Financial Statements of

ONTARIO ASSOCIATION OF OPTOMETRISTS

And Independent Auditor's Report thereon

Year ended October 31, 2024

KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan, ON L4K 0J3
Canada
Telephone 905 265 5900
Fax 905 265 6390

INDEPENDENT AUDITOR'S REPORT

To the Members of Ontario Association of Optometrists

Opinion

We have audited the financial statements of Ontario Association of Optometrists (the Entity), which comprise:

- the statement of financial position as at October 31, 2024
- the statement of operations for the year then ended
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at October 31, 2024, 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 auditor's report.

We are independent of the Entity 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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity'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 Entity'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 Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

February 10, 2025

ONTARIO ASSOCIATION OF OPTOMETRISTS

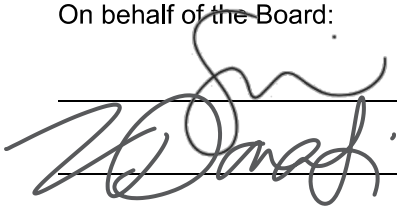
Statement of Financial Position

October 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash	$ 6,414,500	$ 6,033,955
Investments (note 2)	791,458	667,290
Accounts receivable	36,695	30,565
Prepaid expenses and other	184,295	83,807
	7,426,948	6,815,617
Capital assets (note 3)	31,651	34,567
Segregated investments (note 2):		
Survival Fund	1,291,017	1,088,278
Scope of Practice Fund	144,275	122,011
Marvin Langer Fund	8,709	7,591
Contingency Fund	153,067	129,035
	1,597,068	1,346,915
	$ 9,055,667	$ 8,197,099
Liabilities and Fund Balances		
Current liabilities:		
Accounts payable and accrued liabilities	$ 279,171	$ 137,848
Deferred revenue	2,721,655	2,862,722
	3,000,826	3,000,570
Deferred lease inducement	–	1,528
Fund balances	6,054,841	5,195,001
Commitment (note 7)		
	$ 9,055,667	$ 8,197,099

See accompanying notes to financial statements.

On behalf of the Board:



Director

Director

ONTARIO ASSOCIATION OF OPTOMETRISTS

Statement of Operations

Year ended October 31, 2024, with comparative information for 2023

	2024				2023			
	Externally Restricted Funds (Schedule B)	Restricted Paid Media Campaign Assessment Fund (note 4)	Unrestricted Fund	Total	Externally Restricted Funds (Schedule B)	Restricted Paid Media Campaign Assessment Fund (note 4)	Unrestricted Fund	Total
Revenue:								
Membership dues (note 5)	$ –	$ –	$ 4,170,766	$ 4,170,766	$ –	$ –	$ 4,059,631	$ 4,059,631
Add (deduct):								
Paid Media Campaign assessment	–	702,275	(702,275)	–	–	683,693	(683,693)	–
	–	702,275	3,468,491	4,170,766	–	683,693	3,375,938	4,059,631
Annual symposium (note 6)	–	–	329,125	329,125	–	–	482,512	482,512
Net investment income (note 2)	250,012	–	266,770	516,782	31,285	–	105,723	137,008
Symposium sponsorship	–	–	57,400	57,400	–	–	112,546	112,546
Continuing education and community events income	–	–	169,335	169,335	–	–	56,090	56,090
Insurance commission	–	–	46,433	46,433	–	–	45,347	45,347
Other income	–	–	21,881	21,881	–	–	33,947	33,947
Other sponsorship	–	–	3,000	3,000	–	–	7,600	7,600
	250,012	702,275	4,362,435	5,314,722	31,285	683,693	4,219,703	4,934,681
Expenses:								
Staff salaries and benefits	–	–	1,361,539	1,361,539	–	–	1,193,887	1,193,887
Working group and task force (Schedule A)	–	–	709,239	709,239	–	–	640,867	640,867
Annual symposium production	–	–	554,739	554,739	–	–	533,203	533,203
Paid Media Campaign assessment	–	494,814	–	494,814	–	400,296	–	400,296
Directors' honorarium and expenses	–	–	355,883	355,883	–	–	303,891	303,891
Office and general	–	–	258,572	258,572	–	–	273,336	273,336
Rent and taxes	–	–	189,094	189,094	–	–	178,499	178,499
Strategic planning	–	–	–	–	–	–	165,358	165,358
Other continuing education and community events	–	–	186,799	186,799	–	–	113,565	113,565
Database research	–	–	–	–	–	–	71,925	71,925
Audit, legal and consulting	–	–	116,997	116,997	–	–	66,670	66,670
Equipment and building maintenance	–	–	154,429	154,429	–	–	42,758	42,758
Travel and meeting	–	–	20,692	20,692	–	–	31,221	31,221
Amortization	–	–	11,395	11,395	–	–	28,187	28,187
Insurance	–	–	26,243	26,243	–	–	25,132	25,132
Insurance marketing	–	–	14,447	14,447	–	–	–	–
	–	494,814	3,960,068	4,454,882	–	400,296	3,668,499	4,068,795
Excess of revenue over expenses	$ 250,012	$ 207,461	$ 402,367	$ 859,840	$ 31,285	$ 283,397	$ 551,204	$ 865,886

See accompanying notes to financial statements.

