



College of Physicians
and Surgeons of
British Columbia

FINANCIAL STATEMENTS

February 28, 2015

2014 15



Transparent Objective Impartial Fair

College of Physicians and
Surgeons of British Columbia
cpsbc.ca

2015 ANNUAL GENERAL MEETING

Friday, September 25, 2015
Vancouver Convention Centre
Vancouver, British Columbia

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INDEPENDENT AUDITORS' REPORT

To the Board of the College of Physicians and Surgeons of British Columbia

We have audited the accompanying financial statements of the College of Physicians and Surgeons of British Columbia, which comprise the balance sheet as at February 28, 2015, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the College of Physicians and Surgeons of British Columbia as at February 28, 2015, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Comparative Information

The financial statements of the College of Physicians and Surgeons of British Columbia as at and for the year ended February 28, 2014 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 28, 2014.

KPMG LLP

Chartered Accountants

May 28, 2015

Burnaby, Canada

College of Physicians and Surgeons of British Columbia

Statement of Operations

Year ended February 28, 2015, with comparative information for 2014

| | 2015 | 2014 |
|---|---------------------|--------------------|
| Revenue | | |
| Annual registrant and incorporation fees | \$ 19,395,469 | \$ 18,549,334 |
| Accreditation fees | 4,099,661 | 4,021,367 |
| Investment income (note 7) | 988,774 | 635,111 |
| Rental revenue (note 8) | 918,397 | 814,723 |
| Application and incorporation setup fees | 738,536 | 594,475 |
| Grants | 465,000 | 465,000 |
| Other income | 366,791 | 422,512 |
| Penalties, fines and costs | 162,481 | 268,613 |
| Assessment income | 131,271 | 177,558 |
| Preliminary assessment fees | 130,800 | 93,420 |
| Medical directory and provider registry | 106,310 | 61,951 |
| | 27,503,490 | 26,104,064 |
| Expenses | | |
| Salaries and benefits | 13,351,673 | 12,915,162 |
| Assessments, accreditations and reviews | 2,054,444 | 1,931,992 |
| Amortization | 1,678,865 | 1,284,354 |
| Information technology | 1,312,642 | 619,086 |
| Occupancy costs | 1,299,912 | 1,210,319 |
| Board and committees | 1,125,168 | 1,177,807 |
| Professional fees | 927,271 | 933,958 |
| Miscellaneous | 594,439 | 598,986 |
| Office | 519,916 | 532,587 |
| Grants and contributions | 488,310 | 599,263 |
| Bank charges and credit card fees | 442,529 | 409,668 |
| Library resources | 374,319 | 312,326 |
| Annual meeting, travel and training | 352,078 | 329,044 |
| Publications and website | 156,336 | 231,750 |
| | 24,677,902 | 23,086,302 |
| Excess of revenue over expenses before undernoted | 2,825,588 | 3,017,762 |
| Unrealized (loss) gain on Investments | (39,049) | 151,061 |
| Pension transfer recovery (cost) (note 6 (b)) | 371,000 | (3,216,000) |
| Excess (deficiency) of revenue over expenses | \$ 3,157,539 | \$ (47,177) |

