

COLLEGE OF RESPIRATORY THERAPISTS OF ONTARIO

Financial Statements

February 28, 2025

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Financial Statements

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INDEPENDENT AUDITOR'S REPORT

To the Council of
College of Respiratory Therapists of Ontario

Opinion

We have audited the financial statements of College of Respiratory Therapists of Ontario (the College), which comprise the balance sheet as at February 28, 2025, and the statements of revenues and expenses, 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 College as at February 28, 2025, 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.

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 the 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.

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.



Grewal Guyatt LLP
Chartered Professional Accountants, Licensed Public Accountants

Richmond Hill, Ontario
June 27, 2025

COLLEGE OF RESPIRATORY THERAPISTS OF ONTARIO

Balance Sheet
As at February 28, 2025

	2025	2024
Assets		
Current assets		
Cash	\$ 2,330,398	\$ 2,056,898
Investments held for operating (Note 3)	605,592	658,568
Prepaid expenses	52,086	28,414
	2,988,076	2,743,880
Investments held for reserves (Note 3)	1,120,000	1,120,000
Capital assets (Note 4)	129,005	95,829
	\$ 4,237,081	\$ 3,959,709
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 109,857	\$ 105,591
Deferred revenue	2,391,275	2,337,076
Current portion of obligations under capital leases (Note 5)	5,951	11,646
	2,507,083	2,454,313
Obligations under capital leases (Note 5)	-	5,951
	2,507,083	2,460,264
Net assets (Note 6)		
Abuse therapy fund	20,000	20,000
General contingency reserve fund	500,000	500,000
General investigations and hearings fund	150,000	150,000
Special projects reserve	300,000	300,000
Fees stabilization reserve	150,000	150,000
Unrestricted - operating fund	609,998	379,445
	1,729,998	1,499,445
	\$ 4,237,081	\$ 3,959,709

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

Commitments (Note 7)

Approved on behalf of the Board:

_____, Director

_____, Director

COLLEGE OF RESPIRATORY THERAPISTS OF ONTARIO

Statement of Revenues and Expenses

Year Ended February 28, 2025

	2025	2024
Revenue		
Registration and renewal fees	\$ 2,729,489	\$ 2,510,988
Investment income	282,734	183,043
Application fees	17,551	16,725
	3,029,774	2,710,756
Operating expenses		
Salaries and benefits	1,620,076	1,523,652
Office operations		
Professional fees	257,644	238,103
Occupancy	225,252	239,239
Bank and credit card charges	111,025	105,080
Information technology	100,190	93,982
Cloud computing services	87,435	20,261
Quality assurance portfolio and standards	58,809	58,573
Minor equipment and software purchases	53,799	55,426
Memberships, subscriptions and dues	50,101	76,331
Competency assessment	47,521	47,295
Staff travel	24,129	16,018
Amortization of capital assets	22,736	39,701
Telephone	19,658	19,867
Office and general	18,584	5,277
Insurance	9,075	4,687
Printing	3,685	1,048
Office supplies	2,533	7,907
Postage and delivery	1,813	1,096
Equipment maintenance and rental	729	4,655
Advertising and promotion	350	-
	1,095,068	1,034,546
Council and committee		
Travel, accommodation and meals	7,434	5,371
Per diem	47,298	43,450
Other meeting expenses	10,653	7,468
Education and training	18,692	9,425
	84,077	65,714
Excess of revenues over expenses	\$ 230,553	\$ 86,844

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

COLLEGE OF RESPIRATORY THERAPISTS OF ONTARIO

Changes in Net Assets
Year Ended February 28, 2025

		Abuse therapy fund	General contingency reserve fund	General investigations and hearings fund	Special projects reserve	Fee stabilization reserve	Operating fund	2025 Total	2024 Total
Balance, beginning of year	\$	20,000	\$ 500,000	\$ 150,000	\$ 300,000	\$ 150,000	\$ 379,445	\$ 1,499,445	\$ 1,412,601
Excess of revenues over expenses		-	-	-	-	-	230,553	230,553	86,844
Balance, end of year	\$	20,000	\$ 500,000	\$ 150,000	\$ 300,000	\$ 150,000	\$ 609,998	\$ 1,729,998	\$ 1,499,445

