

The College of Family Physicians of Canada was founded nationally in 1954 and was incorporated in 1960 by a special act of Parliament in 1968, the College was granted letters patent under the *Canadian Corporations Act*. The College, along with its provincial chapters, acts to sustain and improve the professional qualifications of members of the medical profession who are engaged in general practice in Canada through education, research and publication of journals.

Alberta College of Family Physicians (the "College") was established as a provincial chapter of the College of Family Physicians Canada on January 9, 1997 and is incorporated under the *Societies Act* of Alberta. As a not-for-profit organization, the College is exempt from the payment of income tax under Subsection 149(1) of the *Income Tax Act*.

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of presentation

The financial statements were prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The financial statements have, in management's opinion been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

Fund accounting

Alberta College of Family Physicians follows the restricted fund method of accounting for contributions.

Unrestricted operating fund:

Consists of unrestricted net assets resulting from accumulated surplus or deficit of general operations, on which no restrictions have been imposed.

Internally restricted fund:

Consists of funds held in reserve for future operational needs, including potential economic downturns or unforeseen operational costs. Internally restricted net assets results from the accumulated surplus or deficit of interest earned on the fund during the year.

Invested in capital assets:

Consists of capital assets purchased, disposed and the related amortization and expenses.

Funding of and expenditures from all of the internally restricted funds are approved by the Board of Directors.

Internally restricted cash reserves

Internally restricted funds include amounts which the College has designated for specific purposes. These internally restricted amounts are not available for other purposes without the approval of the Board of Directors.

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**ALBERTA COLLEGE OF FAMILY PHYSICIANS**  
**(A Chapter of the College of Family Physicians of Canada)**

**Notes to Financial Statements**

**Year Ended December 31, 2025**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period.

Significant estimates include:

1. Useful lives of assets for amortization: The College is required to estimate the useful lives of its capital assets in order to determine the amortization method and rates. Amortization reflects the cost of these assets over their useful lives. The useful life of an asset can change from year to year. The Board reviews these policies annually.
2. Impairment of long lived assets: The College reviews the carrying value of each asset annually to determine if there is any indication of impairment using internal sources. If assets' carrying values are less than their cash-generating potential, the asset is reduced to its recoverable amount.

Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets measured at amortized cost include cash, short-term investments and accounts receivable.

Financial liabilities measured at amortized costs includes accounts payable and accrued charges.

Transaction costs

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in excess of revenues over expenses in the period incurred. Transaction costs related to financial instruments subsequently measured at cost or amortized cost are included in the original cost of the financial asset or liability and recognized in excess of revenues over expenses over the life of the instrument using the straight-line method.

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**ALBERTA COLLEGE OF FAMILY PHYSICIANS**  
**(A Chapter of the College of Family Physicians of Canada)**

**Notes to Financial Statements**

**Year Ended December 31, 2025**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Impairment

For financial assets measured at cost or amortized cost, the College determines whether there are indications of possible impairment. When there is an indication of impairment, and the College determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in excess of revenues over expenses. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss shall be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenues over expenses.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in term deposits and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days. Term deposits that have a maturity over ninety days are not considered cash and are classified as a short-term investment. Term deposits that the College cannot use for current transactions because they are pledged as security, are also excluded from cash and cash equivalents.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates:

|                        |     |
|------------------------|-----|
| Computer equipment     | 30% |
| Furniture and fixtures | 30% |

The College regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use. Full amortization is taken in the year of acquisition and none in the year of sale.

Impairment of long lived assets

The College tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

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**ALBERTA COLLEGE OF FAMILY PHYSICIANS**  
**(A Chapter of the College of Family Physicians of Canada)**

**Notes to Financial Statements**

**Year Ended December 31, 2025**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Revenue recognition

Alberta College of Family Physicians follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized in revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted interest income is recognized as revenue when earned.

Revenue recognition also includes:

1. Membership revenues: Revenue from annual membership fees is billed and collected by the College of Family Physicians of Canada (CFPC) on July 1 of each fiscal year. These membership fees are deferred upon receipt and recognized as revenue on a straight line basis over the twelve month membership period from July to June. As the CFPC remits monthly allocations of these fees to the provincial chapters, the corresponding portion of deferred revenue is recognized to reflect the delivery of membership services during each month of the fiscal year.
2. Family Medicine Summit revenues: Registrations and sponsorships received for the Family Medicine Summit are deferred and recognized as revenue in the fiscal year which the summit is held.
3. Continuing Medical Education revenues: Continuing medical education, ethical review and mainpro accreditation fees are recognized as revenue when the course, review or accreditation has occurred.
4. Grant revenues: Grants are recognized as revenue in the period in which the related services are provided or eligible expenditures are incurred, and the amounts can be reasonably estimated and collection is reasonably assured.
5. Interest income: Internally restricted and unrestricted interest revenue is recognized in the year it is earned.