College of Physicians and Surgeons of British Columbia

Statement of Financial Position

As at February 28, 2015, with comparative information for 2014

| | 2015 | 2014 (recast – note 10) |
|---|----------------------|----------------------------|
| Assets | | |
| Current assets | | |
| Cash | \$ 8,180,800 | \$ 15,397,342 |
| Short-term investments (note 3) | 15,471,117 | 183,230 |
| Accounts receivable | 177,456 | 314,925 |
| Prepaid expenses | 726,710 | 653,447 |
| Deposits | 51,570 | 12,424 |
| | 24,607,653 | 16,561,368 |
| Prepaid expenses – non-current | 179,938 | 278,085 |
| Long-term investments (note 3) | 6,360,726 | 10,406,231 |
| Intangible assets (note 4) | 2,968,436 | 2,442,415 |
| Property and equipment (note 5) | 36,918,892 | 37,845,479 |
| | \$ 71,035,645 | \$ 67,533,578 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | \$ 5,051,288 | \$ 5,165,081 |
| Government remittances payable | 918 | 821 |
| Unearned revenue | 19,820,936 | 19,194,012 |
| Current portion of pension liabilities (note 6) | 1,648,700 | 570,900 |
| | 26,521,842 | 24,930,814 |
| Tenant deposits | 88,938 | 74,169 |
| Pension liabilities (note 6) | 7,309,895 | 8,486,264 |
| | 33,920,675 | 33,491,247 |
| Net assets | | |
| Investment in property, equipment and intangible assets | 39,887,328 | 40,287,894 |
| Internally restricted | 2,585,531 | 2,203,238 |
| Unrestricted deficit | (5,357,889) | (8,448,801) |
| | 37,114,970 | 34,042,331 |
| | \$ 71,035,645 | \$ 67,533,578 |

Commitments and contingent liabilities (note 9)

Approved on behalf of the Board:

_____ Board Member

_____ Board Member

College of Physicians and Surgeons of British Columbia

Statement of Changes in Net Assets

Year ended February 28, 2015, with comparative information for 2014

| | | | | 2015 | 2014 |
|---|---|---|-----------------------|----------------------|----------------------|
| | Investment in property, equipment and intangible assets | Internally restricted (note 2(f)) | Unrestricted | Total | Total |
| Fund balances, beginning of year (recast – note 10) | \$ 40,287,894 | \$ 2,203,238 | \$ (8,448,801) | \$ 34,042,331 | \$ 34,172,008 |
| Transfer for database project and EDRMS* | - | 1,312,500 | (1,312,500) | - | - |
| Actuarial loss | - | - | (84,900) | (84,900) | (82,500) |
| Excess (deficiency) of revenue over expenses | (1,678,865) | - | 4,836,404 | 3,157,539 | (47,177) |
| Purchase of property, equipment and intangible assets | 1,278,299 | (930,207) | (348,092) | - | - |
| Fund balances, end of year | \$ 39,887,328 | \$ 2,585,531 | \$ (5,357,889) | \$ 37,114,970 | \$ 34,042,331 |

* Electronic document and records management system

College of Physicians and Surgeons of British Columbia

Statement of Cash Flows

Year ended February 28, 2015, with comparative information for 2014

| | 2015 | 2014 (recast – note 10) |
|---|---------------------|----------------------------|
| Operating activities | | |
| Excess (deficiency) of revenue over expenses | \$ 3,157,539 | \$ (47,177) |
| Non-cash items | | |
| Amortization | 1,678,865 | 1,284,354 |
| Provision for pension benefits | (183,469) | (51,099) |
| Unrealized loss (gain) on investments | 39,049 | (151,061) |
| | 4,691,984 | 1,035,017 |
| Change in operating working capital (note 11) | 651,204 | 3,809,275 |
| | 5,343,188 | 4,844,292 |
| Investing activities | | |
| Purchase of property and equipment | (235,982) | (2,427,358) |
| Purchase of intangible assets | (1,042,317) | (2,247,949) |
| Net changes in investments | (11,281,431) | 12,410,302 |
| | (12,559,730) | 7,734,995 |
| Financing activities | | |
| Payment of capital lease obligation | - | (2,947) |
| | - | (2,947) |
| Net (decrease) increase in cash | (7,216,542) | 12,576,340 |
| Cash, beginning of year | 15,397,342 | 2,821,002 |
| Cash, end of year | \$ 8,180,800 | \$ 15,397,342 |

College of Physicians and Surgeons of British Columbia

Notes to the Financial Statements

February 28, 2015

1. Purpose of the organization

The purpose of the College of Physicians and Surgeons of British Columbia (the “College”) is to set and enforce standards of practice and ethics within the medical profession in British Columbia.

