

**PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA**

**FINANCIAL STATEMENTS**  
(Unaudited)

**DECEMBER 31, 2020**

# **PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA**

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**DECEMBER 31, 2020**

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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, 2020, 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, 2020, 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.



# PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

(Unaudited)

### ASSETS

	2020	2019
<b>CURRENT</b>		
Cash and cash equivalents		
- unrestricted	\$ 75,944	\$ 65,340
- restricted (Note 2)	349,150	275,720
GST receivable	2,870	4,088
Prepaid expenses	8,220	11,468
	436,184	356,616
<b>CAPITAL ASSETS (Note 3)</b>	281	351
	\$ 436,465	\$ 356,967

### LIABILITIES

<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 5,268	\$ 2,243
Deferred revenue (Note 4)	-	10,785
	5,268	13,028

### NET ASSETS

<b>INTERNALLY RESTRICTED (Note 5)</b>	349,150	275,720
<b>UNRESTRICTED</b>	82,047	68,219
	431,197	343,939
	\$ 436,465	\$ 356,967

### RELATED PARTY TRANSACTIONS (Note 6)

#### APPROVED ON BEHALF OF THE BOARD:

 Director

 Director

# PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2020

(Unaudited)

	2020	2019
<b>RECEIPTS</b>		
Accreditation fees	\$ 360,140	\$ 353,832
Interest	29,430	13,911
	<b>389,570</b>	<b>367,743</b>
<b>DISBURSEMENTS</b>		
Accreditation review	26,245	66,868
Administration fees	10,706	10,158
Administrative support	41,145	24,951
Bank charges and interest	415	596
Document translation	10,299	5,229
Executive director fees (Note 6)	78,646	80,272
Governance	19,239	57,790
Insurance	3,951	4,399
Licences, dues and fees	1,610	1,636
Office	5,294	4,855
Professional development	2,083	820
Professional fees	11,888	6,234
Program manager fees (Note 6)	62,316	78,520
Special projects	24,732	5,750
Telecommunication	2,337	2,485
Travel	1,336	6,181
	<b>302,242</b>	<b>356,744</b>
<b>EXCESS OF RECEIPTS OVER DISBURSEMENTS BEFORE AMORTIZATION</b>	<b>87,328</b>	<b>10,999</b>
<b>AMORTIZATION</b>	<b>70</b>	<b>88</b>
<b>EXCESS OF RECEIPTS OVER DISBURSEMENTS</b>	<b>\$ 87,258</b>	<b>\$ 10,911</b>

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, 2020**

(Unaudited)

	<b>INTERNALLY RESTRICTED (Note 5)</b>	<b>UN - RESTRICTED</b>	<b>2020</b>	<b>2019</b>
<b>NET ASSETS</b> , beginning of year	\$ 275,720	\$ 68,219	\$ 343,939	\$ 333,028
Excess (deficiency) of receipts over disbursements	29,430	57,828	87,258	10,911
Interfund transfers	44,000	(44,000)	-	-
<b>NET ASSETS</b> , end of year	\$ 349,150	\$ 82,047	\$ 431,197	\$ 343,939

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

# PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

## STATEMENT OF CASH FLOWS

DECEMBER 31, 2020

(Unaudited)

	2020	2019
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 87,258	\$ 10,911
<b>Items not requiring an outlay of cash:</b>		
Amortization	70	88
	87,328	10,999
<b>CHANGES IN NON-CASH WORKING CAPITAL</b>		
Decrease in accounts receivable	-	5,912
Decrease (increase) in prepaid expenses	3,248	(2,327)
Increase (decrease) in accounts payable and accrued liabilities	3,025	(8,290)
Increase (decrease) in GST payable	1,218	(5,614)
Decrease in deferred revenue	(10,785)	(35,177)
	(3,294)	(45,496)
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	84,034	(34,497)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	341,060	375,557
<b>CASH AND CASH EQUIVALENTS, end of year</b>	\$ 425,094	\$ 341,060
<b>CASH AND CASH EQUIVALENTS CONSISTS OF:</b>		
Unrestricted cash	\$ 75,944	\$ 65,340
Restricted cash	349,150	275,720
	\$ 425,094	\$ 341,060

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

# PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

(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) Capital Assets

Capital Assets are recorded at cost. It is the policy of the Society to capitalize purchased capital assets over \$500. 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, 2020

