



ANNUAL GENERAL MEETING

doctors
of bc
Better Together.

DOCTORS OF BC ANNUAL GENERAL MEETING

Friday May 27, 2022
8:00am – 8:30am (approx.)

The 2022 AGM will be a hybrid meeting. This year members will have the ability to attend the AGM either in-person at the JW Marriott, 39 Smithe St, Vancouver, BC – in the Parq Ballroom, or virtually.

All members must be in good standing and must be preregistered in order to attend. To register for the 2022 Annual General Meeting please go to www.doctorsofbc.ca/agm. Once registered, your membership status will be verified, and you will receive the link and instructions to join the meeting along with instructions on the voting process.

All members, regardless of how they attend, will have the ability to vote on all items using the voting link provided. Members attending virtually will be limited to using the virtual meeting chat function should they want to address the meeting, or the Chair.

AGENDA

8:00am MOMENT OF SILENCE FOR DECEASED MEMBERS

Business Meeting

1. Election of Chair
2. [Meeting Standing Rules](#)
3. Approval of Agenda
4. [Approval of the 2021 AGM Minutes](#)
5. [Consideration of the Auditor's Report](#)
6. [Consideration of the Financial Statements](#)
7. Appointment of Auditor
8. New Business

DOCTORS OF BC 2022 ANNUAL GENERAL MEETING

MEETING STANDING RULES

The following Meeting Standing Rules are designed to facilitate progress at the 2022 Annual General Meeting of the Doctors of BC, to ensure the timely completion of the business required to be transacted at the Annual General Meeting; to include all members wishing to speak in orderly debate; and to ensure courtesy, fairness and equality for all:

1. The meeting will be conducted in accordance with the BC *Societies Act*, and the Doctors of BC Constitution and Bylaws.
2. The purpose of the meeting is to transact the business of the Association as set out in the approved agenda.
 - (a) Resolutions proposed by the Board of Directors, or by a Committee, shall be brought before the Assembly, in the order that they are presented in the pre-circulated materials.
 - (b) All other resolutions and all recommendations, if any, made in reports of officers, committees, or members, that are not in the form of resolutions, shall be referred without debate to Legal Counsel and shall then be considered by the Assembly in the agenda under "New Business", unless determined by the Chair to be essential to the resolution of the matter under discussion.
 - (c) Any member wishing to propose a resolution shall first present it in writing to the Legal Counsel. The resolution shall be presented to the Assembly by the Chair, in the order determined by the Chair.
 - (d) The purpose of the resolution review is to ensure that the intent of the resolution is clear, that it is not contrary to the law, or the Doctors of BC Constitution and Bylaws, that it does not conflict with existing policy and that it is not redundant.
 - (e) Legal Counsel may make a recommendation to the meeting regarding any resolution referred to it.
3. Only one item, being the immediately pending motion or matter under discussion, will be considered at a time. A speaker may advise the Assembly that he or she intends to bring an alternative motion forward.
4. Comments or questions must be related to the pending motion or report or matter under discussion. Comments or questions that are not related directly to the pending motion or report or matter under discussion, or that are of a general nature, may be considered under new business.
5. Members shall address their remarks through the Chair of the meeting.
6. Members who wish to speak will use one of the microphones, wait to be recognized by the Chair and begin by stating their name each time they speak. As a general rule, the Chair will recognize members by alternating between the microphones, but the Chair may vary from this general rule if this appears appropriate to ensure fairness.
7. When debating motions, each member may speak for a maximum of two minutes for each question, motion or matter under discussion. To avoid confusion, time will be indicated by a "Traffic Light" system.
8. Each member may speak twice to each question, motion or matter under discussion. No member may speak a second time, which includes asking any follow-up questions, unless and until all those who desire to speak a first time have had the opportunity to do so.
9. If a member does not show the appropriate respect to others by exceeding his/her time allotment, the Chair may turn off the microphone and may request the member to retake his/her seat.
10. Any decision of the Chair may be challenged and the Chair will bring that ruling immediately before the meeting for a vote on whether to sustain the Chair's ruling.
11. Cell phones and pagers shall be silenced during the business meeting.
12. It is recognized that some of the issues scheduled to come before this meeting may be controversial. Comments must be made in a civil and respectful manner and must be focused on issues and not on people.

