
PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

Financial Statements
Year Ended December 31, 2022

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA
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Year Ended December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Physiotherapy Education Accreditation Canada

Opinion

We have audited the financial statements of Physiotherapy Education Accreditation Canada (the Organization), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements for the year ended December 31, 2021 have been reviewed not audited.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Kelowna, British Columbia
October 10, 2024



MBA Chartered Professional Accountants Inc.

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA
Statement of Financial Position
December 31, 2022

	2022	2021
ASSETS		
CURRENT		
Unrestricted cash	\$ 162,404	\$ 103,940
GST receivable	2,949	25
Prepaid expenses	5,235	7,693
	170,588	111,658
RESTRICTED CASH (Note 4)	293,980	337,628
CAPITAL ASSETS (Note 5)	180	225
INTANGIBLE ASSET (Note 6)	10,253	13,671
	\$ 475,001	\$ 463,182
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 29,402	\$ 15,387
Deferred revenue (Note 7)	-	18,254
	29,402	33,641
NET ASSETS		
Internally restricted (Note 8)	293,980	337,629
Unrestricted	151,619	91,912
	445,599	429,541
	\$ 475,001	\$ 463,182

RELATED PARTY TRANSACTIONS (Note 9)

ON BEHALF OF THE BOARD

Lisa Arcobelli
Lisa Arcobelli (Oct 15, 2024 23:06 EDT) Director

Deborah Palmer
Deborah Palmer (Oct 24, 2024 17:30 MDT) Director

See notes to financial statements

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

Statement of Operations

Year Ended December 31, 2022

	2022	2021
RECEIPTS		
Accreditation fees	\$ 356,167	\$ 360,140
Social Justice Project	42,000	-
Interest	7,764	7,544
	405,931	367,684
DISBURSEMENTS		
Accreditation review	16,836	20,311
Administration fees	10,008	10,706
Administrative support	47,677	41,619
Bank charges and interest	698	576
Consulting fees	22,900	-
Document translation	3,104	13,560
Executive director fees	101,489	91,172
Governance	30,923	259
Insurance	4,902	4,509
Licences, dues and fees	12	1,840
Office	4,085	20,485
Professional development	1,296	1,133
Professional fees	11,783	11,100
Program manager fees	73,442	86,911
Special projects	2,997	39,857
Telecommunications	2,846	2,739
	334,998	346,777
EXCESS OF RECEIPTS OVER DISBURSEMENTS FROM OPERATIONS	70,933	20,907
OTHER EXPENSES		
Unrealized loss on marketable securities	51,412	19,090
Amortization	45	56
Amortization of intangible asset	3,418	3,418
	54,875	22,564
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	\$ 16,058	\$ (1,657)

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

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA
Statement of Changes in Net Assets
Year Ended December 31, 2022

	Internally Restricted (Note 8)	Unrestricted	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 337,629	\$ 91,912	\$ 429,541	\$ 431,198
EXCESS OF RECEIPTS OVER DISBURSEMENTS	(43,649)	59,707	16,058	(1,657)
NET ASSETS - END OF YEAR	\$ 293,980	\$ 151,619	\$ 445,599	\$ 429,541

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

Statement of Cash Flows

Year Ended December 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess (deficiency) of receipts over disbursements	\$ 16,058	\$ (1,657)
Items not affecting cash:		
Amortization of capital assets	45	56
Amortization of intangible assets	3,418	3,418
	19,521	1,817
Changes in non-cash working capital:		
Prepaid expenses	2,458	527
Accounts payable and accrued liabilities	14,015	10,119
GST payable	(2,924)	2,845
Deferred revenue	(18,254)	18,254
	(4,705)	31,745
Cash flow from operating activities	14,816	33,562
INVESTING ACTIVITIES		
Purchase of intangible asset	-	(17,088)
Transfer of funds from restricted cash	43,648	11,522
Cash flow from (used by) investing activities	43,648	(5,566)
INCREASE IN CASH FLOW	58,464	27,996
Cash - beginning of year	103,940	75,944
CASH - END OF YEAR (Note 4)	\$ 162,404	\$ 103,940
CASH CONSISTS OF:		
Unrestricted cash	\$ 162,404	\$ 103,940

See notes to financial statements

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

Notes to Financial Statements

Year Ended December 31, 2022

1. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

2. PURPOSE OF THE ORGANIZATION

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

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 as 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.