ONTARIO ASSOCIATION OF OPTOMETRISTS

Statement of Changes in Fund Balances

Year ended October 31, 2024, with comparative information for 2023

	Invested in capital assets	Externally restricted to Survival Fund	Externally restricted to Scope of Practice Fund	Externally restricted to Marvin Langer Fund	Externally restricted to Contingency Fund	Restricted to Paid Media Campaign Assessment Fund	Unrestricted	2024 Total	2023 Total
Balance, October 31, 2023	$ 34,567	$ 1,088,278	$ 122,011	$ 7,591	$ 129,035	$ 866,599	$ 2,946,920	$ 5,195,001	$ 4,329,115
Excess (deficiency) of revenue over expenses	(11,395)	202,738	22,196	1,047	24,031	207,461	413,762	859,840	865,886
Capital assets acquired	8,479	–	–	–	–	–	(8,479)	–	–
Balance, October 31, 2024	$ 31,651	$ 1,291,016	$ 144,207	$ 8,638	$ 153,066	$ 1,074,060	$ 3,352,203	$ 6,054,841	$ 5,195,001

See accompanying notes to financial statements.

ONTARIO ASSOCIATION OF OPTOMETRISTS

Statement of Cash Flows

Year ended October 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	$ 859,840	$ 865,886
Items not involving cash:		
Amortization	11,395	28,187
Capital lease obligation forgiven	–	(3,348)
Unrealized loss (gain) on investments	(255,751)	35,320
Realized gain on disposition of investments	(25,353)	(13,476)
Change in non-cash operating working capital:		
Accounts receivable	(6,130)	70,196
Prepaid expenses and other	(100,488)	(22,694)
Accounts payable and accrued liabilities	141,323	2,362
Deferred revenue	(141,067)	279,027
Deferred lease inducement	(1,528)	(3,835)
	482,241	1,237,625
Investing activities:		
Purchase of capital assets	(8,479)	(16,788)
Purchase and reinvestment of investments	(668,781)	(472,339)
Proceeds on redemption of investments	575,564	403,709
	(101,696)	(85,418)
Increase in cash	380,545	1,152,207
Cash, beginning of year	6,033,955	4,881,748
Cash, end of year	$ 6,414,500	$ 6,033,955

See accompanying notes to financial statements.

ONTARIO ASSOCIATION OF OPTOMETRISTS

Notes to Financial Statements

Year ended October 31, 2024

Since 1909, the Ontario Association of Optometrists (the "OAO") has proudly served optometrists by helping to advance the profession at the government, regulatory and public levels.

The OAO is the designated representative for optometry and meets with the provincial government on its members' behalf concerning OHIP coverage, optometric billing codes and procedures, and other services. The OAO monitors provincial legislation and works to ensure that the government considers optometric needs and concerns.

For optometrists, the OAO offers a wide range of services, including group insurance plans, an annual symposium, continuing education credits, regional workshops, public information materials and a quarterly newsletter.

The OAO collects membership dues from its members and remits a portion to the Canadian Association of Optometrists ("CAO") for corporate fees.

The OAO is a not-for-profit organization incorporated under the Ontario Corporations Act without share capital. As a not-for-profit organization, the OAO is exempt from income taxes.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations using the restricted fund method of recording contributions.

(a) Fund accounting:

Resources are classified for accounting and reporting purposes into funds that are held in accordance with their specified purposes as follows:

(i) Externally restricted:

The Survival Fund is established to ensure optometry in Ontario maintains or advances its current scope of practice.

The Scope of Practice Fund is to advance to legislative scope of the practice of optometry.

The Marvin Langer Fund is to provide financial assistance to optometry students.

The Contingency Fund is to provide assistance to the OAO in case of financial hardship.

1. Significant accounting policies (continued):

(ii) Unrestricted:

The unrestricted fund reflects the transactions associated with OAO's operating activities.

(iii) Internally restricted:

These funds have been restricted by the Board of Directors to finance certain projects.

(b) Revenue recognition:

Membership dues are set annually by the Board of Directors and are recognized as revenue proportionately over the fiscal year to which they relate. Membership dues received prior to the year end, which represent membership dues for the following fiscal year are recorded as deferred revenue in the statement of financial position.

The OAO recognizes revenue for events at the time the event is presented. The revenue for the portion of events invoiced but not yet presented is recorded as deferred revenue. Revenue for the sale of products is recognized when the product is delivered to the customer.

Sponsorship revenue is recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Insurance commission and net investment income are recognized as revenue when earned.

