

**PROFESSIONAL ASSOCIATION OF RESIDENT  
PHYSICIANS OF ALBERTA**

**Financial Statements**

**Year Ended June 30, 2024**

*(Unaudited)*

**PROFESSIONAL ASSOCIATION OF RESIDENT PHYSICIANS OF ALBERTA**

**Index to Financial Statements**

**Year Ended June 30, 2024**

*(Unaudited)*

---

	Page
INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Revenues and Expenditures	3
Statement of Changes in Net Assets	4
Statement of Cash Flow	5
Notes to Financial Statements	6 - 12
Schedule of Administrative Expenses <i>(Schedule 1)</i>	13
Schedule of Committee Activity Expenses <i>(Schedule 2)</i>	14
Schedule of Targeted Project Spending <i>(Schedule 3)</i>	15



KINGSTON  
ROSS  
PASNAK<sup>LLP</sup>

CHARTERED PROFESSIONAL ACCOUNTANTS

Suite 1500, 9888 Jasper Avenue NW  
Edmonton, Alberta T5J 5C6  
T. 780.424.3000 | F. 780.429.4817 | W. krpgroup.com

October 28, 2024  
Edmonton, Alberta

## **INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT**

To the Members of Professional Association of Resident Physicians of Alberta

We have reviewed the accompanying financial statements of Professional Association of Resident Physicians of Alberta (the Association) that comprise the statement of financial position as at June 30, 2024, and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and 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 (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.

### **Practitioner's Responsibility**

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Professional Association of Resident Physicians of Alberta as at June 30, 2024, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

*Kingston Ross Pasnak LLP*

**Kingston Ross Pasnak LLP**  
Chartered Professional Accountants

**PROFESSIONAL ASSOCIATION OF RESIDENT PHYSICIANS OF ALBERTA**

**Statement of Financial Position**

**June 30, 2024**

*(Unaudited)*

	2024	2023
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Note 3)	\$ 3,424,338	\$ 3,136,462
Short-term investments (Note 4)	38,221	37,325
Marketable securities(Cost \$1,847,766) (Note 5)	1,835,659	1,703,647
Accounts receivable	12,209	179,704
Prepaid expenses	19,478	7,063
	<b>5,329,905</b>	5,064,201
<b>CAPITAL ASSETS (Note 6)</b>	<b>945</b>	2,764
	<b>\$ 5,330,850</b>	<b>\$ 5,066,965</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 219,173	\$ 178,709
Deferred contributions (Note 7)	1,167,642	1,183,967
	<b>1,386,815</b>	1,362,676
<b>CONTRACTUAL OBLIGATIONS (Note 8)</b>		
<b>NET ASSETS</b>		
Invested in tangible and intangible assets	945	2,764
Internally restricted (Note 9)	1,057,453	1,057,453
Unrestricted	2,885,637	2,644,072
	<b>3,944,035</b>	3,704,289
	<b>\$ 5,330,850</b>	<b>\$ 5,066,965</b>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**PROFESSIONAL ASSOCIATION OF RESIDENT PHYSICIANS OF ALBERTA**

**Statement of Revenues and Expenditures**

**Year Ended June 30, 2024**

*(Unaudited)*

	2024	2023
<b>REVENUES</b>		
Dues received	\$ 1,162,720	\$ 1,179,217
(Loss) gain on change in market value of marketable securities	(59,783)	41,993
Investment income	139,233	38,930
Honorariums	17,513	17,656
Gain (loss) on disposal of marketable securities	132,797	(4,443)
	<b>1,392,480</b>	<b>1,273,353</b>
<b>EXPENDITURES</b>		
Administrative Expenses <i>(Schedule 1)</i>	771,217	681,733
Committee Activity Expenses <i>(Schedule 2)</i>	334,598	186,053
Targeted Project Spending <i>(Schedule 3)</i>	46,919	61,009
	<b>1,152,734</b>	<b>928,795</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS</b>	<b>239,746</b>	<b>344,558</b>
<b>OTHER INCOME (EXPENSES)</b>		
Long-term disability premiums recognized <i>(Note 7)</i>	1,035,482	934,598
Long-term disability insurance paid <i>(Note 7)</i>	(1,035,482)	(934,598)
	-	-
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ 239,746</b>	<b>\$ 344,558</b>