MINUTES

Pages 1 to 2

Resolutions AGM21/05/28-01 to AGM21/05/28-05

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DRAFT

MINUTES

CALL TO ORDER AND MOMENT OF SILENCE FOR DECEASED MEMBERS

The Doctors of BC Chief Executive Officer (CEO), declared that quorum was present and called the 2021 Annual General Meeting (AGM) to order at 8:00 a.m.

The CEO invited members to observe a moment of silence in remembrance of all colleagues who passed away in the last year.

1. ELECTION OF CHAIR

The CEO advised that he had received the name of Dr. Eric Cadesky as nominee to Chair of the 2021 AGM and called for additional nominations.

There being no additional nominations, Dr. Eric Cadesky was acclaimed as Chair of the 2021 AGM and assumed the chair.

2. MEETING STANDING RULES

Distributed material: Doctors of BC 2021 Annual General Meeting Standing Rules

The Chair advised that the 2021 AGM will be conducted in accordance with the Doctors of BC 2021 Annual General Meeting Standing Rules that was distributed with the agenda material.

3. APPROVAL OF AGENDA

Distributed material: Doctors of BC Annual General Meeting Agenda May 28, 2021

The Chair referred members to the distributed draft Agenda and inquired if there were any additions or deletions.

**IT WAS MOVED/SECONDED
RESOLUTION AGM21/05/28-01**

That the agenda for the Doctors of BC Annual General Meeting of May 28, 2021 be approved, as presented.

CARRIED

4. APPROVAL OF 2020 AGM MINUTES

Distributed material: Draft Minutes of Doctors of BC Annual General Meeting of December 11, 2020.

The Chair referred the meeting to the distributed draft minutes of the December 11, 2021 AGM and inquired if there were any errors or omissions.

**IT WAS MOVED/SECONDED
RESOLUTION AGM21/05/28-02**

That the minutes of the Doctors of BC Annual General Meeting for May 28, 2021 be approved, as presented.

CARRIED

5. CONSIDERATION OF THE FINANCIAL STATEMENTS

The Audit and Finance Committee Chair led the review of a presentation titled "Audit and Finance Committee Report" and highlighted:

- The complete set of financial statements is available on the DoBC website

MINUTES

- Clean audit opinion issued by the external auditor
- Statement of Financial Position:
 - Components of net assets
- Statement of Operations:
 - Revenue increase in 2020 is mainly attributable to receipt of the one-time payment negotiated in the Physician Master Agreement (PMA)
 - Reduction in expenses is mainly attributable to cost savings resulting from compliance with COVID-19 restrictions against holding in-person meetings
 - The 2020 surplus will be directed to supporting members
- Unrestricted net assets compared to annual expenses:
 - The amount of unrestricted net assets is unlikely to attract the attention of the Canada Revenue Agency (CRA).

**IT WAS MOVED/SECONDED
RESOLUTION AGM21/05/28-03**

That the audited financial statements of the British Columbia Medical Association for the year ended December 31, 2020 be accepted.

CARRIED

6. APPOINTMENT OF THE AUDITOR

The Audit and Finance Committee Chair introduced the member of the external audit team in attendance at the virtual AGM and noted the recommendation of the Audit and Finance Committee to reappoint KPMG LLP as the external auditor for the 2021 fiscal year.

**IT WAS MOVED/SECONDED
RESOLUTION AGM21/05/28-04**

That the firm KPMG LLP be appointed as auditors for the Doctors of BC for the 2021 fiscal year.

CARRIED

7. NEW BUSINESS

In response to a question, the Board Chair advised that the Doctors of BC delegation to the Canadian Medical Association (CMA) General Council (GC) had been limited to five members, in response to the change in the GC's mandate.

CONCLUSION

**IT WAS MOVED/SECONDED
RESOLUTION AGM21/05/28-05**

That the 2021 Annual General Meeting be concluded at 8:23 a.m.

CARRIED

Financial Statements of

ASSOCIATION OF DOCTORS OF BC

And Independent Auditors' Report thereon

Year ended December 31, 2021



KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

INDEPENDENT AUDITORS' REPORT

To the Members of Association of Doctors of BC

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Association of Doctors of BC (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of operations 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 notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, 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.

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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity in accordance with the 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.

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.

