

CANADIAN ASSOCIATION OF OPTOMETRISTS
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020
AND INDEPENDENT AUDITORS'
REPORT TO THE MEMBERS

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PARKER PRINS LEBANO
Chartered Professional Accountants
Professional Corporation

INDEPENDENT AUDITORS' REPORT

To the Members of the:
CANADIAN ASSOCIATION OF OPTOMETRISTS

Opinion

We have audited the accompanying financial statements of the Canadian Association of Optometrists, which comprise the Statement Of Financial Position as at March 31, 2020, 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 Canadian Association of Optometrists as at March 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.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Canadian Association of Optometrists 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.

Other Matter

There is tremendous uncertainty in regards to the negative economic impacts of the COVID-19 pandemic. It is very possible that there will be significant decreases in revenues and the inability of the organization to adjust expenditures may result in a significant negative impact on operational results. These financial statements do not include any potential adjustments or accruals for these potential effects.

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 Canadian Association of Optometrists' 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 Canadian Association of Optometrists or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Canadian Association of Optometrists' financial reporting process.

Auditors' 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 auditors' 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 Canadian Association of Optometrists' 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 Canadian Association of Optometrists' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Canadian Association of Optometrists 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.



Parker Prins Lebano Chartered Professional Accountants Professional Corporation
Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

Ottawa, Ontario
May 13, 2020

CANADIAN ASSOCIATION OF OPTOMETRISTS

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2020

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT		
Cash (Note 6)	\$ 656,894	\$ 831,598
Accounts receivable	239,959	268,555
GST receivable	4,684	-
Prepaid expenses	<u>115,825</u>	<u>146,298</u>
	1,017,362	1,246,451
INVESTMENTS (Note 4)	1,950,463	2,052,447
CAPITAL ASSETS (Note 3)	<u>384,385</u>	<u>475,646</u>
	<u>\$ 3,352,210</u>	<u>\$ 3,774,544</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued charges	\$ 273,874	\$ 200,254
GST payable	-	410
Deferred contributions (Note 6)	<u>565,969</u>	<u>1,051,610</u>
	<u>839,843</u>	<u>1,252,274</u>
NET ASSETS		
INVESTED IN CAPITAL ASSETS	384,385	475,646
BUILDING FUND (Note 5)	340,278	-
UNRESTRICTED NET ASSETS	<u>1,787,704</u>	<u>2,046,624</u>
	<u>2,512,367</u>	<u>2,522,270</u>
	<u>\$ 3,352,210</u>	<u>\$ 3,774,544</u>

CANADIAN ASSOCIATION OF OPTOMETRISTS

STATEMENT OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2020

OPERATING ITEMS	2020	2019
REVENUES		
Advertising	\$ 120,774	\$ 148,580
CCOA	396,286	418,333
Government funded CCOA project	42,048	41,441
Congress registrations and sponsorships	657,815	-
Investment interest and dividends	66,548	60,552
Insurance industry	86,100	-
Vision at Work	353,750	374,103
Memberships	1,619,237	1,534,402
Non-dues	272,301	269,780
PR levy & PR sponsorship (Note 6)	99,930	190,233
Sponsorships	10,800	18,580
	3,725,589	3,056,004
EXPENSES		
Policy and research	3,460	54,591
Advocacy and stakeholders	54,261	110,716
Amortization	158,953	84,722
Bad debt	12,981	2,364
Bank charges	16,774	15,415
Building maintenance and repairs	71,590	72,084
CCOA workshops and CE	124,397	114,103
Government funded CCOA project expenses	42,048	38,057
Congress	377,249	43,580
Council	386,278	288,861
Donations	10,000	13,000
Technology and database	65,747	52,897
OLF and conferences	104,617	106,391
Insurance	13,129	12,618
Insurance industry initiatives	236,214	-
Marketing and membership	133,718	132,460
Office administration	53,916	50,253
VAW Materials and OD fees	247,782	248,117
PR levy (Note 6)	165,649	251,501
Printing and production	125,943	124,935
Professional fees	53,241	59,327
Support staff	1,060,381	1,015,094
Website and learning management systems	45,189	87,591
World Council of Optometry	11,892	21,058
	3,575,409	2,999,735
EXCESS OF REVENUE OVER EXPENSES BEFORE NON-OPERATING ITEMS	150,180	56,269
NON-OPERATING ITEMS		
Realized and unrealized investment (losses) gains	(160,083)	63,322
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	\$ (9,903)	\$ 119,591