The College is continued under the Health Professions Act (RSBC 1996) as a not-for-profit organization. As a not-for-profit organization, the College is not subject to income taxes.

2. Summary of significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”) and include the following significant accounting policies:

(a) *Financial instruments*

The College initially measures its financial assets and financial liabilities at fair value when it becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments, other than investments, are measured at cost or amortized cost.

Investments are measured at fair value and any changes in fair value are recognized in the Statement of Operations in the period incurred.

Transaction costs related to the acquisition of financial instruments measured at fair value are expensed as incurred. Transaction costs related to the acquisition of other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the Statement of Operations as interest income or expense.

With respect to financial assets measured at cost or amortized cost, the College recognizes in the Statement of Operations an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the College expects to realize by exercising its right to any collateral. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in the Statement of Operations in the period the reversal occurs, not exceeding the initial carrying value.

College of Physicians and Surgeons of British Columbia

Notes to the Financial Statements (continued)

February 28, 2015

2. Summary of significant accounting policies (continued)

(b) *Property and equipment*

Property and equipment are recorded at cost and amortized on the straight-line method over the following estimated useful lives:

| | |
|-------------------------|----------|
| Building | 50 years |
| Building improvements | 25 years |
| Furniture and equipment | 8 years |
| Computer equipment | 4 years |

When property and equipment no longer contributes to the College's ability to provide services, its carrying amount is written down to its residual value.

(c) *Intangible assets*

The College's new database system and other software are recorded at cost and amortized over their useful lives of 7 years and 4 years, respectively. When an intangible asset no longer contributes to the College's ability to provide services, its carrying amount is written down to its residual value.

(d) *Pension plans*

Pension costs and obligations are accounted for as follows:

- (i) Defined benefit pension plans sponsored by the Canadian Medical Association (until December 31, 2013) and the British Columbia Public Service Pension Plan (started January 1, 2014) – cost is recognized using defined contribution plan accounting as these pension plans are multi-employer plans. Contributions are expensed as incurred.
- (ii) Supplementary defined benefit pension plan – cost is recognized based on an actuarial valuation using the projected benefit method, prorated on length of service salary and management's best estimate assumptions. Actuarial gains and losses are recognized directly into net assets in the period incurred.
- (iii) Supplementary defined contribution pension plan – cost is recognized using defined contribution accounting based on the College's notional contribution obligations and interest credits for the period. Contributions are expensed as incurred.

(e) *Revenue recognition*

The College follows the deferral method of accounting for revenue. Registrant fees, incorporation fees, accreditation fees, application and incorporation setup fees are recognized as revenue over the period of licensure, accreditation, or service provided when collection is reasonably assured. Rental and investment income are recorded as revenue

College of Physicians and Surgeons of British Columbia

Notes to the Financial Statements (continued)

February 28, 2015

2. Summary of significant accounting policies (continued)

when the service is provided or the investment income is earned and reasonable assurance exists regarding measurement and collectability. Amounts received that relate to the period following the College's year end are recorded as unearned revenue. Externally restricted grant revenue, if any, is recognized as revenue when the associated services are provided or costs incurred, if the amount to be received can be reasonably estimated and collection is reasonably assured.

(f) *Internally restricted net assets*

Amounts set aside are for the purpose of funding the development and implementation of a new database system and an electronic document and records management system ("EDRMS"). During fiscal year 2015, the Board of Directors internally restricted \$1,312,500 to fund the continued development and implementation of the new database system and the EDRMS.

Investment income earned from the internally restricted funds is unrestricted.

(g) *Use of estimates*

The preparation of financial statements in conformance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods. Actual results could differ from these estimates. Significant estimates include the amortization period of property, equipment, and intangible assets, and the assumptions used regarding the actuarial valuation of the defined benefit pension obligations and the recording of accrued and contingent liabilities.