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**2. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consists of the following:

|                                   | <u>2025</u>         | <u>2024</u>         |
|-----------------------------------|---------------------|---------------------|
| Operating cash                    | \$ 1,224,651        | \$ 1,132,000        |
| Guaranteed investment certificate | 5,821               | 5,678               |
| Corporate tiered savings account  | 314,749             | 306,816             |
| Internally restricted cash        | 881,746             | 436,267             |
|                                   | <u>\$ 2,426,967</u> | <u>\$ 1,880,761</u> |

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**ALBERTA COLLEGE OF FAMILY PHYSICIANS**  
**(A Chapter of the College of Family Physicians of Canada)**

**Notes to Financial Statements**  
**Year Ended December 31, 2025**

**3. SHORT-TERM INVESTMENTS**

|                                   | <u>2025</u> | <u>2024</u> |
|-----------------------------------|-------------|-------------|
| Guaranteed investment certificate | \$ -        | \$ 423,172  |

Included in short term investments is \$NIL (2024 – \$423,172) in guaranteed investment certificates (“GICs”). In the prior year, these GICs were held in redeemable term deposits earning interest at a fixed rate of 5.25 percent per annum with a maturity date of July 2025. The GICs were fully redeemed during the year and the proceeds were converted to cash upon redemption. As a result, no GICs remain outstanding at year-end, and the balance is now reported in cash and cash equivalents.

**4. ACCOUNTS RECEIVABLE**

|  | <u>2025</u>       | <u>2024</u>      |
|--|-------------------|------------------|
| Grant receivable   | \$ 70,000         | \$ 10,000        |
| Family Medicine Summit registration                          | 46,831            | -                |
| 2024 recoveries  | 10,759            | -                |
| Membership fees from College of Family Physicians of Canada  | 5,778             | 31,148           |
| CERT application from College of Family Physicians of Canada | 6,545             | -                |
|  | <u>\$ 139,913</u> | <u>\$ 41,148</u> |

**5. CAPITAL ASSETS**

|                        | Cost              | Accumulated<br>amortization | <b>2025<br/>Net book<br/>value</b> | 2024<br>Net book<br>value |
|------------------------|-------------------|-----------------------------|------------------------------------|---------------------------|
| Computer equipment     | \$ 54,976         | \$ 36,570                   | \$ 18,406                          | \$ 13,338                 |
| Furniture and fixtures | 81,466            | 54,207                      | 27,259                             | 28,501                    |
|                        | <u>\$ 136,442</u> | <u>\$ 90,777</u>            | <u>\$ 45,665</u>                   | <u>\$ 41,839</u>          |

**ALBERTA COLLEGE OF FAMILY PHYSICIANS**  
**(A Chapter of the College of Family Physicians of Canada)**

**Notes to Financial Statements**

**Year Ended December 31, 2025**

**6. DEFERRED REVENUE**

The College receives membership fees, Family Medicine Summit registrations, and other revenue that have been received but not yet earned in accordance with the College's applicable financial reporting framework. The amounts will be recognized as revenue when the specific expenditures are incurred.

|   | <u>2025</u>       | <u>2024</u>       |
|---|-------------------|-------------------|
| <b><u>Membership Fees</u></b>                           |                   |                   |
| Balance, beginning of year                              | \$ 737,015        | \$ 548,768        |
| Plus: contributions received                            | 860,029           | 737,015           |
| Less: amounts recognized                                | (737,015)         | (548,768)         |
| Balance, end of year                                    | <u>860,029</u>    | <u>737,015</u>    |
| <b><u>Family Medicine Summit</u></b>                    |                   |                   |
| Balance, beginning of year                              | 62,066            | 121,046           |
| Plus: contributions received                            | 115,826           | 62,066            |
| Less: amounts recognized                                | (62,066)          | (121,046)         |
| Balance, end of year                                    | <u>115,826</u>    | <u>62,066</u>     |
| <b><u>Health Canada</u></b>                             |                   |                   |
| Balance, beginning of year                              | -                 | 4,865             |
| Plus: contributions received                            | -                 | -                 |
| Less: amounts recognized                                | -                 | (4,865)           |
| Balance, end of year                                    | <u>-</u>          | <u>-</u>          |
| <b><u>South Zone Primary Care Network Committee</u></b> |                   |                   |
| Balance, beginning of year                              | 20,000            | -                 |
| Plus: contributions received                            | -                 | 30,000            |
| Less: amounts recognized                                | (20,000)          | (10,000)          |
| Balance, end of year                                    | <u>-</u>          | <u>20,000</u>     |
| <b><u>Alberta Medical Association</u></b>               |                   |                   |
| Balance, beginning of year                              | -                 | 8,767             |
| Plus: contributions received                            | -                 | -                 |
| Less: amounts recognized                                | -                 | (8,767)           |
| Balance, end of year                                    | <u>-</u>          | <u>-</u>          |
|   | <b>\$ 975,855</b> | <b>\$ 819,081</b> |

