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# **CANADIAN ASSOCIATION OF OPTOMETRISTS**

## **FINANCIAL STATEMENTS**

**Year ended March 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

To: The Members of Canadian Association of Optometrists

### *Opinion*

We have audited the financial statements of **Canadian Association of Optometrists**, which comprise the statement of financial position as at **March 31, 2023**, and the statements of operations, changes in fund balances 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 Association as at **March 31, 2023**, and its financial performance and its 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 Association 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 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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



## INDEPENDENT AUDITOR'S REPORT, continued

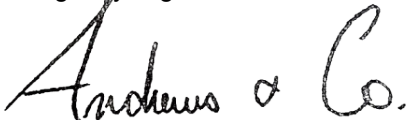
### *Auditor's Responsibilities for the Audit of the Financial Statements*

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 Association'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 Association'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 Association 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.

Ottawa, Ontario  
June 8, 2023

  
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**CANADIAN ASSOCIATION OF OPTOMETRISTS**  
**STATEMENT OF FINANCIAL POSITION**  
As at March 31, 2023

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	\$ 1,063,598	\$ 1,170,485
Accounts receivable - Note 3	304,422	481,198
Prepaid expenses	<u>227,266</u>	<u>230,256</u>
	<b>1,595,286</b>	1,881,939
<b>INVESTMENTS - Note 4</b>	<b>2,415,915</b>	2,564,010
<b>PROPERTY, PLANT AND EQUIPMENT - Note 5</b>	<u>535,205</u>	<u>498,731</u>
	<u><b>\$ 4,546,406</b></u>	<u>\$ 4,944,680</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 244,178	\$ 189,485
Deferred contributions - Note 6	928,528	1,196,425
Government remittances payable	<u>35,604</u>	<u>16,964</u>
	<u>1,208,310</u>	<u>1,402,874</u>
<b>OPERATING FUND</b>	<b>2,552,891</b>	2,793,075
<b>INVESTED IN CAPITAL ASSETS - Note 5</b>	<b>535,205</b>	498,731
<b>BUILDING FUND - Note 2</b>	<u>250,000</u>	<u>250,000</u>
	<u><b>3,338,096</b></u>	<u>3,541,806</u>
	<u><b>\$ 4,546,406</b></u>	<u>\$ 4,944,680</u>

The accompanying notes are an integral part of these financial statements

Approved on behalf of the board

Members Harry Bolinsack

Members Allison Scott

**CANADIAN ASSOCIATION OF OPTOMETRISTS**  
**STATEMENT OF OPERATIONS**  
Year ended March 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>REVENUES</b>			
Advertising	\$ 164,210	\$ 172,544	\$ 131,341
Canadian Certified Optometric Assistant (CCOA)	575,003	381,010	329,940
Congress registrations and sponsorships	540,152	-	-
Government funded CCOA project	6,050	(27,690)	4,785
Investment interest and dividends	77,248	61,706	53,288
Memberships	1,804,642	1,722,212	1,615,926
Non-dues revenue	245,725	248,172	224,382
Sponsorship	60,500	56,600	65,750
Vision at Work (VAW)	321,416	341,986	276,898
	<u>3,794,946</u>	<u>2,956,540</u>	<u>2,702,310</u>
<b>EXPENDITURES</b>			
Advocacy and stakeholders	68,498	65,792	39,389
Amortization - Note 5	113,849	74,423	83,335
Bad debts	13,503	15,585	14,729
Bank charges	37,011	23,232	15,953
Building maintenance and repairs	63,348	75,707	161,912
CCOA workshops and continuing education	282,136	54,330	20,588
Congress	442,233	-	-
Council	418,804	176,601	116,704
Donations	-	-	20,000
Government funded CCOA project expenses	-	673	705
Insurance	15,839	14,965	13,594
Insurance industry initiatives	129,788	123,612	137,012
Marketing and memberships	97,660	186,883	134,585
Office administration	55,090	37,334	46,250
Optometric leadership forum and conferences	58,138	5,750	57,827
Policy and research	21,372	21,427	20,000
Printing and production	143,097	129,308	113,521
Professional fees	43,252	58,633	76,757
Public relations	97,527	48,250	100,000
Support staff	1,361,931	1,131,935	1,087,725
Technology and database	80,582	69,729	73,568
VAW materials and Doctor of Optometry (OD) fees	200,060	223,798	173,488
Website and learning management systems	27,607	76,291	50,719
World Council of Optometry (WCO)	10,580	11,671	11,418
	<u>3,781,905</u>	<u>2,625,929</u>	<u>2,569,779</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS</b>	<b>13,041</b>	<b>330,611</b>	<b>132,531</b>

