

ACCOUNTANTS COPY

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

FINANCIAL STATEMENTS
(Unaudited)

DECEMBER 31, 2017

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

DECEMBER 31, 2017

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of
Physiotherapy Education Accreditation Canada

We have reviewed the accompanying financial statements of Physiotherapy Education Accreditation Canada that comprise the balance sheet as at December 31, 2017, and the statements of operations, statement of changes in net assets and statement of cash flows 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, 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.

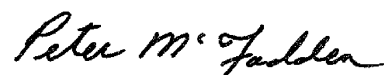
A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical 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 Physiotherapy Education Accreditation Canada as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Kelowna, BC
March 15, 2018



CHARTERED PROFESSIONAL ACCOUNTANTS

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

(Unaudited)

	2017	2016
ASSETS		
CURRENT		
Cash and cash equivalents		
- unrestricted	\$ 150,641	\$ 108,313
- restricted (Note 2)	205,406	200,765
Accounts receivable	147	-
Prepaid expenses	8,215	8,647
	364,409	317,725
TANGIBLE CAPITAL ASSETS (Note 3)	550	687
	\$ 364,959	\$ 318,412

LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 13,276	\$ 14,773
GST payable	7,586	5,887
Deferred revenue (Note 4)	23,647	15,646
	44,509	36,306

NET ASSETS		
INTERNALLY RESTRICTED (Note 5)	205,405	200,765
UNRESTRICTED	115,045	81,341
	320,450	282,106
	\$ 364,959	\$ 318,412

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, 2017

(Unaudited)

	2017	2016
RECEIPTS		
Accreditation fees	\$ 338,029	\$ 356,285
Other revenue	4,876	4,825
	342,905	361,110
DISBURSEMENTS		
Accreditation review	25,798	46,484
Administration fees	10,048	11,095
Administrative support	31,977	30,894
Bank charges and interest	704	837
Document translation	8,464	31,166
Executive director fees (Note 6)	68,326	66,654
Governance	66,761	52,262
Insurance	4,689	3,310
Licences, dues and fees	920	900
Office	4,923	7,082
Professional development	1,050	7,656
Professional fees	8,700	7,790
Program manager fees (Note 6)	58,938	57,625
Special projects	6,040	15,798
Telecommunication	1,598	1,458
Teleconference	1,184	1,516
Travel	4,304	8,503
	304,424	351,030
EXCESS OF RECEIPTS OVER DISBURSEMENTS BEFORE AMORTIZATION	38,481	10,080
AMORTIZATION	137	172
EXCESS OF RECEIPTS OVER DISBURSEMENTS	\$ 38,344	\$ 9,908

For detailed information the breakdown of the statement of operations between programs for Physiotherapy Education Accreditation Canada and Occupational Therapy Assistant and Physiotherapist Assistant Education Accreditation Program, see the accompanying Schedules.

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2017

(Unaudited)

	INTERNALLY RESTRICTED (Note 5)	UN - RESTRICTED	2017	2016
NET ASSETS , beginning of year	\$ 200,765	\$ 81,341	\$ 282,106	\$ 9,909
Excess of receipts over disbursements	4,640	33,704	38,344	9,908
NET ASSETS , end of year	\$ 205,405	\$ 115,045	\$ 320,450	\$ 19,817

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

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

STATEMENT OF CASH FLOWS

DECEMBER 31, 2017

(Unaudited)

	2017	2016
CASH PROVIDED BY OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 38,344	\$ 9,908
Items not requiring an outlay of cash:		
Amortization	137	172
	38,481	10,080
CHANGES IN NON-CASH WORKING CAPITAL		
(Increase) decrease in accounts receivable	(147)	26
Decrease (increase) in prepaid expenses	432	(1,729)
(Decrease) increase in accounts payable and accrued liabilities	(1,497)	6,520
Increase (decrease) in GST payable	1,699	(6,216)
Increase in deferred revenue	8,001	15,646
	8,488	14,247
NET INCREASE IN CASH AND CASH EQUIVALENTS	46,969	24,327
CASH AND CASH EQUIVALENTS, beginning of year	309,078	284,751
CASH AND CASH EQUIVALENTS, end of year	\$ 356,047	\$ 309,078
CASH AND CASH EQUIVALENTS CONSISTS OF:		
Unrestricted cash	\$ 150,641	\$ 108,313
Restricted cash	205,406	200,765
	\$ 356,047	\$ 309,078

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

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

(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, 2017

(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 AND CASH EQUIVALENTS

The Society has internally restricted cash, for the purpose of the funds see Note 5. The Society holds these funds in short-term investments that can be readily converted into cash as needed by the Society. The balances at the end of the year are as follows:

	2017		2016	
Contingency - PEAC	\$	62,691	\$	61,275
Contingency - OTA&PTA EAP		142,715		139,490
Total restricted cash	\$	205,406	\$	200,765

3. TANGIBLE CAPITAL ASSETS

	Cost	Amortization	Net 2017	Net 2016
Furniture and fixtures	\$ 806	\$ 393	\$ 413	\$ 516
Web page and logo	559	422	137	171
	\$ 1,365	\$ 815	\$ 550	\$ 687

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

(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

Internally restricted 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 for each program.

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

Changes in the contingency fund are as follows:

	2017	2016
Beginning balance	\$ 61,275	\$ 74,690
Annual (transfer) provision	-	(15,000)
Interest income	1,416	1,585
	\$ 62,691	\$ 61,275

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

Changes in the contingency fund are as follows:

	2017	2016
Beginning balance	\$ 139,491	\$ 136,401
Interest income	3,224	3,090
	\$ 142,715	\$ 139,491

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 \$68,326 (2016 - \$70,104) for services provided to the Society.

7. COMPARATIVE FIGURES

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

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

SCHEDULE A: PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA (PEAC)

DETAILS OF STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2017

(Unaudited)

	2017	2016
RECEIPTS		
Accreditation fees	\$ 137,073	\$ 134,381
Administration fees	30,000	32,980
Other revenue	1,427	1,586
	168,500	168,947
DISBURSEMENTS		
Accreditation review	4,149	24,470
Administrative support	11,133	10,995
Bank charges and interest	394	338
Document translation	6,273	25,401
Executive director fees	68,326	66,654
Governance	31,683	21,992
Insurance	4,689	3,310
Licences, dues and fees	470	460
Office	2,260	2,507
Professional development	475	675
Professional fees	8,700	7,790
Special projects	6,040	4,036
Telecommunication	635	559
Teleconference	600	715
Travel	3,272	6,474
	149,099	176,376
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS BEFORE AMORTIZATION	19,401	(7,429)
AMORTIZATION	52	64
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	\$ 19,349	\$ (7,493)

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

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

DETAILS OF STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2017

(Unaudited)

	2017	2016
RECEIPTS		
Accreditation fees	\$ 200,956	\$ 221,904
Other revenue	3,449	3,239
	204,405	225,143
DISBURSEMENTS		
Accreditation review	21,649	22,013
Administration fees	40,048	44,075
Administrative support	20,844	19,899
Bank charges and interest	310	499
Document translation	2,191	5,764
Governance	35,078	30,270
Licenses, dues and fees	450	440
Office	2,662	4,578
Professional development	575	6,981
Program manager fees	58,938	57,625
Special projects	-	11,762
Telecommunication	963	899
Teleconference	584	801
Travel	1,032	2,029
	185,324	207,635
EXCESS OF RECEIPTS OVER DISBURSEMENTS BEFORE AMORTIZATION	19,081	17,508
AMORTIZATION	86	107
EXCESS OF RECEIPTS OVER DISBURSEMENTS	\$ 18,995	\$ 17,401