Auditors' 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 auditors' 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 the 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 auditors' 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 auditors' 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.
- 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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding period.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
May 25, 2022

ASSOCIATION OF DOCTORS OF BC

Statement of Financial Position

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Assets		
Current assets:		
Cash	\$ 19,066,442	\$ 15,193,773
Accounts receivable (note 3)	3,116,249	3,080,186
Prepaid expenses	646,917	782,768
Short-term investments (note 4)	1,521,663	2,499,048
	<u>24,351,271</u>	<u>21,555,775</u>
Investments (note 4)	22,555,309	20,822,953
Investment in BCMA Agencies Limited (note 5)	51	51
Tangible capital assets (note 6)	7,360,917	6,895,192
Intangible assets (note 7)	313,946	139,358
Cash held for designated holding accounts (note 8)	822,187	2,391,386
	<u>\$ 55,403,681</u>	<u>\$ 51,804,715</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (notes 9 and 15)	\$ 10,890,823	\$ 2,437,209
Deferred revenues	401,302	348,336
Prepaid membership dues	2,439,463	3,319,146
Group insurance accounts (note 10)	3,457,961	4,052,355
	<u>17,189,549</u>	<u>10,157,046</u>
Designated holding accounts (note 8)	822,187	2,391,386
Deferred contributions (note 11)	1,904,377	1,990,264
	<u>19,916,113</u>	<u>14,538,696</u>
Net assets:		
Internally restricted (note 2)	9,911,907	9,911,907
Investment in tangible capital and intangible assets	7,674,863	7,034,550
Unrestricted	17,900,798	20,319,562
	<u>35,487,568</u>	<u>37,266,019</u>
Commitments (note 13)		
	<u>\$ 55,403,681</u>	<u>\$ 51,804,715</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director

ASSOCIATION OF DOCTORS OF BC

Statement of Operations

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Membership dues	\$ 18,577,574	\$ 17,925,897
Less: dues collected for Canadian Medical Association	(1,527,293)	(1,512,725)
	17,050,281	16,413,172
Contributions for designated programs (note 11)	1,273,004	767,094
Insurance administration fees (note 15)	3,106,324	2,959,653
Management fees (note 15)	3,571,605	3,001,000
Investment and miscellaneous income	1,294,448	1,323,993
Building rents	1,174,678	1,129,999
Payroll recovery – JCC & PHP (note 15)	14,596,354	12,884,578
	42,066,694	38,479,489
Expenses:		
Building - rented portion	980,220	1,008,285
Committee costs (note 16)	2,063,412	2,066,606
Consulting and professional fees	1,356,210	696,237
Marketing and communications	467,752	464,376
Occupancy	1,018,765	1,054,438
Office	2,665,866	2,320,057
Contribution to Physician Health Program (note 15)	704,915	18,325
Salaries and benefits	19,495,633	15,965,612
Salaries and benefits – JCC & PHP (note 15)	15,085,372	12,884,578
UBC Student Bursaries	7,000	218,750
Loss on disposal of tangible capital assets	-	159,554
	43,845,145	36,856,818
Excess (deficiency) of revenue over expenses before the undernoted	(1,778,451)	1,622,671
One-time payment (notes 11 and 17):		
Funding	193,783	2,384,800
Expense	(193,783)	2,384,800
	-	-
Excess (deficiency) of revenue over expenses	\$ (1,778,451)	\$ 1,622,671

See accompanying notes to financial statements.

ASSOCIATION OF DOCTORS OF BC

Statement of Changes in Net Assets

Year ended December 31, 2021, with comparative information for 2020

	Internally Restricted (note 2)					Total	Investment in tangible capital and intangible assets	Unrestricted	2021 Total	2020 Total
	Student bursary fund	IT Initiatives fund	Medical care fund	Negotiations stabilization fund	Capital asset replacement fund					
Net assets, beginning of year	\$ 200,000	\$ 2,500,000	\$ 4,000,000	\$ 1,000,000	\$ 2,211,907	\$ 9,911,907	\$ 7,034,550	\$ 20,319,562	\$ 37,266,019	\$ 35,643,348
Excess (deficiency) of revenue over expenses	-	-	-	-	-	-	(1,386,312)	(392,139)	(1,778,451)	1,622,671
Net change in investment in tangible capital and intangible assets	-	-	-	-	-	-	2,026,625	(2,026,625)	-	-
Net assets, end of year	\$ 200,000	\$ 2,500,000	\$ 4,000,000	\$ 1,000,000	\$ 2,211,907	\$ 9,911,907	\$ 7,674,863	\$ 17,900,798	\$ 35,487,568	\$ 37,266,019

See accompanying notes to financial statements.