**CANADIAN ASSOCIATION OF OPTOMETRISTS**  
**STATEMENT OF OPERATIONS, continued**  
**Year ended March 31, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>OTHER EXPENSE (INCOME)</b>			
Realized and unrealized (gains) losses on investments	<u>216,751</u>	<u>(208,967)</u>	<u>(357,331)</u>
<b>(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES</b>	<u><b>\$ (203,710)</b></u>	<u><b>\$ 539,578</b></u>	<u><b>\$ 489,862</b></u>

The accompanying notes are an integral part of these financial statements

**CANADIAN ASSOCIATION OF OPTOMETRISTS**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
Year ended March 31, 2023

	<u>Operating Fund</u>	<u>Invested in Capital Assets</u>	<u>Building Fund</u>	<u>Total 2023</u>	<u>Total 2022</u>	<u>Total 2021</u>
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 2,793,075	\$ 498,731	\$ 250,000	<b>\$ 3,541,806</b>	\$ 3,002,228	\$ 2,512,366
Excess of revenues over expenditures	13,041	-	-	<b>(838)</b>	539,578	489,862
Excess (deficiency) of revenues over expenditures - non operating	(216,751)	-	-	<b>(216,751)</b>	-	-
Invested during the year	(150,323)	150,323	-	-	-	-
Amortization	<u>113,849</u>	<u>(113,849)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>BALANCE, END OF YEAR</b>	<b><u>\$ 2,552,891</u></b>	<b><u>\$ 535,205</u></b>	<b><u>\$ 250,000</u></b>	<b><u>\$ 3,338,096</u></b>	<b><u>\$ 3,541,806</u></b>	<b><u>\$ 3,002,228</u></b>

The accompanying notes are an integral part of these financial statements



**CANADIAN ASSOCIATION OF OPTOMETRISTS**  
**STATEMENT OF CASH FLOWS**  
Year ended March 31, 2023

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Deficiency) excess of revenues over expenditures	\$ (203,710)	\$ 539,578
Items not affecting cash		
Amortization	113,849	74,423
Unrealized gain (losses) on investment	331,668	(250,708)
Unrealized gain (loss) on foreign exchange	(66,886)	57,556
Gain (loss) on sale of investments	<u>(74,938)</u>	<u>(45,128)</u>
	99,983	375,721
Change in non-cash working capital items		
Decrease (increase) in accounts receivable	176,776	(177,217)
Decrease (increase) in prepaid expenses	2,990	(86,245)
Increase in accounts payable and accrued liabilities	54,693	381
(Decrease) increase in deferred contributions	(267,897)	534,063
Increase in Government remittances payable	<u>18,640</u>	<u>8,587</u>
	<u>85,185</u>	<u>655,290</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(150,323)	(158,948)
Investment activity	<u>(41,749)</u>	<u>(31,223)</u>
	<u>(192,072)</u>	<u>(190,171)</u>
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(106,887)	465,119
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>1,170,485</u>	<u>705,366</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 1,063,598</u>	<u>\$ 1,170,485</u>

The accompanying notes are an integral part of these financial statements

**CANADIAN ASSOCIATION OF OPTOMETRISTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended March 31, 2023**

**1. NATURE OF OPERATIONS**

Canadian Association of Optometrists (the "Association") was incorporated without share capital under the Canada Business Corporations Act on June 30, 1948. The Association is a national not-for-profit organization formed by the Optometric professional 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. Its mission is to provide leadership and support to its members to enhance the delivery of healthy eyes and clear vision for all Canadians.

