

ACCOUNTANTS COPY

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

FINANCIAL STATEMENTS
(Unaudited)

DECEMBER 31, 2016

DRAFT

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

DECEMBER 31, 2016

CONTENTS

	<u>Page</u>
REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 7
Schedule A	8
Schedule B	9

REVIEW ENGAGEMENT REPORT

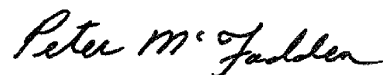
*To the Directors of
Physiotherapy Education Accreditation Canada*

We have reviewed the statement of financial position of Physiotherapy Education Accreditation Canada as at December 31, 2016, the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Society.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

*Kelowna, BC
April 15, 2017*



CHARTERED PROFESSIONAL ACCOUNTANTS

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

(Unaudited)

	2016	2015
ASSETS		
CURRENT		
Cash and cash equivalents		
- unrestricted	\$ 108,313	\$ 73,660
- restricted (Note 2)	200,765	211,091
Accounts receivable	-	27
Prepaid expenses	8,647	6,918
	317,725	291,696
TANGIBLE CAPITAL ASSETS (Note 3)	687	859
	\$ 318,412	\$ 292,555
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 14,774	\$ 8,254
GST payable	5,887	12,103
Deferred revenue (Note 4)	15,646	-
	36,307	20,357
NET ASSETS		
INTERNALLY RESTRICTED (Note 5)	200,766	211,091
UNRESTRICTED	81,339	61,107
	282,105	272,198
	\$ 318,412	\$ 292,555

RELATED PARTY TRANSACTIONS (Note 6)

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

The accompanying notes are an integral part of these financial statements.

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2016

(Unaudited)

	2016	2015
RECEIPTS		
Accreditation fees	\$ 356,285	\$ 347,112
Grant revenue	-	5,000
Other revenue	4,825	4,388
	361,110	356,500
DISBURSEMENTS		
Accreditation review	46,484	29,309
Administration fees	11,095	11,000
Administrative support	30,894	26,061
Bank charges and interest	837	586
Document translation	31,166	10,636
Executive director fees	66,654	56,580
Governance	52,262	50,302
Insurance	3,310	2,852
Licences, dues and fees	900	880
Office	7,083	5,222
Professional development	7,656	8,131
Professional fees	7,790	8,250
Program manager fees	57,625	35,363
Special projects	15,798	45,096
Telecommunication	1,458	2,202
Teleconference	1,516	788
Travel	8,503	9,550
	351,031	302,808
EXCESS OF RECEIPTS OVER DISBURSEMENTS FROM OPERATIONS	10,079	53,692
UNREALIZED GAIN ON INVESTMENTS	-	371
EXCESS OF RECEIPTS OVER DISBURSEMENTS BEFORE AMORTIZATION	10,079	54,063
AMORTIZATION	172	215
EXCESS OF RECEIPTS OVER DISBURSEMENTS	\$ 9,907	\$ 53,848

For detailed information of receipts and disbursements for Physiotherapy Education Accreditation Canada and Occupational Therapy Assistant and Physiotherapist Assistant Education Accreditation Program, see Schedule A and Schedule B.

The accompanying notes are an integral part of these financial statements.

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2016

(Unaudited)

	INTERNALLY RESTRICTED (Note 5)	UN - RESTRICTED	2016	2015
NET ASSETS , beginning of year	\$ 211,091	\$ 61,107	\$ 272,198	\$ 218,350
Excess of receipts over disbursements	4,675	5,232	9,907	53,848
Interfund transfers	(15,000)	15,000	-	-
NET ASSETS , end of year	\$ 200,766	\$ 81,339	\$ 282,105	\$ 272,198

The accompanying notes are an integral part of these financial statements.