ASSOCIATION OF DOCTORS OF BC

Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ (1,778,451)	\$ 1,622,671
Items not involving cash:		
Amortization	1,398,168	1,469,792
(Gain) loss on disposal of tangible capital assets	(11,856)	159,554
Amortization of bond premium included in investments	(13,940)	36,361
Change in accrued interest included in investments	(215,026)	(191,745)
Gain on sale of investments	(312,620)	-
	(933,725)	3,096,633
Changes in non-cash operating working capital:		
Accounts receivable	(36,063)	893,254
Prepaid expenses	135,851	(228,946)
Accounts payable and accrued liabilities	8,453,614	603,647
Deferred revenues	52,966	(9,432)
Prepaid membership dues	(879,683)	934,370
Group life insurance accounts	(594,394)	1,506,130
Deferred contributions	(85,887)	(1,234,583)
	6,112,679	5,561,073
Investments:		
Purchase of investments	(7,585,003)	(2,222,000)
Proceeds from sale of investments	6,481,587	-
Proceeds from maturity of investments	890,031	1,966,702
Purchase of tangible capital assets	(1,826,627)	(1,288,423)
Purchase of intangible assets	(216,380)	-
Proceeds from sale of tangible capital assets	16,382	7,796
	(2,240,010)	(1,535,925)
Increase in cash	3,872,669	4,025,148
Cash, beginning of year	15,193,773	11,168,625
Cash, end of year	\$ 19,066,442	\$ 15,193,773

See accompanying notes to financial statements.

ASSOCIATION OF DOCTORS OF BC

Notes to Financial Statements

Year ended December 31, 2021

The Association of Doctors of BC (“Doctors of BC”) is a member-funded not-for-profit organization incorporated under the Societies Act (British Columbia). Doctors of BC promotes a social, economic and political climate in which its members may provide the highest standard of healthcare services. Doctors of BC assists all physicians practicing in the Province of British Columbia (the “Province”) by negotiating fee schedules and benefits on behalf of those physicians who practice medicine on a fee-for-service, sessional basis or other alternative methods of payment. Doctors of BC is exempt from income taxes.

1. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook - *Accounting*.

(a) Controlled entities:

(i) BCMA Agencies Limited:

Doctors of BC owns 100% of the share capital of BCMA Agencies Limited (“Agencies”), a profit-oriented enterprise. Doctors of BC accounts for its investment in Agencies using the equity method and provides disclosures on the balances and transactions of Agencies in note 5.

(ii) BCMA Health Benefits Trust Fund:

On behalf of the trustees, Doctors of BC administers the operations of the BCMA Health Benefits Trust Fund (“HBTF”), which is a separate not-for-profit entity. As the trustees of HBTF are appointed by Doctors of BC, the HBTF is a controlled entity of Doctors of BC. Doctors of BC does not consolidate HBTF in its financial statements and provides disclosures on the balances and transactions of the HBTF in note 14.

(b) Revenue recognition:

Doctors of BC follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of tangible capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related tangible capital assets.

Membership with Doctors of BC is voluntary and therefore membership dues are recorded when received. Revenue from membership dues is recognized when services are provided. Amounts collected relating to subsequent periods are recorded as prepaid membership dues on the statement of financial position. Investment income is recognized as revenue when earned. Revenue from insurance administration fees, management fees, building rents, and payroll recovery is recognized when services are provided.

The Association does not recognize contributed goods or services.

ASSOCIATION OF DOCTORS OF BC

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(c) Short-term investments and investments:

In accordance with Doctors of BC's investment policy, investments and short-term investments can be comprised of corporate and government bonds, barrier notes, and money market funds.

Short-term investments are classified as such when they mature within one year of the date of the statement of financial position.

(d) Tangible capital assets:

Tangible capital assets are initially recorded at cost. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. Where practical, tangible capital assets are componentized when estimates can be made of the useful lives of the separate components.

Tangible capital assets are assessed annually for impairment, to be recorded where applicable, as a non-reversible impairment expense. When an item of tangible capital assets is impaired, its carrying amount is written down to its fair value or replacement cost.