Restricted Fund contributions are recognized as revenue in the respective funds when the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions and grants are recognized as revenue of the unrestricted fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

1. Significant accounting policies (continued):

(c) Contributed services:

A number of volunteers contribute a significant amount of time each year. Due to the difficulty of determining the fair value of these services, contributed services are not recognized in the financial statements.

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has elected to record all investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the OAO determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the OAO expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment charge.

1. Significant accounting policies (continued):

(e) Capital assets:

Capital assets are recorded at cost less accumulated amortization. Amortization is recorded using the declining-balance method, except as noted, using the following annual rates:

Computer equipment and asset under capital lease	30%
Office equipment	30%
Furniture and fixtures	20%
Computer software	33%
Leasehold improvements	Straight line over the term of the lease

Capital assets are written down to fair value or replacement cost to reflect partial impairments when conditions indicate that the assets no longer contribute to the OAO's ability to provide membership services, or that the value of future economic benefits or services potential associated with the capital assets are less than their carrying amounts.

(f) Deferred lease inducement:

Deferred lease inducement represents a leasehold incentive received in connection with the lease of office premises. The amount is amortized over the term of the lease agreement.

(g) Use of estimates:

The preparation of financial statements 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 year. Financial statement captions subject to such estimates and assumptions include the valuation of accounts receivable, accrued liabilities, useful lives and carrying value of capital assets. Actual results could differ from those estimates.

2. Investments:

Short-term and long-term segregated investments consist of pooled funds segregated as follows:

	2024		2023	
	Fair value	Cost	Fair value	Cost
Cash	$ 4,997	$ 4,997	$ 4,997	$ 4,997
Private Balanced Fund	1,460,671	1,165,533	1,277,592	1,193,765
Preferred Share Fund	60,220	57,301	82,001	100,742
Universal Bond Fund	390,683	413,884	232,995	274,793
Money Market Fund	411,349	395,336	378,396	364,182
Mortgage Fund	60,606	59,302	38,224	39,304
	$ 2,388,526	$ 2,096,353	$ 2,014,205	$ 1,977,783

Net investment income consists of the following:

	2024	2023
Interest income	$ 255,278	$ 177,233
Realized gain on disposition of investments	25,353	13,476
Unrealized gain (loss) on investments	255,751	(35,320)
	536,382	155,389
Less investment management fees	19,600	18,381
Net investment income	$ 516,782	$ 137,008

3. Capital assets:

			2024	2023
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	$ 261,154	$ 243,930	$ 17,224	$ 26,505
Office equipment	16,788	7,974	8,814	–
Furniture and fixtures	28,888	25,806	3,082	3,852
Computer software	190,787	188,256	2,531	3,778
Leasehold improvements	59,033	59,033	–	432
	$ 556,650	$ 524,999	$ 31,651	$ 34,567

4. Restricted Paid Media Campaign Assessment Fund:

The Paid Media Campaign assessment is collected with member dues, and at the Board of Directors' discretion is apportioned as payments to the CAO's advertising campaign or other OAO Ontario advertising programs. Any unspent amounts are to be retained in this internally restricted fund.

5. Membership dues:

Membership dues comprised the following:

	2024	2023
Membership dues collected	$ 4,906,418	$ 4,776,004
Less fees of the CAO	735,652	716,373
OAO membership dues	$ 4,170,766	$ 4,059,631

6. Annual symposium:

Annual symposium income comprised the following:

	2024	2023
Members	$ 118,725	$ 246,412
Exhibitors	210,400	236,100
	$ 329,125	$ 482,512

7. Commitment:

The OAO entered into an operating lease arrangement for its office premises. The future minimum annual commitments are approximately as follows:

2025	$ 76,270
2026	85,550
2027	62,640
	$ 224,460

8. Financial risks:

Market risk:

Fluctuations in the market expose the OAO to a risk of loss related to the pooled investment funds. The OAO uses a professional investment manager to advise on investment risks, asset selection and mix to achieve an appropriate balance between risks and returns.

It is of management's opinion that the OAO is not exposed to significant interest, credit and liquidity risks arising from financial instruments.

There has been no change to the above risk exposures from 2023.

ONTARIO ASSOCIATION OF OPTOMETRISTS

Schedule A - Working Group and Task Force Expenses

Year ended October 31, 2024, with comparative information for 2023

	2024	2023
Advocacy	$ 337,811	$ 373,108
Member services	247,559	147,130
Governance	123,869	120,629
	$ 709,239	$ 640,867

ONTARIO ASSOCIATION OF OPTOMETRISTS

Schedule B - Externally Restricted Funds

Year ended October 31, 2024, with comparative information for 2023

	Survival Fund	Scope of Practice Fund	Marvin Langer Fund	Contingency Fund	Total 2024	2023
Revenue:						
Net investment income	$ 202,738	$ 22,196	$ 1,047	$ 24,031	$ 250,012	$ 31,285
Expenses	–	–	–	–	–	–
Excess of revenue over expenses	$ 202,738	$ 22,196	$ 1,047	$ 24,031	$ 250,012	$ 31,285