Financial instruments

The Organization's financial instruments consist of unrestricted and restricted cash, GST receivable, and accounts payable and accrued liabilities. The Organization measures its unrestricted and restricted cash and GST receivable at fair value. 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 Organization's opinion that the Organization is not exposed to significant interest rate, currency, market, liquidity or credit risks arising from these financial instruments.

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there are, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

Cash and cash equivalents

Cash and cash equivalents includes cash on deposit.

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PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA
Notes to Financial Statements
Year Ended December 31, 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets

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

Furniture and fixtures	20% declining balance method
Web page and logo	20% declining balance method

The Organization regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

A capital asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. If any potential impairment is identified, the amount of the impairment is quantified by comparing the carrying value of the capital asset to its fair value. Any impairment of the capital asset is recognized in the year in which the impairment occurs.

An impairment loss is not reversed if the fair value of the capital asset subsequently increases.

Intangible assets

Intangible assets are recorded at cost. It is the policy of the Organization to capitalize expenditures over \$500. Amortization is provided annually on a straight-line basis over the estimated useful life of the related intangible asset.

The Organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the intangible asset may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the intangible asset are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Income taxes

The Organization 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.

Revenue recognition

The Organization 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.

Investment income includes interest income and net realized gains or losses on the sale of investments and change in net unrealized gain or loss on investments. Restricted and unrestricted investment income is recognized as revenue in the appropriate funds when earned.

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PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA

Notes to Financial Statements

Year Ended December 31, 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interdepartmental transfers

The Organization transfers cash between program funds to reflect fees for service 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.

4. RESTRICTED CASH AND CASH EQUIVALENTS

The Organization has internally restricted cash, for the purpose of the funds see Note 8. The Organization holds these funds in short-term investments that can be readily converted into cash as needed. The balances at the end of the year are as follows:

	2022	2021
Contingency - PEAC	\$ 104,364	\$ 119,860
Contingency - OTA & PTA EAP	189,616	217,768
	\$ 293,980	\$ 337,628

All restricted cash and cash equivalents consist of Canadian fixed income investments and are measured at fair value.

5. CAPITAL ASSETS

		Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Furniture and fixtures	\$	806	\$ 671	\$ 135	\$ 169
Web page and logo		559	514	45	56
	\$	1,365	\$ 1,185	\$ 180	\$ 225

6. INTANGIBLE ASSET

	2022	2021
Website development	\$ 17,089	\$ 17,089
Accumulated amortization	(6,836)	(3,418)
	\$ 10,253	\$ 13,671

7. DEFERRED REVENUE

Deferred revenue is comprised of amounts received by the Organization for program fees for the upcoming fiscal year that were received before the year end. The Organization received no such funds in the current year (2021 - \$18,254).

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA
Notes to Financial Statements
Year Ended December 31, 2022

8. INTERNALLY RESTRICTED

Internally restricted net assets consists of funds set aside by the Board of Directors as a contingency fund. The Organization has 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.