Tangible capital assets are amortized on a straight-line basis over the assets' estimated useful lives as follows:

Asset	Years
Building	30
Building improvements	4 to 15
Furniture and fixtures	10
Computer equipment	3
Office equipment	5

(e) Intangible assets:

Intangible asset is recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis over the asset's estimated useful life as follows:

Asset	Years
Website	5
Software	3

ASSOCIATION OF DOCTORS OF BC

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(f) Use of estimates:

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

(g) Pension plan:

Doctors of BC and its employees contribute to the Public Service Pension Plan ("PSPP"). PSPP is a multi-employer contributory defined benefit pension plan. Contributions to the PSPP are expensed as incurred (note 12).

(h) Financial instruments:

Doctors of BC's financial instruments include cash, accounts receivable, short-term investments, investments, and accounts payable and accrued liabilities.

Financial instruments are recorded at fair value on initial recognition and, other than investments in equity instruments that are quoted in an active market, are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. Doctors of BC has not elected to carry any such financial instruments at fair value. Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment.

Cash is comprised of deposit balances net of outstanding cheques.

2. Internally restricted net assets:

Doctors of BC has set up internally restricted funds which are approved by the Board of Directors (the "Board") to support the following activities:

(a) *Student bursary fund* ensures that there will be adequate funding for the medical student bursary program.

(b) *IT Initiatives fund* is set aside to fund various IT initiatives.

(c) *Medical care fund* is established to enhance the ability of physicians to provide quality medical care. These funds enable Doctors of BC to campaign for the economic rights of all physicians in the Province of British Columbia (the "Province").

(d) *Negotiations stabilization fund* is utilized to offset the budgeting fluctuations for negotiations as the expenditures can vary significantly from year-to-year.

(e) *Capital asset replacement fund* is set aside to fund additions to capital assets.

The Board restricts the use of funds for operations by way of a resolution whereby only funds in excess of the internally restricted fund balances are available for the general operations of Doctors of BC. The internally restricted amounts may be used for special projects with the approval of the Board. Internally restricted amounts are not available for other purposes without approval by the Board.

ASSOCIATION OF DOCTORS OF BC

Notes to Financial Statements (continued)

Year ended December 31, 2021

3. Accounts receivable:

As at December 31, 2021, accounts receivable includes allowance for doubtful accounts of \$9,770 (2020 - \$9,694) and amounts due from related parties of \$1,922,782 (2020 - \$1,766,520) (note 15).

4. Short-term investments and investments:

Short-term investments and investments are comprised of bonds of \$24,055,309 (2020 - \$21,720,705) maturing between 2022 and 2031 (2020 - between 2021 and 2028), and money market investments and cash of \$21,663 (2020 - \$1,601,296).

5. Investment in BCMA Agencies Limited:

Agencies is a wholly-owned subsidiary of Doctors of BC. Its principal business activities include acting as an agent for insurance companies selling insurance to members of Doctors of BC. As at December 31, 2021, Agencies had assets of \$114,227 (2020 - \$90,565), liabilities of \$114,176 (2020 - \$90,514) and retained earnings of \$51 (2020 - \$51). For the year ended December 31, 2021, Agencies earned revenue of \$334,559 (2020 - \$324,026), incurred expenses of \$334,559 (2020 - \$324,026), and had net income of nil (2020 - nil), with cash used in operations of \$16,049 (2020 - \$32,499).

For the year ended December 31, 2021, included in investment and miscellaneous income is Doctors of BC's share of Agencies' income of nil (2020 - nil).

6. Tangible capital assets:

			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 1,000,000
Building and building improvements	15,840,415	10,885,126	4,955,289	4,368,450
Furniture and fixtures	2,134,856	1,108,477	1,026,379	1,041,665
Computer equipment	1,676,541	1,302,174	374,367	445,045
Office equipment	61,296	61,144	152	1,312
Work-in-progress	4,730	-	4,730	38,720
	\$ 20,717,838	\$ 13,356,921	\$ 7,360,917	\$ 6,895,192

ASSOCIATION OF DOCTORS OF BC

Notes to Financial Statements (continued)

Year ended December 31, 2021

7. Intangible assets:

			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
Website	\$ 148,859	\$ 39,272	\$ 109,587	\$ 139,358
Software	216,380	12,021	204,359	-
	\$ 365,239	\$ 51,293	\$ 313,946	\$ 139,358