CANADIAN ASSOCIATION OF OPTOMETRISTS

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED MARCH 31, 2020

	Operating Fund	Invested in Capital Assets	Building Fund	2020	2019
Balance, beginning of year	\$ 2,046,624	\$ 475,646	\$ -	\$ 2,522,270	\$ 2,402,679
Excess of revenue over expenses - operating	150,180	-	-	150,180	56,269
Transfers (Note 5)	(340,278)	-	340,278	-	-
(Deficiency) excess of revenue over expenses - non-operating	(160,083)	-	-	(160,083)	63,322
Invested during the year	(67,692)	67,692	-	-	-
Amortization	158,953	(158,953)	-	-	-
Balance, end of year	<u>\$ 1,787,704</u>	<u>\$ 384,385</u>	<u>\$ 340,278</u>	<u>\$ 2,512,367</u>	<u>\$ 2,522,270</u>

CANADIAN ASSOCIATION OF OPTOMETRISTS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

	<u>2020</u>	<u>2019</u>
CASH FLOWS (USED FOR) FROM OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 150,180	\$ 56,269
Items not affecting cash:		
Amortization	<u>158,953</u>	<u>84,722</u>
	309,133	140,991
Changes in non-cash working capital components:		
Accounts receivable	28,596	(44,317)
GST receivable	(5,094)	168,654
Prepaid expenses	30,473	676
Accounts payable and accrued charges	73,620	(74,873)
Deferred revenue	<u>(485,641)</u>	<u>394,565</u>
	<u>(48,913)</u>	<u>585,696</u>
CASH FLOWS (USED FOR) FROM INVESTING ACTIVITIES		
Additions to capital assets	(67,692)	(2,423)
Realized and unrealized investment (losses) gains	<u>(160,083)</u>	<u>63,322</u>
	<u>(227,775)</u>	<u>60,899</u>
NET (DECREASE) INCREASE IN CASH AND EQUIVALENTS	(276,688)	646,595
CASH AND EQUIVALENTS, BEGINNING OF YEAR	<u>2,884,045</u>	<u>2,237,450</u>
CASH AND EQUIVALENTS, END OF YEAR	<u>\$ 2,607,357</u>	<u>\$ 2,884,045</u>
Represented by:		
Cash	\$ 656,894	\$ 831,598
Investments	<u>1,950,463</u>	<u>2,052,447</u>
	<u>\$ 2,607,357</u>	<u>\$ 2,884,045</u>

CANADIAN ASSOCIATION OF OPTOMETRISTS

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

1. DESCRIPTION OF ACTIVITIES

The Canadian Association of Optometrists is a national not-for-profit organization formed by the Optometric profession to act on its behalf with government, industry, vision care patients, the public at large, other health professionals, as well as its own professional membership, with respect to issues of vital interest to optometrists.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO), and reflect the following policies:

Revenue recognition

The Canadian Association of Optometrists derives its revenue from member contributions, bi-annual Congress registrations, sales of courses for the Canadian Certified Optometric Assistance (CCOA) program, sales of advertising space in the Canadian Journal of Optometry (CJO) and sales of prescription eye wear through the Vision at Work (VAW) program.

The Canadian Association of Optometrists 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 when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

CCOA full course registrations are collected up front from students and are recognized as parts of the courses are delivered to students. CCOA courses consist of learning modules delivered online, live workshops and final exams.

CJO advertising fees are recognized as revenue upon publication of the magazine.

VAW prescription eye wear sales are recognized as revenue upon shipment of eye wear to customers.

