
**THE ONTARIO SOCIETY OF
OCCUPATIONAL THERAPISTS**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of The Ontario Society of Occupational Therapists,

Opinion

We have audited the financial statements of The Ontario Society of Occupational Therapists (the Society), which comprise the statement of financial position as at September 30, 2023, and the statements of operations and 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 Ontario Society of Occupational Therapists as at September 30, 2023 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 organization 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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.

INDEPENDENT AUDITOR'S REPORT (continued)

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 Society'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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw your 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 Society 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.

Pemylegion Chung LLP

Chartered Professional Accountants
Licensed Public Accountants

January 23, 2024
Toronto, Ontario


THE ONTARIO SOCIETY OF OCCUPATIONAL THERAPISTS

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2023

	2023	2022
ASSETS		
Current assets		
Cash	\$ 1,542,887	\$ 1,215,840
Short-term investments (note 3)	255,861	492,656
Prepaid expenses	<u>54,908</u>	<u>56,175</u>
	1,853,656	1,764,671
Long-term assets		
Capital assets (note 4)	<u>31,833</u>	<u>36,549</u>
	<u>\$ 1,885,489</u>	<u>\$ 1,801,220</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 25,372	\$ 11,651
HST payable	102,344	93,306
Prepaid membership dues, event revenue and insurance fees	<u>1,285,278</u>	<u>1,151,677</u>
	<u>1,412,994</u>	<u>1,256,634</u>
Net assets (note 5)		
Reserve Fund	216,000	216,000
Unrestricted	<u>256,495</u>	<u>328,586</u>
	<u>472,495</u>	<u>544,586</u>
	<u>\$ 1,885,489</u>	<u>\$ 1,801,220</u>

Approved on behalf of the Board:


_____, Director

_____, Director

see accompanying notes

THE ONTARIO SOCIETY OF OCCUPATIONAL THERAPISTS

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	2023	2022
REVENUE		
Membership dues	\$ 794,448	\$ 779,526
Conference and workshops fees	132,122	47,269
Website and advertising	35,070	33,794
Investment income	20,723	357
LMS prolink contract	6,173	1,587
Public relations and professional resource sales	3,581	1,003
Government grants	<u>-</u>	<u>4,456</u>
	<u>992,117</u>	<u>867,992</u>
EXPENSES		
Personnel	594,391	501,120
Office and administrative	193,917	169,289
Governance	10,828	14,144
Member services direct costs (note 6)		
Conferences and workshops	131,472	18,286
Professional promotion	57,764	59,331
Special projects	47,566	27,483
Legal advisory services	12,000	8,375
Website maintenance	7,592	7,490
Other member services	2,595	3,532
Government relations and policy teams	1,367	51,587
Amortization	<u>4,716</u>	<u>4,716</u>
	<u>1,064,208</u>	<u>865,353</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	(72,091)	2,639
Net assets, beginning of year	<u>544,586</u>	<u>541,947</u>
NET ASSETS, END OF YEAR	<u>\$ 472,495</u>	<u>\$ 544,586</u>

see accompanying notes

THE ONTARIO SOCIETY OF OCCUPATIONAL THERAPISTS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ (72,091)	\$ 2,639
Add back items not involving cash:		
Amortization	4,716	4,716
Net change in non-cash working capital items (see below)	<u>157,627</u>	<u>37,001</u>
Net cash generated from operating activities	90,252	44,356
INVESTING ACTIVITIES		
Proceeds from sale of short-term investments	<u>236,795</u>	<u>79,877</u>
NET INCREASE IN CASH FOR THE YEAR	327,047	124,233
Cash, beginning of year	<u>1,215,840</u>	<u>1,091,607</u>
CASH, END OF YEAR	<u>\$ 1,542,887</u>	<u>\$ 1,215,840</u>
Net change in non-cash working capital items:		
Decrease (increase) in current assets-		
Prepaid expenses	\$ 1,267	\$ (30,297)
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	13,721	(19,934)
HST payable	9,038	5,129
Prepaid membership dues, event revenue and insurance fees	<u>133,601</u>	<u>82,103</u>
	<u>\$ 157,627</u>	<u>\$ 37,001</u>

see accompanying notes

THE ONTARIO SOCIETY OF OCCUPATIONAL THERAPISTS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

The Ontario Society of Occupational Therapists (the Society) was incorporated without share capital in the Province of Ontario in 1921. Effective November 29, 2023, the Society was continued under the Ontario Not-for-Profit Corporations Act. The Society is exempt from income tax in Canada as a not-for-profit organization under Section 149(1)(L) of the Income Tax Act (Canada).

The Society primarily promotes the profession of occupational therapy in Ontario and provides professional development to members.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant:

Revenue recognition

The principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

- i) Membership dues, conference and workshop fees and other non-fundraising revenues are recognized when services are performed.
- ii) The Society follows the deferral method of revenue recognition for contributions. 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. Restricted contributions are initially recorded as deferred contributions when received and subsequently recognized as revenue in the year in which the related expenses are incurred.
- iii) Fundraising and donation revenue is recorded when funds are received. Donated materials and services normally purchased by the Society are not recorded in the accounts.
- iv) Interest income is recognized as revenue when earned.

Capital assets

Capital asset purchases are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives.

Leasehold improvements - 10 years straight-line basis

2. FINANCIAL INSTRUMENTS

The Society's financial instruments include cash, short-term investments, accounts payable and accrued liabilities. Accounts payable and accrued liabilities are initially recorded at fair value and are subsequently recorded net of any provisions for impairment in value. Short-term investments, which include a guaranteed investment certificate is initially recorded at fair value and subsequently recorded at cost plus accrued interest income.

THE ONTARIO SOCIETY OF OCCUPATIONAL THERAPISTS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

3. SHORT-TERM INVESTMENTS

Short-term investments comprise the following:

	2023	2022
Guaranteed investment certificate	<u>\$ 255,861</u>	<u>\$ 492,656</u>

The guaranteed investment certificate is issued and held by a major Canadian chartered bank, bears interest at 4.15% and matures in March 2024.

4. CAPITAL ASSETS

Capital assets are as follows:

	Cost	Accumulated Amortization	2023 Net	2022 Net
Leasehold improvements	<u>\$ 47,161</u>	<u>\$ (15,328)</u>	<u>\$ 31,833</u>	<u>\$ 36,549</u>

5. NET ASSETS

The Reserve Fund, as established by the Board of Directors, is to be maintained to provide financial security in the event of future need.

Unrestricted net assets are to be used at the discretion of the Board of Directors for, among other purposes, new initiatives.

Continuity of net assets for the year is as follows:

	Reserve Fund	Unrestricted	2023 Total	2022 Total
Balance, beginning of year	\$ 216,000	\$ 328,586	\$ 544,586	\$ 541,947
Transactions in the year:				
Revenue	-	992,117	992,117	867,992
Less expenses	<u>-</u>	<u>(1,064,208)</u>	<u>(1,064,208)</u>	<u>(865,353)</u>
Balance, end of year	<u>\$ 216,000</u>	<u>\$ 256,495</u>	<u>\$ 472,495</u>	<u>\$ 544,586</u>

6. MEMBER SERVICES DIRECT COSTS

Member services direct costs do not include personnel, office, administrative and governance costs.

THE ONTARIO SOCIETY OF OCCUPATIONAL THERAPISTS

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SEPTEMBER 30, 2023

7. LEASE COMMITMENT

The Society rents office space in Toronto, Ontario under terms of a lease, which expires on June 30, 2030. Minimum annual payments are as follows:

2024	\$	38,184
2025		38,184
2026		38,687
2027		40,194
2028		40,194