8. Designated holding accounts:

Doctors of BC holds funds in cash that are designated for specific contracts that Doctors of BC administers as an agent. The activities of these accounts are not reflected on Doctors of BC's financial statements, and there are no revenues earned or expenses incurred by Doctors of BC relating to these accounts. The balance of these designated holding accounts is as follows:

	2021	2020
Benefit funds held in reserve	\$ 514,938	\$ 659,819
Manulife deposit fund	-	1,657,129
Other holding accounts	307,249	74,438
	\$ 822,187	\$ 2,391,386

9. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities as at December 31, 2021 are government remittances payable of \$299,034 (2020 - \$457,873) relating to federal and provincial sales taxes, payroll taxes, health taxes and workers' safety insurance.

10. Group insurance accounts:

Group insurance accounts are comprised of amounts payable to third party insurance providers at predetermined terms, net of amounts collected from members, and amounts held for group life insurance premium fluctuations.

ASSOCIATION OF DOCTORS OF BC

Notes to Financial Statements (continued)

Year ended December 31, 2021

11. Deferred contributions:

Deferred contributions represent unspent externally restricted contributions received by Doctors of BC for use on specific purposes. Changes in deferred contributions are as follows:

	2021	2020
Operating:		
Balance, beginning of year	\$ 1,796,271	\$ 1,506,447
Add net amount received during the year	1,381,110	1,056,918
Less amount recognized as revenue in the year	(1,273,004)	(767,094)
Balance, end of year	1,904,377	1,796,271
One-time payment (note 17):		
Balance, beginning of year	193,993	1,718,400
Add amount received during the year	-	860,393
Less amount transferred during the year	(210)	-
Less amount recognized as revenue in the year	(193,783)	(2,384,800)
Balance, end of year	-	193,993
Total balance, end of year	\$ 1,904,377	\$ 1,990,264

These deferred contributions consist of funds restricted for the following purposes:

	2021	2020
Government funded committees	\$ 52,923	\$ 229,103
General practice services committee	61,482	126,630
Protocol steering committee	247,349	182,026
Shared care and scope of practice committee	30,836	107,530
Specialist services committee	11,264	16,931
Physical / psychological safety initiatives	1,048,837	913,241
JSC rural funding	313,854	120,810
One-time payment (note 17)	-	193,993
Physician leadership and professional development initiative	137,832	100,000
	\$ 1,904,377	\$ 1,990,264

ASSOCIATION OF DOCTORS OF BC

Notes to Financial Statements (continued)

Year ended December 31, 2021

12. Public Service Pension Plan:

Doctors of BC and its employees contribute to the PSPP (a jointly trustee pension plan). The Public Service Pension Board of Trustees, representing plan members and employers, is responsible for administering the PSPP, including investment of assets and administration of benefits. The PSPP is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at the latest actuarial valuation on March 31, 2021, the PSPP had about 61,700 active members and approximately 12,690 retired members.

The latest actuarial valuation as of March 31, 2021, indicated a funding surplus of \$2.7 billion for basic pension benefits. The next valuation will be as of March 2023.

Employers participating in the PSPP record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the PSPP records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

During the year-ended December 31, 2021, Doctors of BC paid \$2,048,000 (2020 - \$1,867,000) for employer contributions to the PSPP.

13. Commitments:

Doctors of BC has committed to operating equipment leases until 2023. The minimum annual lease payments are as follows:

2022	\$	22,696
2023		15,130
	\$	37,826

14. BCMA Health Benefits Trust Fund:

The HBTF is a health benefits trust which is controlled by Doctors of BC. The objective of the HBTF is to provide insurance benefits to physicians, their families and employees. The insurance benefits include such plans as extended health and dental, long-term disability and group life insurance. The HBTF is a trust as defined in the Income Tax Act. Doctors of BC does not have any economic interest in the HBTF. The HBTF prepares its financial statements in accordance with Canadian accounting standards for pension plans.

As at December 31, 2021, the HBTF had assets of \$6,711,089 (2020 - \$5,854,503), liabilities of \$1,639,570 (2020 - \$1,396,368) and net assets available for benefits of \$5,071,519 (2020 - \$4,458,135). For the year ended December 31, 2021, the HBTF earned revenue of \$17,944,733 (2020 - \$17,154,638) had expenses of \$17,331,349 (2020 - \$14,869,424), and excess of revenue over expenses of \$613,384 (2020 - excess of revenue over expenses of \$2,285,215).