3. Investments

| | 2015 | 2014 |
|--|----------------------|---------------|
| Bond funds | \$ 14,400,570 | \$ 5,039,459 |
| Canadian equity dividend pool fund | 3,431,273 | 5,550,002 |
| Term deposit (1.09% maturing on April 6, 2015) | 4,000,000 | - |
| Total investments | 21,831,843 | 10,589,461 |
| Short-term investments | 15,471,117 | 183,230 |
| Long-term investments | 6,360,726 | 10,406,231 |
| Total investments | \$ 21,831,843 | \$ 10,589,461 |

College of Physicians and Surgeons of British Columbia

Notes to the Financial Statements (continued)

February 28, 2015

4. Intangible assets

| | | | 2015 | | 2014 | |
|-----------------|--------------|--------------------------|----------------|----|----------------|--|
| | Cost | Accumulated amortization | Net book value | | Net book value | |
| Database system | \$ 3,112,968 | \$ 487,420 | \$ 2,625,548 | \$ | 2,098,703 | |
| Other software | 507,911 | 165,023 | 342,888 | | 343,712 | |
| | \$ 3,620,879 | \$ 652,443 | \$ 2,968,436 | \$ | 2,442,415 | |

5. Property and equipment

| | | | 2015 | | 2014 | |
|-------------------------|---------------|--------------------------|----------------|----|----------------|--|
| | Cost | Accumulated amortization | Net book value | | Net book value | |
| Land | \$ 9,009,000 | \$ - | \$ 9,009,000 | \$ | 9,009,000 | |
| Building | 23,563,888 | 1,525,223 | 22,038,665 | | 22,510,864 | |
| Building improvements | 4,659,027 | 569,091 | 4,089,936 | | 4,234,999 | |
| Furniture and equipment | 2,406,140 | 960,797 | 1,445,343 | | 1,657,046 | |
| Computer equipment | 1,145,400 | 809,452 | 335,948 | | 433,570 | |
| | \$ 40,783,455 | \$ 3,864,563 | \$ 36,918,892 | \$ | 37,845,479 | |

6. Pension plans

a) CMA Pension Plan

Prior to January 1, 2014, employees of the College participated in either a defined benefit pension plan or a group registered retirement savings plan. The defined benefit pension plan was the Canadian Medical Association ("CMA") pension plan in which the College was a participating employer. This plan provides pension benefits based on length of service and best three-year average salary. On December 31, 2013, the College withdrew from the CMA Pension Plan.

b) British Columbia Public Service Pension Plan

On January 1, 2014, the College enrolled all of its employees in the British Columbia Public Service Pension Plan ("BCPSPP"). The BCPSPP is a defined benefit multi-employer pension plan that provides pension benefits based on length of service and best five-year average salary. The plan grants annual inflation adjustments based on the Canadian Consumer Price Index ("CPI"). Annual inflation adjustments are not guaranteed. The most recent published information shows that the plan has an actuarial surplus for financial statement purposes of \$2 billion as at March 31, 2014. The next valuation date is scheduled for March 31, 2017.

In fiscal year 2014, the Board gave its approval to fund an estimated potential shortfall up to \$2,416,000 to recognize existing employees' past service credits from the CMA Pension Plan to the BCPSPP. In fiscal year 2014, the Board also approved the funding of an estimated \$800,000

College of Physicians and Surgeons of British Columbia

Notes to the Financial Statements (continued)

February 28, 2015

6. Pension plans (continued)

deficiency in respect of existing pensioners under the CMA Pension Plan. The estimate for this deficiency was reduced by \$371,000 in fiscal 2015. As at February 28, 2015, the College has revised the provision for these costs from \$3,216,000 to \$2,845,000. This amount is reflected in Accounts Payable and Accrued Liabilities. The transfer of assets of College employees in the CMA Pension Plan to the BCPSPP is pending approval from the Financial Services Commission of Ontario.

