# COLLEGE OF PHYSIOTHERAPISTS OF MANITOBA

## Financial Statements
**For the year ended December 31, 2025**

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# Independent Auditor's Report

**To the Members of the College of Physiotherapists of Manitoba**

**Opinion**

We have audited the financial statements of the College of Physiotherapists of Manitoba (the College), which comprise the statement of financial position as at December 31, 2025, and the statement of changes in net assets, the statement of operations and the statement of 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 College as at December 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

**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 College in accordance with the 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.

**Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the College'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 College or to cease operations, or has no realistic alternative but to do so.

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

**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.



BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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 College'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 College'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 College 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.

*BDO Canada LLP*

Chartered Professional Accountants

Winnipeg, Manitoba
March 26, 2026

# COLLEGE OF PHYSIOTHERAPISTS OF MANITOBA
## Statement of Financial Position

| As at December 31 | 2025 | 2024 |
|---|---|---|
| **Assets** | | |
| **Current Assets** | | |
| Cash and bank | **$ 281,941** | $ 155,847 |
| Investments (Note 3) | **205,258** | 735,412 |
| Accounts receivable | **2,741** | 2,476 |
| Prepaid expenses | **19,927** | - |
| | **509,867** | 893,735 |
| **Prepaid expenses** | **-** | 11,988 |
| **Deferred rent asset** | **-** | 8,183 |
| **Restricted investments** (Note 3) | **599,540** | 20,000 |
| **Property and equipment** (Note 4) | **234,032** | 121,353 |
| **Intangible assets** (Note 5) | **-** | 2,861 |
| | **$ 1,343,439** | $ 1,058,120 |
| **Liabilities and Net Assets** | | |
| **Current Liabilities** | | |
| Accounts payable and accrued liabilities | **$ 335,067** | $ 94,051 |
| Deferred revenue from registration and exam fees | **174,800** | 92,200 |
| | **509,867** | 186,251 |
| **Lease inducement** (Note 6) | **-** | 78,000 |
| | **509,867** | 264,251 |
| **Commitments** (Note 6) | | |
| **Net Assets** | | |
| Unrestricted | **-** | 649,655 |
| Internally restricted invested in property, equipment and intangible assets | **234,032** | 124,214 |
| Internally restricted by policy (Note 7) | | |
| Operating Reserve Fund | **99,540** | 20,000 |
| Capital Reserve Fund | **-** | - |
| Legal Reserve Fund | **500,000** | - |
| | **833,572** | 793,869 |
| | **$ 1,343,439** | $ 1,058,120 |

Approved on behalf of Council:

H. Ball

Chair

Vice-Chair

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

# COLLEGE OF PHYSIOTHERAPISTS OF MANITOBA
## Statement of Changes in Net Assets

**For the year ended December 31, 2025**

| | Internally Restricted | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Invested in Property, Equipment and Intangible Assets** | **Operating Reserve Fund** | **Capital Reserve Fund** | **Legal Reserve Fund** | **Unrestricted** | **2025 Total** | 2024 Total |
| **Net assets**, beginning of year | **$ 124,214** | **$ 20,000** | **$ -** | **$ -** | **$ 649,655** | **$ 793,869** | $ 665,168 |
| **Excess (deficiency) of revenue over expenses for the year** | **(120,327)** | **-** | **-** | **-** | **160,030** | **39,703** | 128,701 |
| **Interfund transfers** (Note 7) | | | | | | | |
| Appropriation for the year | **-** | **86,313** | **100,000** | **500,000** | **(686,313)** | **-** | - |
| Funding operating deficit | **-** | **(6,773)** | **-** | **-** | **6,773** | **-** | - |
| Acquisition of property and equipment | **230,145** | **-** | **(100,000)** | **-** | **(130,145)** | **-** | - |
| **Net assets**, end of year | **$ 234,032** | **$ 99,540** | **$ -** | **$ 500,000** | **$ -** | **$ 833,572** | $ 793,869 |