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

STATEMENT OF CASH FLOWS

DECEMBER 31, 2016

(Unaudited)

	2016		2015
CASH PROVIDED BY OPERATING ACTIVITIES			
Excess of receipts over disbursements	\$ 9,907	\$	53,848
Items not requiring an outlay of cash:			
Amortization	172		215
	10,079		54,063
CHANGES IN NON-CASH WORKING CAPITAL			
Decrease (increase) in accounts receivable	27		(3)
(Increase) decrease in prepaid expenses	(1,729)		1,400
Increase (decrease) in accounts payable and accrued liabilities	6,520		(1,601)
(Decrease) increase in GST payable	(6,216)		1,609
Increase in deferred revenue	15,646		-
	14,248		1,405
NET INCREASE IN CASH	24,327		55,468
NET CASH AND CASH EQUIVALENTS, beginning of year	284,751		229,283
NET CASH AND CASH EQUIVALENTS, end of year	\$ 309,078	\$	284,751
CASH AND CASH EQUIVALENTS CONSISTS OF:			
Unrestricted cash	\$ 108,313	\$	73,660
Restricted cash	200,765		211,091
	\$ 309,078	\$	284,751

The accompanying notes are an integral part of these financial statements.

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

(Unaudited)

Physiotherapy Education Accreditation Canada, herein referred to as the "Society," was federally incorporated on March 13, 2000, under the Canada Not-for-Profit Corporations Act and is a registered society under the Canadian Income Tax Act. The primary objective of the Society is to conduct accreditation reviews of Canada's entry-level physiotherapy education programs and Canada's occupational therapist assistant and physiotherapist assistant education programs.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 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. The following is a summary of the significant accounting policies used by management in the preparation of these financial statements.

(a) Use of Estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

(b) Financial Instruments

The Society's financial instruments consist of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities. The Society measures its cash and cash equivalents at fair value. Accounts receivable, and accounts payable and accrued liabilities at amortized cost.

Changes in fair value are recognized in the statement of operations in the period in which it occurs.

Unless otherwise noted, it is the Society's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments.

(c) Cash and Cash Equivalents

Cash and cash equivalents include short term investments that are readily convertible to cash if needed.

(d) Tangible Capital Assets

Tangible capital assets are recorded at cost. It is the policy of the Society to capitalize purchased tangible capital assets over \$500. In the year of acquisition, no amortization is claimed. Amortization is provided annually at rates calculated to write off the assets over their useful lives as follows:

Furniture and fixtures	- 20% diminishing balance
Web page and logo	- 20% diminishing balance

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

(Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Income Taxes

The Society qualifies as a not-for-profit organization as defined in the Income Tax Act and, as such, is exempt from income tax provided that certain requirements under the Income Tax Act are met.

(f) Revenue Recognition

The Society follows the deferral method of accounting for accreditation fee, contributions and grants, and other revenue.

Accreditation fee revenue is recognized as it is earned when the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions and grants are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions and grants are recognized as revenue in the period in which they are received.

(g) Interdepartmental Transfers

The Society transfers cash between program funds to reflect fees for services between programs, and these transfers are treated as revenues by one program and expenses by the other. As both the revenue and expense amounts are the same they have been eliminated in the statement of receipts and disbursements but have been included in Schedules A and B for the individual programs.

2. RESTRICTED CASH

A portion of the cash balance has been internally restricted as contingency funds. The balances are as follows:

	2016		2015	
Contingency - PEAC	\$	61,274	\$	74,690
Contingency - OTA&PTA EAP		139,491		136,401
Total restricted cash	\$	200,765	\$	211,091

3. TANGIBLE CAPITAL ASSETS

	Cost		Amortization		Net 2016		Net 2015	
Furniture and fixtures	\$	806	\$	290	\$	516	\$	645
Web page and logo		559		388		171		214
	\$	1,365	\$	678	\$	687	\$	859

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

(Unaudited)

4. DEFERRED REVENUE

Deferred revenue is comprised of amounts received by the Society for program fees for the upcoming fiscal year that were received before the year end.

5. INTERNALLY RESTRICTED NET ASSETS

Internal restrictions of net assets consists of funds set aside by the Board of Directors as a contingency fund. The Society will have a minimum annual contribution equal to at least 2% of annual revenues. The amount to be maintained in the contingency account is to equate to at least six months worth of operating expenses.

In the current year, the Board approved a transfer out of the Physiotherapy Education Accreditation Canada contingency account to be used for the operational needs of the Society and no annual allocation to be made to the Occupation Therapist Assistant & Physiotherapist Assistant Education Accreditation Program contingency.

