

ACCOUNTANTS COPY

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

FINANCIAL STATEMENTS
(Unaudited)

DECEMBER 31, 2019

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

DECEMBER 31, 2019

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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, 2019, 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, 2019, 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.

Report on Other Legal and Regulatory Requirements

As required by the Society Act of British Columbia, we report that the accounting principles used in these financial statements have been applied on a consistent basis with that of the preceding year.

Kelowna, BC
April 17, 2020


CHARTERED PROFESSIONAL ACCOUNTANTS

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

(Unaudited)

	ASSETS	
	2019	2018
CURRENT		
Cash and cash equivalents		
- unrestricted	\$ 65,340	\$ 169,866
- restricted (Note 2)	275,720	205,691
Accounts receivable	-	5,912
GST receivable	4,088	-
Prepaid expenses	11,468	9,141
	356,616	390,610
TANGIBLE CAPITAL ASSETS (Note 3)	351	439
	\$ 356,967	\$ 391,049


	LIABILITIES	
CURRENT		
Accounts payable and accrued liabilities	\$ 2,243	\$ 10,533
GST payable	-	1,526
Deferred revenue (Note 4)	10,785	45,962
	13,028	58,021

	NET ASSETS	
INTERNALLY RESTRICTED (Note 5)	275,720	205,691
UNRESTRICTED	68,219	127,337
	343,939	333,028
	\$ 356,967	\$ 391,049

RELATED PARTY TRANSACTIONS (Note 6)

APPROVED ON BEHALF OF THE BOARD:

Alison Greig _____ 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, 2019

(Unaudited)

	2019	2018
RECEIPTS		
Accreditation fees	\$ 353,832	\$ 351,439
Interest	13,911	830
Special Projects	-	15,654
	367,743	367,923
DISBURSEMENTS		
Accreditation review	66,868	49,579
Administration fees	10,158	10,631
Administrative support	24,951	34,552
Bank charges and interest	596	724
Document translation	5,229	6,782
Executive director fees (Note 6)	80,272	75,736
Governance	57,790	54,345
Insurance	4,399	4,585
Licences, dues and fees	1,636	940
Office	4,855	3,570
Professional development	820	860
Professional fees	6,234	9,750
Program manager fees (Note 6)	78,520	63,876
Special projects	5,750	31,733
Telecommunication	2,485	2,960
Travel	6,181	4,613
	356,744	355,236
EXCESS OF RECEIPTS OVER DISBURSEMENTS BEFORE AMORTIZATION	10,999	12,687
AMORTIZATION	88	110
EXCESS OF RECEIPTS OVER DISBURSEMENTS	\$ 10,911	\$ 12,577

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

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2019 (Unaudited)

	INTERNALLY RESTRICTED (Note 5)	UN - RESTRICTED	2019	2018
NET ASSETS , beginning of year	\$ 205,691	\$ 127,337	\$ 333,028	\$ 333,029
Excess (deficiency) of receipts over disbursements	13,911	(3,000)	10,911	12,577
Interfund transfers	56,118	(56,118)	-	-
NET ASSETS , end of year	\$ 275,720	\$ 68,219	\$ 343,939	\$ 345,606

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

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

STATEMENT OF CASH FLOWS

DECEMBER 31, 2019

(Unaudited)

	2019	2018
CASH PROVIDED BY OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 10,911	\$ 12,577
Items not requiring an outlay of cash:		
Amortization	88	110
	10,999	12,687
CHANGES IN NON-CASH WORKING CAPITAL		
Decrease (increase) in accounts receivable	5,912	(5,765)
Increase in prepaid expenses	(2,327)	(927)
Decrease in accounts payable and accrued liabilities	(8,290)	(2,740)
Decrease in GST payable	(5,614)	(6,060)
(Decrease) increase in deferred revenue	(35,177)	22,315
	(45,496)	6,823
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(34,497)	19,510
CASH AND CASH EQUIVALENTS, beginning of year	375,557	356,047
CASH AND CASH EQUIVALENTS, end of year	\$ 341,060	\$ 375,557
CASH AND CASH EQUIVALENTS CONSISTS OF:		
Unrestricted cash	\$ 65,340	\$ 169,866
Restricted cash	275,720	205,691
	\$ 341,060	\$ 375,557

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

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

(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 they occur.