**PROFESSIONAL ASSOCIATION OF RESIDENT PHYSICIANS OF ALBERTA**

**Statement of Changes in Net Assets**

**Year Ended June 30, 2024**

*(Unaudited)*

	Invested in Tangible and Intangible Assets	Internally Restricted (Note 9)	Unrestricted	<b>2024</b>	2023
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 2,764	\$ 1,057,453	\$ 2,644,072	<b>\$ 3,704,289</b>	\$ 3,359,731
Excess of revenues over expenditures	-	-	239,746	<b>239,746</b>	344,558
Amortization of tangible capital assets	(3,079)	-	3,079	-	-
Transfer	1,260	-	(1,260)	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 945	\$ 1,057,453	\$ 2,885,637	<b>\$ 3,944,035</b>	\$ 3,704,289

**PROFESSIONAL ASSOCIATION OF RESIDENT PHYSICIANS OF ALBERTA****Statement of Cash Flow****Year Ended June 30, 2024***(Unaudited)*

	2024	2023
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures	\$ 239,746	\$ 344,558
Items not affecting cash:		
Amortization of capital assets	3,079	2,764
(Gain) loss on disposal of investments	(150,266)	4,443
Non-cash interest and dividends received	(44,808)	(43,464)
Change in market value of marketable securities	70,861	(34,920)
	<b>118,612</b>	<b>273,381</b>
Changes in non-cash working capital:		
Accounts receivable	167,494	(3)
Deferred contributions	(16,325)	57,725
Prepaid expenses	(12,415)	2,131
Accounts payable and accrued liabilities	39,654	51,513
	<b>178,408</b>	<b>111,366</b>
Cash flow from operating activities	<b>297,020</b>	<b>384,747</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(1,260)	-
Purchase of short-term investments	(38,221)	(38,099)
Proceeds on sale of short-term investments	37,325	37,176
Proceeds on sale of marketable securities	2,079,431	84,704
Purchase of marketable securities	(2,086,419)	(121,330)
Cash flow used by investing activities	<b>(9,144)</b>	<b>(37,549)</b>
<b>INCREASE IN CASH</b>	<b>287,876</b>	<b>347,198</b>
CASH - BEGINNING OF YEAR	<b>3,136,462</b>	<b>2,789,264</b>
<b>CASH - END OF YEAR</b> <i>(Note 3)</i>	<b>\$ 3,424,338</b>	<b>\$ 3,136,462</b>

# PROFESSIONAL ASSOCIATION OF RESIDENT PHYSICIANS OF ALBERTA

## Notes to Financial Statements

Year Ended June 30, 2024

(Unaudited)

---

### 1. PURPOSE OF THE ASSOCIATION

The Professional Association of Resident Physicians of Alberta (the "Association" or "PARA") exists to provide effective representation for all resident physicians in Alberta completing further training in a residency program.

The Association is incorporated provincially under the Societies Act of Alberta solely for the benefit of its members and therefore is non-taxable under Section 149(1) of the Income Tax Act.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### Short term investments

Short term investments consist primarily of guaranteed investment certificates and term deposits purchased with maturity dates of less than one year.

#### Marketable securities

Marketable securities are recorded at market value based on the quoted values determined by the portfolio manager. The Association's marketable securities consist of government and corporate bonds and domestic and foreign mutual/segregated funds. The portfolio is managed by a third party investment manager subject to an investment policy set by the Board which has as its main objective growth while ensuring the preservation of capital.

#### Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Tangible and intangible capital assets are amortized over their estimated useful lives at the following rates and methods:

Computer hardware	2 years	straight-line method
Leasehold improvements	5 years	straight-line method
Office furniture and equipment	5 years	straight-line method
Computer software	1 year	straight-line method

The Association regularly reviews its tangible capital assets to eliminate obsolete items. In the year of acquisition amortization is calculated at the normal rates and no amortization is recorded in the year of disposition.

Capital assets acquired during the year but not available for use are not amortized until they are available for use.

(continues)



# PROFESSIONAL ASSOCIATION OF RESIDENT PHYSICIANS OF ALBERTA

## Notes to Financial Statements

Year Ended June 30, 2024

(Unaudited)

---

### 2. 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. 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. Significant estimates include collectability of accounts receivable, useful lives and residual values of tangible and intangible capital assets, completeness of accounts payable and deferred Long-Term Disability revenues.

#### Revenue recognition

The Association 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 as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Internally restricted and unrestricted investment income is recognized as revenue when earned.