(a) Contingency - Physiotherapy Education Accreditation Canada (PEAC)

Changes in the contingency fund are as follows:

	2016	2015
Beginning balance	\$ 74,690	\$ 60,664
Annual (transfer) provision	(15,000)	12,215
Interest income	1,585	1,544
Unrealized gain on investment	-	267
	\$ 61,275	\$ 74,690

(b) Contingency - Occupation Therapist Assistant & Physiotherapist Assistant Education Accreditation Program (OTA&PTA EAP)

Changes in the contingency fund are as follows:

	2016	2015
Beginning balance	\$ 136,401	\$ 78,044
Annual (transfer) provision	-	55,587
Interest income	3,090	2,667
Unrealized gain on investment	-	103
	\$ 139,491	\$ 136,401

6. RELATED PARTY TRANSACTIONS

Related party transactions are in the normal course of operations and are measured at the exchange amount. During the year, the executive director charged and received \$70,104 (2015 - \$91,943) for services provided to the Society.

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016
(Unaudited)

7. COMPARATIVE FIGURES

Certain comparative figures have been revised to conform to the new financial statement format adopted in the current year.

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PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

SCHEDULE A: PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA (PEAC)

DETAILS OF RECEIPTS AND DISBURSEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

(Unaudited)

	2016	2015
RECEIPTS		
Accreditation fees	\$ 134,381	\$ 127,244
Administration fees	30,000	32,980
Grant revenue	-	5,000
Other revenue	1,586	1,547
	165,967	166,771
DISBURSEMENTS		
Accreditation review	24,470	18,722
Administrative support	10,995	11,296
Bank charges and interest	338	221
Document translation	25,401	6,503
Executive director fees	66,654	56,580
Governance	21,992	22,720
Insurance	3,310	2,852
Licences, dues and fees	460	450
Office	2,507	2,270
Professional development	675	675
Professional fees	7,790	8,250
Special projects	4,036	16,880
Telecommunication	559	981
Teleconference	715	422
Travel	6,474	5,021
	176,376	153,843
(DEFICIENCY) EXCESS OF RECEIPTS OVER DISBURSEMENTS FROM OPERATIONS	(10,409)	12,928
UNREALIZED GAIN ON INVESTMENTS	-	267
(DEFICIENCY) EXCESS OF RECEIPTS OVER DISBURSEMENTS BEFORE AMORTIZATION	(10,409)	13,195
AMORTIZATION	64	81
(DEFICIENCY) EXCESS OF RECEIPTS OVER DISBURSEMENTS	\$ (10,473)	\$ 13,114

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

SCHEDULE B: OCCUPATIONAL THERAPY ASSISTANT AND PHYSIOTHERAPIST ASSISTANT EDUCATION ACCREDITATION PROGRAM (OTA&PTA EAP)

DETAILS OF RECEIPTS AND DISBURSEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

(Unaudited)

	2016	2015
RECEIPTS		
Accreditation fees	\$ 221,904	\$ 219,868
Other income	3,239	2,841
	225,143	222,709
DISBURSEMENTS		
Accreditation review	22,013	10,587
Administration fees	41,095	43,980
Administrative support	19,899	14,765
Bank charges and interest	499	365
Document translation	5,764	4,133
Governance	30,270	27,582
Licenses, dues and fees	440	430
Office	4,578	2,949
Professional development	6,981	7,456
Program manager fees	57,625	35,363
Special projects	11,762	28,216
Telecommunication	899	1,221
Teleconference	801	366
Travel	2,029	4,530
	204,655	181,943
EXCESS OF RECEIPTS OVER DISBURSEMENTS FROM OPERATIONS	20,488	40,766
UNREALIZED GAIN ON INVESTMENTS	-	103
EXCESS OF RECEIPTS OVER DISBURSEMENTS BEFORE AMORTIZATION	20,488	40,869
AMORTIZATION	107	134
EXCESS OF RECEIPTS OVER DISBURSEMENTS	\$ 20,381	\$ 40,735