The Association is not subject to income taxes under subsection 149(1)(l) of the Canada Income Tax Act.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The Association applies the Canadian accounting standards for not-for-profit organizations.

**(a) Revenue recognition**

The Association derives its revenue from membership 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), sales of safety glasses through the Vision at Work (VAW) program, non-due revenues, sponsorship, investment and government funding.

Membership revenues are recognized on a calendar year basis.

Congress revenue is recognized when the congress is held.

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.

Advertising fees are recognized as revenue upon publication of the magazine.

Safety glass revenue is recognized when the frame/lense is produced.

Sponsorship revenues are recognized when the course takes place.

Investment income and non-dues revenues are recognized when earned.

Government funds are recognized as revenue in the year they are received.

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

**CANADIAN ASSOCIATION OF OPTOMETRISTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended March 31, 2023**

2. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(b) **Fund accounting deferred**

The Association 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. The following are the funds held by the Association:

*Unrestricted*

The unrestricted fund accounts for the association's members and administrative activities.

*Invested in capital assets*

Assets, liabilities, revenues and expenditures relating to capital assets are reported in the capital assets fund.

*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. The association may draw funds from this reserve to replenish the operating reserve fund as deemed necessary.

(c) **Cash and cash equivalents**

The Association's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and highly liquid temporary investments usually with a maturity period of three months or less from the date of acquisition. Term deposits that the Association cannot use for current transactions because they are pledged as security are excluded from cash and cash equivalents.

(d) **Investments**

Investments consist of equities held at fair market value. Gains and losses are reported on the statement of operations.

(e) **Property, plant and equipment**

Property, plant and equipment are recorded at cost. The Association provides for amortization using the straight-line method at rates designed to amortize the cost of the property, plant and equipment over their estimated useful lives. Amortization is calculated by the straight-line method at the annual rates set out in note 5.

Property, plant and equipment are reviewed for impairment whenever events or changes in the circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows is less than the carrying value of the asset, an impairment loss is recognized for the excess of the carrying value over the fair value of the asset during the year the impairment occurs.

(f) **Deferred contributions**

Deferred contributions represent fees relating to periods subsequent to the year-end date which are classified as current if they will be recognized in the following year and long-term if they relate to a period more than one year after the balance sheet date.

**CANADIAN ASSOCIATION OF OPTOMETRISTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended March 31, 2023**

2. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(g) **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 amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are accrued liabilities and the useful life of capital assets.

(h) **Financial instruments**

The Association initially measures its financial assets and financial liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and cash equivalents and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and sales tax payable.

Financial assets measured at fair value include a number of other investments, i.e. quoted shares.

*Transaction costs*

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. Transaction costs related to financial instruments subsequently measured at cost or amortized cost are included in the original cost of the financial asset or liability and recognized in net income over the life of the instrument using the straight-line method.

*Impairment*

For financial assets measured at cost or amortized cost, the Association determines whether there are indications of possible impairment. When there is an indication of impairment, and the Association 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 the statement of operations. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss shall 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 excess (deficiency) of revenues over expenditures.

**CANADIAN ASSOCIATION OF OPTOMETRISTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended March 31, 2023

3. **ACCOUNTS RECEIVABLE**

	<u>2023</u>	<u>2022</u>
Membership dues receivable	\$ 79,918	\$ 102,572
Non-dues receivable	8,597	48,087
Vision at Work receivable	104,922	123,678
Congress receivable	37,134	98,402
Advertising Receivable	<u>73,851</u>	<u>108,459</u>
	<u>\$ 304,422</u>	<u>\$ 481,198</u>

4. **INVESTMENTS**

Fixed income investments consist of deposit notes at rates varying between 0.96% and 5.900% with maturity dates between 2023 and 2031. All other investments have no specific rates of return or maturity.