Membership dues are set annually by the Board and are recognized as revenue proportionately over the fiscal year to which they relate.

Investment income is comprised of interest and dividends, net of direct investment expenses. Dividend income is recognized based on the ex-dividend date, and the interest income is recognized on the accrual basis as earned.

Realized and unrealized gains and losses from investment transactions are calculated based on changes in the fair values. The Association recognizes realized gains (losses) on investments and the net change in unrealized gains (losses) on investments in the statement of revenues and expenditures.

Cost recovery of long-term disability administration is recognized when the related expenses are estimable and collection is considered reasonably assured.

Honorariums and other revenue are recognized when the service is rendered and collection assured.

*(continues)*

# PROFESSIONAL ASSOCIATION OF RESIDENT PHYSICIANS OF ALBERTA

## Notes to Financial Statements

Year Ended June 30, 2024

(Unaudited)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Contributed goods and services

The operations of the Association depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be accurately determined and are therefore not reflected in these financial statements.

#### Financial instruments

All financial instruments are initially measured at fair value, and, unless otherwise noted, the Association subsequently measures its financial instruments at amortized cost.

#### Internally restricted net assets

The Association has created internally restricted net assets for various purposes. These internally restricted net assets are not available for other purposes without the approval of the Board.

### 3. CASH

	2024	2023
CIBC - Operating account	\$ 3,394,640	\$ 3,115,127
Cash - Contingency Reserve	8,094	29
Cash - Negotiations Reserve	7,398	13,664
Cash - Long-term disability Reserve	7,159	-
Cash - Targeted Project Reserve	7,047	7,642
	<b>\$ 3,424,338</b>	<b>\$ 3,136,462</b>

Cash and cash equivalents include both externally and internally restricted accounts. For schedules of externally and internally restricted accounts, see Notes 7 and 9 respectively.

### 4. SHORT-TERM INVESTMENTS

Short-term investments include a guaranteed investment certificate which bears interest at 2.75% per annum and matures July 2024. The guaranteed investment certificate was renewed automatically on the expiry date for a one year term maturing July 2025 at 3.25%.

**PROFESSIONAL ASSOCIATION OF RESIDENT PHYSICIANS OF ALBERTA**

**Notes to Financial Statements**

**Year Ended June 30, 2024**

*(Unaudited)*

**5. MARKETABLE SECURITIES**

	<b>2024</b>	2023
Contingency	\$ 520,316	\$ 480,264
Negotiations	446,615	407,861
Targeted projects	436,354	399,422
Long-term disability	432,374	416,100
	<b>\$ 1,835,659</b>	<b>\$ 1,703,647</b>

Marketable securities include both externally and internally restricted amounts. For schedules of externally and internally restricted accounts, see Notes 7 and 10, respectively.

**6. CAPITAL ASSETS**

	Cost	Accumulated amortization	<b>2024 Net book value</b>	2023 Net book value
Computer hardware	\$ 40,674	\$ 39,729	\$ 945	\$ -
Leasehold improvements	32,643	32,643	-	2,764
Office furniture and equipment	53,304	53,304	-	-
Computer software	5,147	5,147	-	-
	<b>\$ 131,768</b>	<b>\$ 130,823</b>	<b>\$ 945</b>	<b>\$ 2,764</b>

**PROFESSIONAL ASSOCIATION OF RESIDENT PHYSICIANS OF ALBERTA**

**Notes to Financial Statements**

**Year Ended June 30, 2024**

*(Unaudited)*

7. DEFERRED CONTRIBUTIONS

**Long-Term Disability**

There is an excess of long-term disability premiums received from the members over the premium payment to the insurance underwriters. This excess is externally restricted for the maintenance of the long-term disability plan the Association has established for its members. Deferred contributions represent this accumulated excess amount. Changes during the year are as follows:

	2024	2023
Opening balance	\$ 1,183,967	\$ 1,126,242
Premiums received from members	995,724	987,781
Interest revenue (LT Disability)	17,042	11,615
Gain on disposal of marketable securities (LT Disability)	17,469	-
Loss on change in market value of marketable securities (LT Disability)	(11,078)	(7,073)
LT Disability premiums	(1,035,482)	(934,598)
	<b>\$ 1,167,642</b>	<b>\$ 1,183,967</b>

8. CONTRACTUAL OBLIGATIONS

The Association has an office lease agreement that commenced on July 1, 2024 and expires on June 30, 2026. Future minimum lease payments as at June 30, 2024 are as follows:

Contractual obligation repayment schedule:

2025	\$ 45,725
2026	45,725
	<u>\$ 91,450</u>

**PROFESSIONAL ASSOCIATION OF RESIDENT PHYSICIANS OF ALBERTA**

**Notes to Financial Statements**

**Year Ended June 30, 2024**

*(Unaudited)*

---

9. INTERNALLY RESTRICTED NET ASSETS

	<b>2024</b>	2023
Contingency	\$ 700,000	\$ 700,000
Negotiations	300,000	300,000
Education Reserve	28,000	28,000
Taxi Reimbursement	19,453	19,453
Residents Lounge	10,000	10,000
	<b>\$ 1,057,453</b>	<b>\$ 1,057,453</b>

---

**Contingency**

The Contingency reserve is available for emergency situations.

**Negotiations**

The Negotiations reserve will be utilized for the process of negotiating the resident physician agreement for resident physicians in Alberta.

**Education Reserve**

The Education reserve will be used to fund the Association's conference sponsorship process.

**Taxi Reimbursement**

The Taxi reimbursement reserve will be used for the payment and administration of the taxi reimbursement program. Reimbursement are directly paid through this fund.

**Resident Lounge**

The Resident lounge reserve is available to assist in funding resident lounge improvements.

## **PROFESSIONAL ASSOCIATION OF RESIDENT PHYSICIANS OF ALBERTA**

### **Notes to Financial Statements**

**Year Ended June 30, 2024**

*(Unaudited)*

---

#### **10. FINANCIAL INSTRUMENTS**

The Association is exposed to various risks through its financial instruments. The following analysis provides information about the Association's risk exposure and concentration as of June 30, 2024. Unless otherwise noted, the Association's risk exposure has not changed from the prior year.

##### Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk from members. In order to reduce its credit risk, the Association receives an automatic deposit based on a percentage of the resident physician's salaries. The Association has a significant number of members which minimizes concentration of credit risk.

##### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Association is mainly exposed to interest risk and other price risk.

##### 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 Association manages exposure through its normal operating and financing activities. The Association is exposed to interest rate risk primarily through its interest rate on short-term investments and marketable securities.

#### **11. COMPARATIVE FIGURES**

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

**PROFESSIONAL ASSOCIATION OF RESIDENT PHYSICIANS OF ALBERTA**

**Schedule of Administrative Expenses**

**(Schedule 1)**

**Year Ended June 30, 2024**

*(Unaudited)*

	<b>2024</b>	<b>2023</b>
<b>EXPENSES</b>		
Salaries, wages and benefits	<b>\$ 620,745</b>	\$ 545,024
Rent and parking	<b>60,712</b>	75,773
Office	<b>39,486</b>	25,476
Professional fees	<b>20,755</b>	8,976
Staff development	<b>9,724</b>	770
Public relations	<b>6,830</b>	8,729
Telephone and internet	<b>3,692</b>	3,040
Amortization of tangible capital assets	<b>3,079</b>	2,764
Insurance	<b>2,585</b>	7,023
Interest and bank charges	<b>1,889</b>	1,189
Printing and duplicating	<b>1,188</b>	2,144
Postage and courier	<b>532</b>	825
	<b>\$ 771,217</b>	\$ 681,733

**PROFESSIONAL ASSOCIATION OF RESIDENT PHYSICIANS OF ALBERTA**

**Schedule of Committee Activity Expenses**

**(Schedule 2)**

**Year Ended June 30, 2024**

*(Unaudited)*

	<b>2024</b>	<b>2023</b>
<b>EXPENSES</b>		
Negotiations	\$ 128,170	\$ -
PARA Assembly	91,146	85,225
Membership benefits	83,172	76,439
Physician well-being	24,593	14,474
Awards and donations	7,517	6,767
Committees	-	3,148
	<b>\$ 334,598</b>	<b>\$ 186,053</b>



**PROFESSIONAL ASSOCIATION OF RESIDENT PHYSICIANS OF ALBERTA**

**Schedule of Targeted Project Spending**

**(Schedule 3)**

**Year Ended June 30, 2024**

*(Unaudited)*

	<b>2024</b>		<b>2023</b>
<b>EXPENSES</b>			
Special projects	\$ 35,356	\$	40,406
Staff development	11,563		20,603
	<b>\$ 46,919</b>	<b>\$</b>	<b>61,009</b>