c) *Supplementary Pension Plans*

- (i) For executive officers hired prior to 2004, the supplementary pension arrangements provide for pensions determined on a defined benefit basis. This plan provides pension benefits, based on length of service and best three-year average salary, that are in excess of those that can be funded under a registered pension plan. The College pays supplementary defined benefits to its former executive officers as they fall due. As of February 28, 2015, no active executive officers were covered under the supplementary defined benefit arrangement.
- (ii) Since 2004, new executive officers have been provided with supplementary pension benefits determined on a defined contribution basis. Effective January 1, 2014, all current executive officers joined the BCPSPP and contribution credits to the College's supplementary defined contribution pension plan ceased. As a result of the current executive officers joining the BCPSPP, their account balances under the supplementary defined contribution pension plan will be transferred to the BCPSPP to purchase past service credits under that plan; however, as at February 28, 2015, this had not taken place.

An actuarial valuation to measure the College's accrued benefit obligation for its supplementary defined benefit and defined contribution pension plans is carried out as at each year end.

The following tables show the status of the College's supplemental pension plans:

| | 2015 | 2014 |
|--------------------------------------|------------------|--------------|
| Accrued benefit obligation | | |
| Balance at beginning of year | \$ 9,276,600 | \$ 9,199,700 |
| Current service cost | - | 127,500 |
| Benefits paid | (571,200) | (537,400) |
| Interest cost | 443,600 | 404,300 |
| Actuarial losses | 84,900 | 82,500 |
| Balance at end of year | 9,233,900 | 9,276,600 |
| Pension liability | | |
| Accrued benefit obligation | \$ 9,233,900 | \$ 9,276,600 |
| Plan assets | 275,305 | 219,436 |
| Net pension liability | 8,958,595 | 9,057,164 |
| Current portion of pension liability | 1,648,700 | 570,900 |
| Long-term pension liability | 7,309,895 | 8,486,264 |

College of Physicians and Surgeons of British Columbia

Notes to the Financial Statements (continued)

February 28, 2015

6. Pension plans (continued)

| | 2015 | 2014 |
|---|-----------|-----------|
| Pension expense | | |
| Current service cost | | |
| Funded pension plan, accounted for based on contributions | 983,114 | 738,771 |
| Supplementary defined contribution plan | - | 127,500 |
| Interest cost | 443,600 | 404,300 |
| Expense included in salaries and benefits | 1,426,714 | 1,270,571 |
| Actuarial losses recognized in Statement of Changes in Net Assets | 84,900 | 82,500 |
| Pension expense recognized for year | 1,511,614 | 1,353,071 |

The College made contributions to the plans as follows:

| | | |
|---|-----------|-----------|
| Funded pension plans | 983,114 | 738,771 |
| Supplementary defined benefit plan | 518,300 | 537,400 |
| Supplementary defined contribution plan | 52,900 | - |
| Total contributions | 1,554,314 | 1,276,171 |

Significant assumptions used to measure costs and obligations for the supplementary defined benefit pension plans are as follows:

| | 2015 | 2014 |
|------------------------|------|------|
| Discount rate | 3.2% | 3.8% |
| Indexation of pensions | 0.0% | 0.5% |

7. Investment income

Investment income is comprised of the following:

| | 2015 | 2014 |
|-------------------------|------------|--------------|
| Realized gains (losses) | \$ 171,962 | \$ (181,647) |
| Dividends | 360,288 | 371,254 |
| Interest | 456,524 | 445,504 |
| Total investment income | \$ 988,774 | \$ 635,111 |

8. Rental revenue

The College has signed a lease agreement to rent out 17,431 square feet on two floors of its building for a five year period ending August 31, 2016. The College has signed an additional lease agreement to rent out 2,312 square feet on one floor of its building for a one year period ending March 31, 2015.