	<u>2023</u>	<u>2022</u>
Canadian Investments		
Cash	\$ 1,186	\$ 2,229
Fixed income	356,518	198,426
Preferred shares	31,555	140,329
Common shares	782,704	980,686
Mutual Funds	301,875	285,339
Foreign Securities	<u>102,758</u>	<u>124,170</u>
	<u>1,576,596</u>	<u>1,731,179</u>
US Investments (converted to Canadian currency at 1.3533 (2022 - 1.2496 ))		
Cash	19	197
Common Shares	513,319	584,525
Mutual funds	58,902	248,109
Fixed Income	<u>267,079</u>	<u>-</u>
	<u>839,319</u>	<u>832,831</u>
Total investments	<u>\$ 2,415,915</u>	<u>\$ 2,564,010</u>

**CANADIAN ASSOCIATION OF OPTOMETRISTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended March 31, 2023

**5. PROPERTY, PLANT AND EQUIPMENT**

		<u>2023</u>	<u>2022</u>		
	Rate	Cost	Accumulated amortization	Net	Net
Land		\$ 104,396	\$ -	\$ 104,396	\$ 104,396
Building	65 yrs	250,000	168,599	81,401	85,247
Photocopier	5 yrs	12,146	12,146	-	-
CCOA Course Equipment	5 yrs	63,813	55,988	7,825	10,281
Furniture and fixtures	5 yrs	118,270	118,270	-	-
Computer equipment	5 yrs	372,008	343,211	28,797	8,941
LMS Database	5 yrs	92,263	92,263	-	-
Wicket Database	3 yrs	60,681	60,681	-	18,542
Website	3 yrs	63,470	38,787	24,683	45,840
Building Improvements	65 yrs	111,560	37,061	74,499	76,215
LMS Database - Topclass	3 yrs	54,838	50,268	4,570	22,849
CCOA Copyrights	3 yrs	9,800	9,800	-	-
CCOA Content Development	3 yrs	37,134	37,134	-	-
CCOA French Language Program	3 yrs	<u>259,185</u>	<u>50,151</u>	<u>209,034</u>	<u>126,420</u>
Total property, plant and equipment		<u>\$ 1,609,564</u>	<u>\$ 1,074,359</u>	<u>\$ 535,205</u>	<u>\$ 498,731</u>

**6. DEFERRED CONTRIBUTIONS**

	<u>2023</u>	<u>2022</u>
Memberships	\$ 425,449	\$ 573,357
Canadian Certified Optometric Assistance Program (CCOA)	260,249	175,345
Canadian Journal of Optometry (CJO)	-	13,988
Congress	221,087	382,235
Sponsorship	20,250	35,250
Advertising	<u>1,493</u>	<u>16,250</u>
Total	<u>\$ 928,528</u>	<u>\$ 1,196,425</u>

**7. COMPARATIVE FIGURES**

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

**CANADIAN ASSOCIATION OF OPTOMETRISTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended March 31, 2023**

**8. FINANCIAL INSTRUMENTS**

The Association's main financial risk exposures are as follows:

(a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Some of the Association's financial assets are exposed to foreign exchange fluctuations. As at March 31, 2023, investments in the amount of \$620,202 (2022 - \$666,478) are shown in US dollars and converted into Canadian dollars.

(b) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. The Association holds investments in various equities that are subject to market fluctuations. Management believes the Association's market exposure is low.

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association is exposed to credit risk in accounts receivable in the amount of \$290,543 (2022 - \$481,198). Management believes that all accounts receivable at the year-end will be collected and as such its exposure to credit risk is low.

(d) Liquidity risk

Liquidity risk is the risk that an entity will not be able to meet its financial obligations when they come due. The Association is exposed to liquidity risk in its accounts payable, accrued liabilities and sales tax payable in the amount of \$279,782 (2022 - \$206,450). Management considers that sufficient liquidity is maintained by regular monitoring of cash flow requirements to ensure that it has the necessary funds to meet its obligations. As a result, in the opinion of management, the liquidity risk exposure to the Association is low.

There is no significant change in the risk profile for the financial instruments of the Association from that of the prior fiscal year.



**ANDREWS & CO.** IS A MEMBER FIRM OF THE  
“NEXIA INTERNATIONAL” NETWORK.

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