- Contingency - Physiotherapy Education Accreditation Canada (PEAC)

Changes in the contingency fund are as follows:

	2022	2021
Beginning balance	\$ 119,860	\$ 123,950
Annual provision	-	-
Interest income	2,755	2,688
Unrealized loss on marketable securities	(18,251)	(6,777)
	104,364	119,861

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

Changes in the contingency fund are as follows:

	2022	2021
Beginning balance	217,768	225,200
Annual provision	-	-
Interest income	5,008	4,881
Unrealized loss on marketable securities	(33,160)	(12,313)
	189,616	217,768
Grand total	\$ 293,980	\$ 337,629

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA
Notes to Financial Statements
Year Ended December 31, 2022

9. RELATED PARTY TRANSACTIONS

The following is a summary of the Organization's related party transactions:

	2022	2021
Executive Director <i>Individual charged with governance</i> Contracted services rendered	\$ 107,856	\$ 99,972
Program Manager <i>Individual charged with governance</i> Contracted services rendered	\$ 76,244	\$ 88,460
	\$ 184,100	\$ 188,432

These transactions are in the normal course of operations, and are measured at the exchange amount, which is the amount of consideration established and agreed upon by the related parties.

Included in accounts payable is \$25,888 owed to the executive director (2021 - \$9,481).

The contracted services provided by the Executive Director and the Program Manager are recorded to the following expense accounts:

- Accreditation review
- Executive director fees
- Governance
- Program manager fees
- Special projects

10. COMPARATIVE FIGURES

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

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA
Physiotherapy Accreditation (Schedule 1)
Year Ended December 31, 2022

	2022	2021
RECEIPTS		
Accreditation fees	\$ 156,017	\$ 146,024
Interest income	2,756	2,663
Unrealized loss on marketable securities	(18,251)	(6,777)
	140,522	141,910
DISBURSEMENTS		
Accreditation review	10,280	867
Administration fees	23,422	21,904
Administration support	14,562	11,579
Amortization	3,435	3,432
Bank charges and interest	158	170
Document translation	234	8,713
Executive director fees	46,592	46,588
Governance	13,270	-
Licenses, dues and fees	-	920
Office	1,634	8,158
Professional development	1,096	938
Program manager fees	6,177	10,050
Special projects	-	34,857
Telecommunications	1,193	1,063
	122,053	149,239
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	\$ 18,469	\$ (7,329)

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA
Occupational Therapy Assistant and Physiotherapist Assistant Education Accreditation
(OTA PTA) (Schedule 2)
Year Ended December 31, 2022

	2022	2021
RECEIPTS		
Accreditation Fees	\$ 200,150	\$ 214,116
Interest income	5,008	4,881
Unrealized loss on marketable securities	(33,160)	(12,313)
	171,998	206,684
DISBURSEMENTS		
Accreditation review	6,556	3,429
Administration fees	40,030	42,823
Administration support	25,063	25,285
Amortization	28	42
Bank charges and interest	159	142
Document translation	2,871	4,253
Executive director fees	464	8,165
Governance	18,310	259
Licenses, dues and fees	-	920
Office	797	6,156
Professional development	200	195
Program manager fees	67,265	76,861
Special projects	2,997	21,016
Telecommunications	1,406	1,181
	166,146	190,727
EXCESS OF RECEIPTS OVER DISBURSEMENTS	\$ 5,852	\$ 15,957

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA
Social Justice Project (Schedule 3)
Year Ended December 31, 2022

	2022	2021
RECEIPTS		
Project revenue	\$ 42,000	\$ -
DISBURSEMENTS		
Administration support	4,318	-
Executive director fees	6,670	-
Professional fees	22,900	-
	33,888	-
EXCESS OF RECEIPTS OVER DISBURSEMENTS	\$ 8,112	\$ -

PHYSIOTHERAPY EDUCATION ACCREDITATION CANADA
Administration (Schedule 4)
Year Ended December 31, 2022

	2022	2021
RECEIPTS		
Administrative fees	\$ 53,444	\$ 54,021
DISBURSEMENTS		
Administration support	3,735	4,755
Bank charges and interest	379	262
Document translation	-	595
Executive director fees	47,763	36,419
Governance	(657)	-
Insurance	4,902	4,509
Licenses, dues and fees	12	-
Office	1,655	6,171
Professional fees	11,783	11,100
Telecommunications	247	495
	69,819	64,306
DEFICIENCY OF RECEIPTS OVER DISBURSEMENTS	\$ (16,375)	\$ (10,285)