College of Physicians and Surgeons of British Columbia

Notes to the Financial Statements (continued)

February 28, 2015

9. Commitments and contingent liabilities

The College has entered into a Letter of Credit agreement in the amount of \$9,160,000 (2014 - \$8,565,000) to secure the accrued pension benefits under the supplementary defined benefit and supplementary defined contribution plans offered to its former and existing executive officers. The Letter of Credit expires on August 31 of each year and is renewed to reflect new supplementary pension obligations. Collateral for this Letter of Credit is secured by the equity of the land and building.

The College has been named as a defendant in certain lawsuits and has been advised that these claims are without substantial merit. In the event the College is unsuccessful in defending any of these claims, the College has sufficient liability insurance to cover any legal obligation. When it is anticipated the College will ultimately incur a liability and the amount can be reasonably estimated, a provision is made in the financial statements.

10. Recast of prior year comparative figures

During a review of its investment portfolio and intangible assets balances, the College identified two reclassification adjustments to the prior year financial statements. Cash balances were presented as part of the short-term and long-term investment balances and prepaid expenses were presented as intangible assets. The impacts of the reclassifications have been recorded retrospectively and prior periods have been recast as follows:

| | Balance as at February 28, 2014, as previously reported | Impact of recast | Revised balance as at February 28, 2014 |
|--|--|------------------|---|
| Cash | \$ 6,563,796 | \$ 8,833,546 | \$ 15,397,342 |
| Short-term investments | 8,852,295 | (8,399,065) | 183,230 |
| Long-term investments | 10,840,712 | (434,481) | 10,406,231 |
| Total investments | 19,693,007 | (8,833,546) | 10,589,461 |
| Prepaid expenses – current | 555,300 | 98,147 | 653,447 |
| Prepaid expenses – non-current | - | 278,085 | 278,085 |
| Total prepaid expenses | 555,300 | 376,232 | 931,532 |
| Intangible assets | 2,818,647 | (376,232) | 2,442,415 |
| Investment in property, equipment and intangible assets | 40,664,126 | (376,232) | 40,287,894 |
| Internally restricted | 2,203,238 | - | 2,203,238 |
| Unrestricted deficit | (8,825,033) | 376,232 | (8,448,801) |
| Total net assets | 34,042,331 | - | 34,042,331 |

College of Physicians and Surgeons of British Columbia

Notes to the Financial Statements (continued)

February 28, 2015

11. Change in operating working capital

| | 2015 | 2014 |
|---|-------------------|---------------------|
| Accounts receivable | \$ 137,469 | \$ 85,023 |
| Prepaid expenses | 24,884 | (446,652) |
| Accounts payables and accrued liabilities | (113,793) | 3,582,077 |
| Government remittances payable | 97 | (192,057) |
| Deposits | (39,146) | 17,120 |
| Tenants deposits | 14,769 | - |
| Unearned revenue | 626,924 | 763,764 |
| | \$ 651,204 | \$ 3,809,275 |

12. Financial instruments

(a) *Credit risk*

Credit risk is the risk that a counterparty will fail to perform its obligations when they come due. The College is exposed to credit risk on its investments and accounts receivable. The College does not have significant accounts receivable exposure to any individual registrant and investments are held with well known, reputable Canadian financial institutions. There has been no change to this risk exposure from 2014.

(b) *Interest rate risk*

Interest rate risk is the risk that the value of the College's financial instruments will vary due to fluctuations in interest rates and the degree of volatility of these rates. The College is exposed to interest rate risk on a portion of its investments. The College does not use derivative instruments to reduce its exposure to fluctuations in market interest rates. There has been no change to this risk exposure from 2014.

(c) *Liquidity risk*

Liquidity risk is the risk that the College will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The College's objective is to have sufficient liquidity to meet its liabilities when they come due. The College monitors its cash balances and cash flows generated from operations to meet its requirements. As at February 28, 2015, the most significant financial liabilities are accounts payable and accrued pension liabilities. There has been no change to this risk exposure from 2014.

13. Comparative figures

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.





COLLEGE OF PHYSICIANS AND SURGEONS OF BRITISH COLUMBIA

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