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, 2019

(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 revenue, 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 operations but have been included in the supplementary schedules 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:

	2019		2018	
Contingency - PEAC	\$	70,967	\$	62,778
Contingency - OTA&PTA EAP		204,753		142,913
Total restricted cash	\$	275,720	\$	205,691

3. TANGIBLE CAPITAL ASSETS

	Cost	Amortization	Net	
			2019	2018
Furniture and fixtures	\$ 806	\$ 542	\$ 264	\$ 330
Web page and logo	559	472	87	109
	\$ 1,365	\$ 1,014	\$ 351	\$ 439

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2019

(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:

	2019	2018
Beginning balance	\$ 62,778	\$ 62,691
Annual provision	3,926	-
Interest income	4,263	87
	\$ 70,967	\$ 62,778

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

Changes in the contingency fund are as follows:

	2019	2018
Beginning balance	\$ 142,913	\$ 142,715
Annual provision	52,192	-
Interest income	9,648	198
	\$ 204,753	\$ 142,913

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 \$80,272 (2018 - \$75,736) for services provided to the Society. Included in accounts payable is \$1,849 owed to related party (2018 - \$nil).

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 ACCREDITATION

DETAILS OF STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2019

(Unaudited)

	2019	2018
RECEIPTS		
Accreditation fees	\$ 150,663	\$ 139,812
Administration fees	-	30,000
Interest	4,263	25
Special Projects	-	15,654
	154,926	185,491
DISBURSEMENTS		
Accreditation review	17,732	22,828
Administration fees	22,599	-
Administrative support	7,485	12,755
Bank charges and interest	229	249
Document translation	3,110	1,809
Executive director fees	33,969	75,736
Governance	20,875	22,006
Insurance	-	4,585
Licences, dues and fees	460	480
Office	997	2,062
Professional development	305	410
Professional fees	1,144	9,750
Special projects	-	16,731
Telecommunication	990	1,331
Travel	427	4,613
	110,322	175,345
EXCESS OF RECEIPTS OVER DISBURSEMENTS BEFORE AMORTIZATION	44,604	10,146
AMORTIZATION	33	41
EXCESS OF RECEIPTS OVER DISBURSEMENTS	\$ 44,571	\$ 10,105

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

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

DETAILS OF STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2019

(Unaudited)

	2019	2018
RECEIPTS		
Accreditation fees	\$ 203,169	\$ 211,627
Interest	9,648	805
	212,817	212,432
DISBURSEMENTS		
Accreditation review	49,136	26,751
Administration fees	40,633	40,631
Administrative support	13,020	21,797
Bank charges and interest	196	475
Document translation	2,119	4,973
Governance	28,892	32,339
Licenses, dues and fees	460	460
Office	1,690	1,508
Professional development	515	450
Program manager fees	78,520	63,876
Special projects	750	15,002
Telecommunication	906	1,629
	216,837	209,891
(DEFICIENCY) EXCESS OF RECEIPTS OVER DISBURSEMENTS BEFORE AMORTIZATION	(4,020)	2,541
AMORTIZATION	55	69
(DEFICIENCY) EXCESS OF RECEIPTS OVER DISBURSEMENTS	\$ (4,075)	\$ 2,472

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

SCHEDULE C: ADMINISTRATION DETAILS OF STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2019 (Unaudited)

	2019	2018
RECEIPTS		
Administration fees	\$ 53,074	\$ -
DISBURSEMENTS		
Administrative support	4,446	-
Bank charges and interest	171	-
Executive director fees	46,303	-
Governance	8,023	-
Insurance	4,399	-
Licenses, dues and fees	716	-
Office	2,167	-
Professional fees	5,090	-
Special projects	5,000	-
Telecommunication	589	-
Travel	5,754	-
	82,658	-
DEFICIENCY OF RECEIPTS OVER DISBURSEMENTS	\$ (29,584)	\$ -