ASSOCIATION OF DOCTORS OF BC

Notes to Financial Statements (continued)

Year ended December 31, 2021

15. Related party transactions and balances:

Doctors of BC administers the GPSC Collaboratives Program, Specialist Services Programs, Shared Care Programs, and Physician Health Program. These programs are funded by the Province. Each of these programs is controlled by a committee, which are unincorporated entities, on which there is equal representation between representatives of the Province and members of Doctors of BC as governed by the 2019 Physician Master Agreement (“2019 PMA”) effective April 1, 2019 to March 31, 2022. Doctors of BC does not control the committees but exercises significant influence over these programs by virtue of its equal representation on their respective committees. The purposes of the programs are to improve delivery of health services and patient health outcomes and/or provide services to doctors as described in the Physician Master Agreement. Doctors of BC does not have an economic interest in the committees or programs. The financial information of these programs is not reflected in these financial statements as Doctors of BC does not exercise control.

During the year ended December 31, 2021, Doctors of BC charged \$14,596,354 (2020 - \$12,884,578) to these programs for payroll recovery of Doctors of BC employees working on these programs, and charged management fees of \$2,210,125 (2020 - \$1,650,500) to these programs for administrative services provided. Third party costs incurred by Doctors of BC on behalf of these programs is recorded on a net basis as Doctors of BC acts as an agent in those transactions.

Doctors of BC also administers benefit programs for physicians of BC. The benefit programs are controlled by committees, which are unincorporated entities, on which there is equal representation between representatives of the Province and members of Doctors of BC as governed by the 2019 PMA. During the year ended December 31, 2021, Doctors of BC charged management fees of \$1,298,000 (2020 - \$1,298,000) to the benefit programs. During the year ended December 31, 2021, Doctors of BC provided funding of \$704,915 (2020 - \$18,325) to Physician Health Program to support its delivery of services.

During the year ended December 31, 2021, Doctors of BC charged insurance administration fees of \$1,326,643 (2020 - \$1,277,673) to HBTF and \$318,628 (2020 - \$308,596) to BCMA Agencies.

The balances due from related parties included in accounts receivable are as follows:

	2021	2020
BCMA Agencies Limited (note 5)	\$ 114,176	\$ 90,514
Programs:		
GPSC Collaboratives Program	762,509	662,579
Physician Health Program	152,839	143,934
Shared Care Programs	186,010	145,701
Specialist Services Programs	468,241	398,754
HBTF (note 14)	114,030	107,595
Benefit programs	124,977	217,443
	\$ 1,922,782	\$ 1,766,520

ASSOCIATION OF DOCTORS OF BC

Notes to Financial Statements (continued)

Year ended December 31, 2021

15. Related party transactions and balances (continued):

As at December 31, 2021, included in accounts payable and accrued liabilities is \$6,742,054 for funding owed to GPSC Collaboratives Program and \$454,823 for funding owed to Physician Health Program.

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 parties.

16. Committee costs:

For the year ended December 31, 2021, committee costs includes honoraria paid to Doctors of BC board directors of \$82,493 (2020 - \$54,479).

17. One-time payment:

According to the 2019 PMA, \$85 million less the cost of Health Insurance BC's implementation of the Business Cost Premium will be paid in an equal dollar amount to each physician who practiced in 2018 and who earned above \$75,000 in eligible income in any of the calendar years 2016, 2017, or 2018. The first instalment was paid in September 2019, the second instalment in October 2020, and the third instalment of the remaining funds was paid in September 2021.

18. Financial risks:

Doctors of BC manages its investment portfolio to earn investment income and invests according to a policy approved by the Board. Doctors of BC is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

The cash and investments held by Doctors of BC are held by two large financial institutions.

Doctors of BC believes that it is not exposed to significant interest rate, market, credit, or currency risks arising from its financial instruments.

Additionally, Doctors of BC believes it is not exposed to significant liquidity risk as all investments are held in instruments that are highly liquid and can be disposed of to settle obligations associated with financial liabilities.

There have been no changes in risk exposure from 2020.

19. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year. There was no impact on prior year excess of revenue over expenses.