Capital assets

Capital assets are stated at cost and amortized using the declining-balance or straight line method as appropriate, at rates intended to amortize the costs over their estimated useful lives.

Financial instruments

The organization's financial instruments consist of cash, accounts receivable, investments, accounts payable and certain designated funds. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency, credit, liquidity, market or other price risks arising from these financial instruments.

Investments

In accordance with Section 3051 of the CPA Canada Handbook, investments quoted on an active market are not recorded using the cost method. Therefore, the fair value method has been used with changes recorded in net income.

CANADIAN ASSOCIATION OF OPTOMETRISTS

NOTES TO THE FINANCIAL STATEMENTS (continued)

MARCH 31, 2020

3. CAPITAL ASSETS

	2020			2019	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	Rate
Land	\$ 104,396	\$ -	\$ 104,396	\$ 104,396	-
Building	250,000	157,060	92,940	96,786	65 yrs
Building improvements	111,560	31,912	79,648	81,365	65 yrs
Furniture and fixtures	118,270	118,270	-	10,063	5 yrs
Photocopier	12,146	9,056	3,090	5,519	5 yrs
Computer equipment	337,343	332,943	4,400	18,032	5 yrs
Course equipment	53,543	42,804	10,739	19,206	5 yrs
LMS database	92,263	62,086	30,177	48,630	5 yrs
iMIS database	-	-	-	73,575	5 yrs
VAW database	18,425	18,425	-	9,209	3 yrs
Wicket database	60,681	1,686	58,995	-	3 yrs
CCOA content development	37,134	37,134	-	7,229	3 yrs
CCOA copyrights	9,800	9,800	-	1,636	3 yrs
	<u>\$ 1,205,561</u>	<u>\$ 821,176</u>	<u>\$ 384,385</u>	<u>\$ 475,646</u>	

4. INVESTMENTS

Fixed income investments consist of bonds, GICs and treasury bills at rates varying between 1.583% and 4.859% with maturity dates between 2020 and 2031. All other investments have no specific rates of return or maturity.

	2020	2019
Canadian investments		
Cash	\$ 6,807	\$ 4,566
Fixed income	389,514	356,791
Preferred shares	25,352	-
Common shares	597,346	785,616
Mutual funds	306,811	299,587
Foreign securities	76,650	83,715
Other	29,840	36,960
	<u>1,432,320</u>	<u>1,567,235</u>
US investments (converted to Canadian currency at 1.4187 (2019 - 1.3363))		
Cash	496	314
Common shares	354,894	427,525
Mutual funds	135,162	32,992
Other	27,591	24,381
	<u>518,143</u>	<u>485,212</u>
	<u>\$ 1,950,463</u>	<u>\$ 2,052,447</u>

CANADIAN ASSOCIATION OF OPTOMETRISTS

NOTES TO THE FINANCIAL STATEMENTS (continued)

MARCH 31, 2020

5. BUILDING FUND

The building fund was created to cover off emergency repairs and necessary renovations to the CAO building. Contributions to this fund will be calculated at year end as the excess over the operating reserve (which is calculated in an amount equal to three to six months' operating expenses during congress years, and three to eight months' operating expenses during non-congress years). The organization may draw funds from this reserve to replenish the operating reserve fund as deemed necessary.

6. PR LEVY

Funds received for the PR levy are restricted for the sole purpose of disseminating the PR activities and are not for use in CAO operations. The Statement of Financial Position includes the following assets and liabilities managed by CAO:

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT		
Cash	<u>\$ -</u>	<u>\$ 78,261</u>
 LIABILITIES AND NET ASSETS		
CURRENT		
Deferred revenue	<u>\$ -</u>	<u>\$ 78,261</u>
 STATEMENT OF OPERATIONS AND NET ASSETS		
Opening fund balance	\$ -	\$ -
Provincial member contributions	99,930	130,233
Sponsorships	-	60,000
CAO contribution	65,719	61,268
Expenses	<u>(165,649)</u>	<u>(251,501)</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>