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

COLLEGE OF RESPIRATORY THERAPISTS OF ONTARIO

Statement of Cash Flows

Year Ended February 28, 2025

	2025	2024
Operating activities		
Excess of revenues over expenses	\$ 230,553	\$ 86,844
Non-cash item:		
Amortization of capital assets	22,736	39,701
	253,289	126,545
Net change in non-cash items related to operating activities:		
Prepaid expenses	(23,672)	25,320
Accounts payable and accrued liabilities	4,266	23,144
Deferred revenue	54,199	178,676
	34,793	227,140
	288,082	353,685
Financing activity		
Repayment of obligations under capital leases	(11,646)	(8,292)
Investing activities		
Net change in investments	52,976	(227,041)
Purchase of capital assets	(55,912)	(66,186)
	(2,936)	(293,227)
Increase in cash	273,500	52,166
Cash, beginning of year	2,056,898	2,004,732
Cash, end of year	\$ 2,330,398	\$ 2,056,898

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

COLLEGE OF RESPIRATORY THERAPISTS OF ONTARIO

Notes to Financial Statements
February 28, 2025

1. Nature of Operations

The College of Respiratory Therapists of Ontario/Ordre des Therapeutes Respiratoires de l'Ontario (the "College"), through its administration of the Regulated Health Professions Act and the Respiratory Therapy Act, is dedicated to ensuring that respiratory care services provided to the public by its Members are delivered in a safe and ethical manner.

The College is the governing body established on December 31, 1993 by the provincial government to regulate the practice of respiratory therapy in Ontario under the Regulated Health Professions Act and was enacted by statute under the Respiratory Therapy Act (1991). The College is a not-for-profit corporate body without share capital and, as such, is generally exempt from income taxes.

2. Significant accounting policies

These financial statements are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants of Canada Handbook. The College's significant accounting policies are as follows:

Revenue recognition

The College follows the deferral method of accounting for registration fees. The College's principal source of revenue is registration and renewal fees which are recognized as revenue in the year to which the fees relate. Registration fees received in the current year, applicable to a subsequent year are recorded as deferred revenue on the balance sheet and will be recognized in income in the year to which they pertain.

Investment income consists of interest and realized and unrealized gains and losses from investment transactions. Interest income is recorded when earned. Realized gains and losses are recognized as income when the transactions occur. Unrealized gains and losses which reflect the changes in fair value during the period are recognized at each reporting date and are included in current period income.

All other sources of revenue are recognized when services have been performed or goods have been delivered.

Investments

Investments are recorded at fair value. Unrealized holding gains and losses are included in investment income. The quoted market price of investments is used to estimate the fair value. For investments in guaranteed investment certificates, fair value is estimated at the cost of investments adjusted with the interest earned but not received.

COLLEGE OF RESPIRATORY THERAPISTS OF ONTARIO

Notes to Financial Statements

February 28, 2025

2. Significant accounting policies (continued)

Capital assets

Capital assets are accounted for at cost. Amortization is calculated on their estimated useful lives using the straight-line method over the following periods:

Database	5 years
Office equipment under capital lease	5 years
Computer equipment and software	3 years
Website	3 years
Software - mobile application	3 years

Equipment under capital lease

The College leases equipment on terms which transfer substantially all of the benefits and risks of the ownership to the College. The lease is accounted for as a capital lease as though an asset has been purchased and a liability incurred.

Impairment of long-lived assets

Long-lived assets, including capital assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by a comparison of the asset's carrying amount to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset. When quoted market prices are not available, the College uses the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset as an estimate of fair value.

COLLEGE OF RESPIRATORY THERAPISTS OF ONTARIO

Notes to Financial Statements
February 28, 2025

2. Significant accounting policies (continued)

Cloud computing arrangements

At the inception of a cloud computing arrangement with a supplier, the organization allocates the consideration of the arrangement to all of the significant separable elements based on their specific sales price. Expenditures on capital assets and rights to use an intangible asset are recognized according to the accounting policies applicable to these elements. To account for expenditures in cloud computing arrangements that fall within the scope of AcG-20, Customer's Accounting for Cloud Computing Arrangements, the organization elected to apply the simplification approach. These expenses are therefore treated as the supply of services and recognized as expenses when the organization receives the services in question. Such expenditures are presented under the Cloud computing services heading in the statement of income. The organization recognizes prepayment as an asset when payments for goods or services are made in advance. Expenditures related to implementation activities are expensed as incurred.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the amounts recognized as revenues and expenses for the periods covered. Actual results may differ from these estimates. The critical estimates relate to the useful lives of capital assets and accrued liabilities.

Financial instruments

Initial measurement

The College initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the College is in the capacity of management, are initially measured at cost.

Subsequent measurement

The College subsequently measures all its financial assets and liabilities at cost or amortized cost.