**ALBERTA COLLEGE OF FAMILY PHYSICIANS**  
**(A Chapter of the College of Family Physicians of Canada)**

**Notes to Financial Statements**

**Year Ended December 31, 2025**

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**7. INTERNALLY RESTRICTED FUND**

The College maintains an internally restricted reserve fund totaling \$881,746 (2024 – \$859,439). These funds may only be accessed with explicit approval from the Board of Directors. The reserve is intended to provide financial protection in the event of extraordinary or unforeseen circumstances and is not available for regular operating needs. The existence of this reserve supports long-term organizational stability and ensures the College can meet its obligations even in adverse conditions.

The reserve funds are held in segregated accounts, separate from the College's operating and capital funds. This segregation ensures that reserve balances remain clearly identifiable and protected from being inadvertently used for day to day activities.

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**8. RELATED PARTY TRANSACTIONS**

The following is a summary of the College's related party transactions:

|   | <u>2025</u>  | <u>2024</u>  |
|---|--------------|--------------|
| <i>Organization in which the reporting organization has economic interest</i> |              |              |
| Membership fees   | \$ 1,663,599 | \$ 1,448,512 |
| Transfer fees   | 31,360       | -            |
| Other grants  | -            | 30,000       |

Of the membership fees, \$5,778 (2024 - \$31,148) was outstanding at year-end and is recorded in accounts receivable.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related party.

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**9. COMMITMENTS**

The College is committed to an operating lease for the office rent, multi-functional telecommunication devices, and software licenses.

Future minimum lease payments are as follows:

|      |           |
|------|-----------|
| 2026 | \$ 41,005 |
| 2027 | 42,522    |
| 2028 | 38,841    |

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**10. CONTINGENT LIABILITY**

The College has a policy to fund short-term sick leave. Employees are eligible for short-term sick leave where employees require more than three days of leave due to illness or injury. Employees accrue sick leave monthly up to a maximum of 75 days for full-time employees. The amount of days accrued is pro-rated based on employees full-time equivalent.

The sick leave banks but does not vest. At December 31, 2025, the College has calculated the potential sick leave liability to be \$122,145 (2024 - \$171,372). The College will record the sick expense in the year any employee becomes eligible for payment under the policy.

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**ALBERTA COLLEGE OF FAMILY PHYSICIANS**  
**(A Chapter of the College of Family Physicians of Canada)**

**Notes to Financial Statements**  
**Year Ended December 31, 2025**

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**11. COLLEGE OF FAMILY PHYSICIANS PENSION PLAN**

The College's defined benefit plan has been merged with Colleges of Applied Arts and Technology (CAAT) Pension Plan and all assets have been transferred to CAAT, with CAAT assuming the obligation for the benefits to be paid to retired member under the defined benefit plan. The College does not have a future obligation associated with the pension plan and accordingly, a gain of \$NIL (2024 - \$164,800) was recorded during the year.

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**12. FINANCIAL INSTRUMENTS**

The College is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the College's risk exposure and concentration as of December 31, 2025.

**Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The College is exposed to credit risk from its funders and members. In management's opinion, the credit risk exposure is not significant.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The College is exposed to this risk mainly in respect of its receipt of funds from its members and other related sources, and accounts payable, and accrued charges.

**Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the College manages exposure through its normal operating and financing activities. The College is exposed to interest rate risk on its investments, cash, and cash equivalents. Management reviews the interest rate risks to mitigate risks.

**Concentration risk**

During the period ending December 31, 2025, one customer provided 76 percent (2024 - 73 percent) of the College's total revenues. In management's opinion, the future viability of the College is not dependent on this national body.

There are no significant changes in the risk profile of the financial instruments of the College from that of the prior year.

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**13. COMPARATIVE FIGURES**

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

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