(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:

	2020		2019	
Contingency - PEAC	\$	123,950	\$	70,967
Contingency - OTA&PTA EAP		225,200		204,753
Total restricted cash	\$	349,150	\$	275,720

### 3. CAPITAL ASSETS

	Cost	Amortization	Net	
			2020	2019
Furniture and fixtures	\$ 806	\$ 595	\$ 211	\$ 263
Web page and logo	559	489	70	88
	\$ 1,365	\$ 1,084	\$ 281	\$ 351

# PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

(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:

	2020	2019
Beginning balance	\$ 70,967	\$ 62,778
Annual provision	44,000	3,926
Interest income	13,245	4,263
	\$ 128,212	\$ 70,967

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

Changes in the contingency fund are as follows:

	2020	2019
Beginning balance	\$ 204,753	\$ 142,913
Annual provision	-	52,192
Interest income	16,185	9,648
	\$ 220,938	\$ 204,753

### 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 \$78,646 (2019 - \$80,272) and the program manager charged and received \$62,316 (2019 - \$78,520) for services provided to the Society. Included in accounts payable is \$Nil owed to related party (2019 - \$1,849).

# PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

## SCHEDULE A: PHYSIOTHERAPY ACCREDITATION

### DETAILS OF STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2020

(Unaudited)

	2020	2019
<b>RECEIPTS</b>		
Accreditation fees	\$ 146,024	\$ 150,663
Interest	13,245	4,263
	159,269	154,926
<b>DISBURSEMENTS</b>		
Accreditation review	13,603	17,732
Administration fees	21,904	22,599
Administrative support	10,577	7,485
Bank charges and interest	79	229
Document translation	5,106	3,110
Executive director fees	47,174	33,969
Governance	4,387	20,875
Licences, dues and fees	460	460
Office	1,642	997
Professional development	170	305
Professional fees	-	1,144
Special projects	8,745	-
Telecommunication	810	990
Travel	-	427
	114,657	110,322
<b>EXCESS OF RECEIPTS OVER DISBURSEMENTS BEFORE AMORTIZATION</b>	44,612	44,604
<b>AMORTIZATION</b>	26	33
<b>EXCESS OF RECEIPTS OVER DISBURSEMENTS</b>	\$ 44,586	\$ 44,571

# 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, 2020

(Unaudited)

	2020	2019
<b>RECEIPTS</b>		
Accreditation fees	\$ 214,116	\$ 203,169
Interest	16,185	9,648
	230,301	212,817
<b>DISBURSEMENTS</b>		
Accreditation review	12,642	49,136
Administration fees	42,823	40,633
Administrative support	25,848	13,020
Bank charges and interest	137	196
Document translation	4,424	2,119
Governance	13,702	28,892
Licenses, dues and fees	460	460
Office	2,203	1,690
Professional development	1,913	515
Program manager fees	62,316	78,520
Special projects	15,988	750
Telecommunication	1,044	906
Travel	1,037	-
	184,537	216,837
<b>(DEFICIENCY) EXCESS OF RECEIPTS OVER DISBURSEMENTS BEFORE AMORTIZATION</b>	45,764	(4,020)
<b>AMORTIZATION</b>	44	55
<b>(DEFICIENCY) EXCESS OF RECEIPTS OVER DISBURSEMENTS</b>	\$ 45,720	\$ (4,075)

# **PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA**

## **SCHEDULE C: ADMINISTRATION DETAILS OF STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2020 (Unaudited)**

	<b>2020</b>	<b>2019</b>
<b>RECEIPTS</b>		
Administration fees	\$ 54,021	\$ 53,074
<b>DISBURSEMENTS</b>		
Administrative support	4,720	4,446
Bank charges and interest	199	171
Document translation	770	-
Executive director fees	31,472	46,303
Governance	1,150	8,023
Insurance	3,951	4,399
Licenses, dues and fees	690	716
Office	1,449	2,167
Professional fees	11,888	5,090
Special projects	-	5,000
Telecommunication	483	229
Teleconference	-	359
Travel	299	5,754
	<b>57,071</b>	<b>82,657</b>
<b>DEFICIENCY OF RECEIPTS OVER DISBURSEMENTS</b>	<b>\$ (3,050)</b>	<b>\$ (29,583)</b>