Financial assets measured at amortized cost using the straight-line method include cash. Financial assets measured at fair value include quoted shares.

COLLEGE OF RESPIRATORY THERAPISTS OF ONTARIO

Notes to Financial Statements

February 28, 2025

2. Significant accounting policies (continued)

Financial instruments (continued)

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight-line method.

Impairment

For financial assets measured at cost or amortized cost, the College determines whether there are indications of possible impairment. When there are, and the College 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 not be 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.

3. Investments

	2025	2024
Guaranteed investment certificates ("GIC's")	\$ 875,514	\$ 751,064
Common shares	850,078	579,093
High interest savings account	-	448,411
	1,725,592	1,778,568
Investments held for operations	605,592	658,568
Investments held for reserves	1,120,000	1,120,000
	\$ 1,725,592	\$ 1,778,568

The GIC's have an effective interest rate of 0.25% to 5.29% (2024 - 0.25% to 5.44%) and mature between March 2025 to December 2031 (2024 - April 2024 to June 2029).

COLLEGE OF RESPIRATORY THERAPISTS OF ONTARIO

Notes to Financial Statements

February 28, 2025

4. Capital assets

				2025	2024
	Cost	Accumulated amortization		Net book value	Net book value
Database (a)	\$ 565,388	\$ 459,128	\$	106,260	\$ 62,159
Office equipment under capital lease	60,850	54,765		6,085	18,255
Computer equipment and software	56,464	53,196		3,268	6,919
Website (a)	13,392	-		13,392	8,496
Software - mobile application	84,433	84,433		-	-
	\$ 780,527	\$ 651,522	\$	129,005	\$ 95,829

- a) During the year, the College incurred \$54,484 (2024 - \$65,168) in development costs which have been capitalized under Database and Website. Depreciation will commence in the year the new database and website are launched.

5. Obligations under capital leases

		2025	2024
Obligations under capital leases	\$	5,951	\$ 17,597
Current portion of obligations under capital leases		5,951	11,646
	\$	-	\$ 5,951

Future minimum lease payments of obligation under capital lease for the next year are as follows:

2026	\$	5,951
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COLLEGE OF RESPIRATORY THERAPISTS OF ONTARIO

Notes to Financial Statements
February 28, 2025

6. Net assets

The financial statements have been prepared in a manner which segregates net assets balances and have been allocated by Council.

The Operating fund reflects the day-to-day activities of the College which are financed generally by registration, renewal and application fees. All interest income earned is allocated to the operating fund.

The Council of College has internally restricted net assets to be used for specific purposes. These funds are not available for unrestricted purposes without approval of the Council. The details of internally restricted net assets are as follows:

- a) In accordance with the Regulated Health Professions Act, the College has set up the Abuse Therapy Fund to provide therapy and counseling for persons who, while patients, were sexually abused by a member(s). This fund will be expended on persons who satisfy the College's eligibility criteria.
- b) The General Contingency Reserve Fund is designated to provide for extraordinary expenses that exceed or fall outside of the College's operating budget and to fund the College's obligations in extreme circumstances, as determined and approved by Council.
- c) The General Investigations and Hearings Fund is designated to provide for unanticipated legal and committee costs resulting from complaints, investigations, fitness to practice and discipline processes.
- d) The Special Projects Reserve is for the specific purpose of meeting unanticipated expenses of the College for special projects, such as standards of practice, quality assurance, communications initiatives, capital assets, relocation expenses, etc.
- e) The Fees Stabilization Reserve is for the specific purpose of minimizing or delaying the impact of year-over-year changes in revenues and expenses on membership renewal fees.

7. Commitments

The commitment of the College under a lease agreement aggregates to \$103,319. The instalments over the next three years are the following:

2026	\$	44,279
2027	\$	44,279
2028	\$	14,761

COLLEGE OF RESPIRATORY THERAPISTS OF ONTARIO

Notes to Financial Statements

February 28, 2025

8. Financial instruments

Liquidity risk

Liquidity risk is the risk that the College will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The College manages its liquidity risk by monitoring its operating requirements. The College prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The College deals with creditworthy counterparties to mitigate the risk of financial loss from defaults. The College does not have significant exposure to credit risk since all revenue is generated from members and received in advance of the fiscal year.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The College is exposed to interest rate risk with respect to its investment holdings in GIC's.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The College is mainly exposed to other price risk through its investments in mutual funds and quoted shares for which the value fluctuates with the quoted market price.