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

# COLLEGE OF PHYSIOTHERAPISTS OF MANITOBA
## Statement of Operations

| For the year ended December 31 | 2025 | 2024 |
|---|---|---|
| **Revenue** | | |
| Registration fees | **$ 984,074** | $ 910,738 |
| Program fees | **78,750** | 72,250 |
| Investment income, net (Note 8) | **36,738** | 68,595 |
| Grant | | |
| Canadian Institute for Health Information | **11,106** | - |
| Other | **13,710** | 19,287 |
| | **1,124,378** | 1,070,870 |
| **Expenses** | | |
| Salaries and wages | **520,575** | 501,876 |
| Rent and relocation (Note 6) | **103,841** | 109,742 |
| Administrative | **93,860** | 68,826 |
| Consultant and professional fees | **80,327** | 86,492 |
| Program | **35,150** | 33,510 |
| Memberships and licenses | **28,610** | 30,020 |
| Amortization | **23,012** | 28,853 |
| Bank and transaction fees | **22,252** | 17,965 |
| Strategic planning | **20,127** | - |
| Office | **16,826** | 16,832 |
| Projects | **13,801** | 12,914 |
| Meetings and conventions | **9,657** | 6,070 |
| Insurance | **7,990** | 17,246 |
| Training | **5,688** | 3,936 |
| Information Technology | **5,644** | 7,887 |
| | **987,360** | 942,169 |
| **Excess of revenue over expenses for the year before other item** | **137,018** | 128,701 |
| **Other Item** | | |
| Loss on writedown of leasehold improvements (Note 6) | **97,315** | - |
| **Excess of revenue over expenses for the year** | **$ 39,703** | $ 128,701 |

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

# COLLEGE OF PHYSIOTHERAPISTS OF MANITOBA
## Statement of Cash Flows

| For the year ended December 31 | 2025 | 2024 |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Excess of revenue over expenses for the year | **$ 39,703** | $ 128,701 |
| Adjustments for items not affecting cash | | |
| Amortization | **23,012** | 28,853 |
| Loss on writedown of leasehold improvements | **97,315** | - |
| Unrealized loss (gain) on investment income | **46,229** | (36,095) |
| Lease inducement write-down and amortization included in rent and relocation expenses | **(78,000)** | (13,000) |
| Investment income reinvested, net | **(75,615)** | (23,992) |
| | **52,644** | 84,467 |
| Changes in non-cash operating working capital balances | | |
| Accounts receivable | **(265)** | (2,476) |
| Prepaid expenses | **(7,939)** | (4,280) |
| Deferred rent asset | **8,183** | (4,122) |
| Accounts payable and accrued liabilities | **241,016** | 4,302 |
| Deferred revenue from registration fees | **82,600** | 25,000 |
| | **376,239** | 102,891 |
| **Cash Flows from Investing Activities** | | |
| Investments acquired | **(20,000)** | - |
| Acquisition of property and equipment | **(230,145)** | (5,842) |
| | **(250,145)** | (5,842) |
| **Cash Flows from Financing Activities** | **-** | - |
| **Net increase in cash and bank during the year** | **126,094** | 97,049 |
| **Cash and cash equivalents**, beginning of year | **155,847** | 58,798 |
| **Cash and cash equivalents**, end of year | **$ 281,941** | $ 155,847 |

**For the year ended December 31, 2025**

## 1. Nature of Operations

The College of Physiotherapists of Manitoba (the College) has as its mission to protect the public interest through regulation of physiotherapists in Manitoba. The Physiotherapists Act of the Province of Manitoba sets out the College's responsibilities.

The College is a not-for-profit organization exempt from taxes under the Income Tax Act.

## 2. Summary of Significant Accounting Policies

a. Basis of Accounting

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations ("ASNPO").

b. Revenue Recognition

The College follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue in the year that they are received or receivable.

Registration fees are recognized as revenue in the period that corresponds to the registration year to which they relate.

Program revenue is recognized as revenue in the year services are rendered.

Investment revenue is recognized as revenue in the year earned and includes gains and losses resulting from changes in the fair value of investments.

Other revenue is recognized in the year earned.

c. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and bank balances.

## 2. Summary of Significant Accounting Policies (continued)

d. Property and Equipment

Property and equipment are stated at cost less accumulated amortization. Amortization is recorded beginning in the later of the month of acquisition or when the asset is available for use. Amortization based on the estimated useful life of the asset is calculated as follows:

| | |
|---|---|
| Computer equipment | 20% declining balance basis |
| Computer equipment under capital lease | 5 years straight-line over the term of the lease |
| Equipment | 20% declining balance basis |
| Leasehold improvements | 15 years straight-line over the term of the lease |

e. Intangible Assets

Intangible assets consist of computer software. Intangible assets are stated at cost less accumulated amortization. Amortization is recorded beginning in the later of the month of acquisition or when the asset is available for use. Amortization based on estimated useful life of the asset is calculated on a straight-line basis over a 5-year period.

f. Employee Future Benefits

The College participates in a multi-employer defined benefit pension plan, however, sufficient information is not available to use defined benefit accounting. Therefore, the College accounts for the plan as if it were a defined contribution plan, recognizing contributions as an expense in the year to which they relate.

g. Contributed Services

The work of the College is dependent on the voluntary services contributed by many members. Contributed services are not recognized in the financial statements because of difficulty in determining their fair value.

h. Rent

The College leased its former premises on a straight-line basis over the term of the related lease agreement.

## 2. Summary of Significant Accounting Policies (continued)

i. Financial Instruments

Arm's length financial instruments are recorded at fair value at initial recognition.

Related party financial instruments quoted in an active market or those with observable inputs significant to the determination of fair value or derivative contracts are recorded at fair value at initial recognition. All other related party financial instruments are recorded at cost at initial recognition.

In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

j. Use of Estimates

The preparation of financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant estimates included in these financial statements are the estimate of useful lives of property and equipment and intangible assets for calculating amortization. Actual results could differ from management's best estimates as additional information becomes available in the future.

## 3. Investments

Investments consist of cash, high interst savings, mutual funds and Guaranteed Investment Certificates (GIC). The GICs bear interest at 2.90% and 3.75% and mature March and May 2026, respectively.

| | **2025** | 2024 |
|---|---|---|
| Cash and high interest savings | **$ 194,680** | $ 178,819 |
| Guaranteed Investment Certificates | **90,111** | 86,313 |
| Mutual funds | **520,007** | 490,280 |
| Total investments | **$ 804,798** | $ 755,412 |
| Represented as: | | |
| Unrestricted | **$ 205,258** | $ 735,412 |
| Restricted | **599,540** | 20,000 |
| Total investments | **$ 804,798** | $ 755,412 |

## 4. Property and Equipment

| | **2025** | | | 2024 | | |
|---|---|---|---|---|---|---|
| | **Cost** | **Accumulated** | **Net Book Value** | Cost | Accumulated | Net Book Value |
| Computer equipment | **$ 13,010** | **$ 4,505** | **$ 8,505** | $ 15,675 | $ 5,044 | $ 10,631 |
| Equipment | **20,549** | **9,824** | **10,725** | 101,555 | 88,148 | 13,407 |
| Leasehold improvements | **230,145** | **15,343** | **214,802** | 241,797 | 144,482 | 97,315 |
| | **$ 263,704** | **$ 29,672** | **$ 234,032** | $ 359,027 | $ 237,674 | $ 121,353 |

## 5. Intangible Assets

| | **2025** | | | 2024 | | |
|---|---|---|---|---|---|---|
| | **Cost** | **Accumulated** | **Net Book Value** | Cost | Accumulated | Net Book Value |
| Computer software | **$ 36,750** | **$ 36,750** | **$ -** | $ 36,750 | $ 33,889 | $ 2,861 |

## 6. Commitments

Effective October 16, 2025, the College terminated the lease for its previous office located on Pembina Highway, Winnipeg. On the lease termination date, the remaining lease inducement liability of $67,000 was recognized as a reduction of rent and relocation expenses and the net book value of leasehold improvements of $97,315 was recognized as a loss on writedown of leasehold improvements, both on the Statement of Operations. Under the terms of this lease agreement, the College remains liable for the lease, including rent and all obligations, to October 16, 2026. The College is unable to reasonably determine the likelihood and amount that it will be required to pay any rent after year end. As a consequence, any rent payments required will be recorded as an expense when it is likely that an amount will be required to be paid by the College and the amount is determinable.

During the year, the College entered into an agreement for its premises expiring in October 2040. The minimum annual payments for the next five years and thereafter are as follows:

| | |
|---|---|
| 2026 | $ 38,327 |
| 2027 | 38,327 |
| 2028 | 38,327 |
| 2029 | 38,327 |
| 2030 | 38,790 |
| Thereafter | 426,566 |
| | $ 618,664 |

## 7. Internally Restricted Net Assets

During the current and prior years, Council adopted the following policies restricting net assets:

*Operating Reserve Fund* - Previously named the *Contingency Reserve Fund*, the Operating Reserve Fund was established to fund instances where the College experiences an operational deficit and is unable to meet its current financial obligations. The Operating Reserve Fund is intended to ensure continuity of operations and support the College's long-term financial health, all while safeguarding against financial risk and uncertainty. Council has established a goal of a minimum of six (6) months operating expenses to a maximum of one year.

*Capital Reserve Fund* - The Capital Reserve Fund was established to fund future capital expenditures, such as investments in property, equipment, or infrastructure. The Capital Reserve Fund fund ensures that the College has the necessary funds to maintain or expand its operations, support long-term growth and manage major projects or unforeseen capital needs without disrupting its financial stability or operating budget. Council has established a goal of $100,000 for the Capital Reserve Fund.

## 7. Internally Restricted Net Assets (continued)

*Legal Reserve Fund* - The Legal Reserve Fund is established to ensure the College maintains sufficient financial resources to meet future legal obligations, potential liabilities, and unforeseen legal costs. The Legal Reserve Fund serves as a safeguard to protect the College's financial stability and compliance with regulatory requirements, promoting long-term sustainability and risk management. Council has established a goal of a minimum of $500,000 with the College replacing any funds withdrawn within one year to maintain the minimum balance of $500,000.

During the year, Council approved interfund transfers to the Operating Reserve Fund of $86,313 (nil in 2024), Capital Reserve Fund of $100,000 (nil in 2024) and Legal Reserve Fund of $500,000 (nil in 2024) from unrestricted net assets.

During the year, Council approved that acquisition of property and equipment of $100,000 (nil in 2024) be funded by the Capital Reserve Fund and that the unrestricted deficit of $6,773 (nil in 2024) be funded by the Operating Reserve Fund.

## 8. Investment Income

Investment income for the year is comprised of the following:

| | **2025** | 2024 |
|---|---|---|
| Realized investment income | **$ 88,736** | $ 38,033 |
| Unrealized gain (loss) | **(46,229)** | 36,095 |
| Investment management fees | **(5,769)** | (5,533) |
| | **$ 36,738** | $ 68,595 |

## 9. Employee Future Benefits

Effective July 1, 2024, the College joined the Healthcare Employees Pension Plan, a successor to the Manitoba Health Organization Inc. Plan (the "Plan"), which is a multi-employer defined benefit pension plan available to all eligible employees of the participating members of the Plan. Plan members will receive benefits based on the length of service and on the average of annualized earnings during the best five years of the last ten years prior to retirement, termination or death, that provides the highest earnings. As of December 31, 2025 not all members are part of this plan.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by the Plan by placing plan assets in trust and through the Plan investment policy.

## 9. Employee Future Benefits (continued)

Pension expense is based on Plan management's best estimates, in consultation with its actuaries, of the amount, together with the contributions by employees, required to provide a high level of assurance that benefits will be fully represented by fund assets at retirement, as provided by the Plan. The funding objective is for employer contributions to the Plan to remain a constant percentage of employees' contributions.

Variances between actuarial funding estimates and actual experience may be material and any differences are generally to be funded by the participating members. The most recent actuarial valuation of the Plan as at December 31 2024 indicates a solvency surplus. Contributions to the Plan made during the year by the College on behalf of its employees amounted to $13,321 ($5,326 in 2024) and are included as expenses in the statement of operations.

## 10. Financial Instrument Risk Management

The College, through its financial assets and liabilities, is exposed to various risks in the normal course of operations. The College's objective in risk management is to optimize the risk return trade-off, within set limits, by applying integrated risk management and control strategies, policies and procedures throughout the College's activities. The following analysis provides a measurement of those risks.

*Credit risk* - Credit risk is the risk that the College will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the College to significant concentrations of credit risk consist primarily of cash and cash equivalents, receivables and investments. The College is not exposed to significant credit risk as cash and cash equivalents are held in operating accounts, receivables are typically paid when due, and investments are in high interest savings accounts, Guaranteed Investment Certifications and mutual funds which are diversified.

*Liquidity risk* - Liquidity risk is the risk that the College will not be able to meet its obligations as they fall due. Financial instruments that potentially subject the College to significant concentrations of liquidity risk consist primarily of accounts payable. The College manages its working capital to ensure all its obligations can be met when they fall due by maintaining a portion of its investments in highly liquid investments.

*Market risk* - Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment or factors affecting all securities traded in the market. The College is exposed to market risk through its investments and follows its investment policy to monitor the investments in an effort to safeguard against market fluctuations.