

COLLEGE OF OPTICIANS OF ONTARIO

Financial Statements

December 31, 2025

Draft for discussion only

COLLEGE OF OPTICIANS OF ONTARIO

Financial Statements

December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of
College of Opticians of Ontario

Opinion

We have audited the financial statements of College of Opticians of Ontario (the College), which comprise the statement of financial position as at December 31, 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 December 31, 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

COLLEGE OF OPTICIANS OF ONTARIO

Statement of Financial Position

As at December 31, 2025

	2025	2024
Assets		
Current assets		
Cash	\$ 2,275,073	\$ 2,368,503
Short-term investments (Note 3)	6,487,312	5,988,911
Interest and other receivables (Notes 3 and 4)	57,449	69,439
Prepaid expenses	62,310	49,316
	8,882,144	8,476,169
Capital assets (Note 5)	120,811	157,997
	\$ 9,002,955	\$ 8,634,166
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	\$ 360,351	\$ 346,881
Deferred registration fees	2,300,647	2,357,675
	2,660,998	2,704,556
Net assets (Note 7)		
Unrestricted funds	6,124,785	5,675,253
Invested in capital assets	120,812	157,997
Internally restricted funds	96,360	96,360
	6,341,957	5,929,610
	\$ 9,002,955	\$ 8,634,166

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

Commitments (Note 8)

Approved on behalf of the Board:

_____, Director

_____, Director

COLLEGE OF OPTICIANS OF ONTARIO

Statement of Revenues and Expenses
Year Ended December 31, 2025

	2025	2024
Revenue		
Opticians registration fees	\$ 3,700,996	\$ 3,591,297
Interest income	238,813	267,962
Intern and student registration fees	37,905	50,147
Miscellaneous income	77,642	52,978
	4,055,356	3,962,384
Expenses		
Salaries and benefits	1,902,921	1,846,146
Office and general	367,810	282,736
Data development	262,893	260,076
Occupancy	219,047	247,825
Council and committee (Schedule A)	143,505	147,440
Professional fees	138,002	98,535
Consulting	131,289	103,518
Investigator	109,134	115,799
Computer maintenance	74,373	75,160
Communications	67,582	67,265
Amortization of capital assets	62,761	61,346
External relations	44,888	61,549
Education and development	32,951	67,458
Printing and postage	24,492	25,966
Advertising and promotion	24,414	12,375
Quality assurance portfolio	9,750	5,625
Insurance	9,693	9,366
Telecommunications	9,422	4,098
Equipment rental and maintenance	7,000	7,000
Bank charges	1,082	-
	3,643,009	3,499,283
Excess of revenues over expenses	\$ 412,347	\$ 463,101

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

COLLEGE OF OPTICIANS OF ONTARIO

Changes in Net Assets
Year Ended December 31, 2025

				2025	2024
	Internally restricted funds	Invested in capital assets	Unrestricted funds	Total	Total
Balance, beginning of year	\$ 96,360	\$ 157,997	\$ 5,675,253	\$ 5,929,610	\$ 5,466,509
Excess of revenues over expenses	-	(62,761)	475,108	412,347	463,101
Invested in capital assets	-	25,576	(25,576)	-	-
Balance, end of year	\$ 96,360	\$ 120,812	\$ 6,124,785	\$ 6,341,957	\$ 5,929,610

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

COLLEGE OF OPTICIANS OF ONTARIO

Statement of Cash Flows
Year Ended December 31, 2025

	2025	2024
Operating activities		
Excess of revenues over expenses	\$ 412,347	\$ 463,101
Non-cash item:		
Amortization of capital assets	62,761	61,346
	475,108	524,447
Net change in non-cash items related to operating activities:		
Interest and other receivables	11,990	13,042
Prepaid expenses	(12,994)	(30,052)
Accounts payable and accrued liabilities	13,470	(6,322)
Deferred registration fees	(57,028)	(146,206)
	(44,562)	(169,538)
	430,546	354,909
Investing activities		
Purchase of short-term investments, net	(498,401)	(1,317,840)
Acquisition of capital assets	(25,575)	(17,664)
	(523,976)	(1,335,504)
Decrease in cash	(93,430)	(980,595)
Cash, beginning of year	2,368,503	3,349,098
Cash, end of year	\$ 2,275,073	\$ 2,368,503

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

COLLEGE OF OPTICIANS OF ONTARIO

Notes to Financial Statements
December 31, 2025

1. Nature of Operations

The College of Opticians of Ontario (the "College") was incorporated without share capital as a not-for-profit organization under the laws of Ontario for the purpose of assuring public protection in the practice of opticianry and is responsible for administering and enforcing the Regulated Health Professions Act and the Opticianry Act. Accordingly, it is 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 contributions. The College primarily earns revenue from annual registration fees from its members, which are recognized as revenue in the period to which they relate. Registration fees received in advance of the applicable licensing period are recorded as deferred revenue and recognized in the subsequent year.

Revenue from examination fees is recognized in the period in which the examinations are administered. Interest income is recognized on an accrual basis as earned.

Capital assets

Capital assets are accounted for at cost. Amortization is calculated on their respective estimated useful life using the following methods, rates and periods:

Furniture and fixtures	Declining balance	20%
Computer hardware	Declining balance	30%
Leasehold improvements	Straight-line	5 years

COLLEGE OF OPTICIANS OF ONTARIO

Notes to Financial Statements
December 31, 2025

2. Significant accounting policies (continued)

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.

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, short-term investments, and interest receivable.

COLLEGE OF OPTICIANS OF ONTARIO

Notes to Financial Statements
December 31, 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. Short-term investments

	2025	2024
Guaranteed investment certificates ("GICs")	\$ 6,128,003	\$ 4,918,377
High interest savings	359,309	1,070,534
	<u>\$ 6,487,312</u>	<u>\$ 5,988,911</u>

The GICs have an effective interest rate of 2.45% to 3.45% (2024 - 3.89% to 5.01%) and mature between June 2026 and October 2026 (2024 - June 2025 and October 2025). The financial statements include all accrued interest earned to December 31, 2025.

COLLEGE OF OPTICIANS OF ONTARIO

Notes to Financial Statements
December 31, 2025

4. Interest and other receivables

	2025	2024
Interest receivable	\$ 57,449	\$ 69,439

5. Capital assets

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	\$ 450,683	\$ 410,570	\$ 40,113	\$ 49,040
Computer hardware	298,699	263,665	35,034	25,474
Leasehold improvements	412,530	366,866	45,664	83,483
	\$ 1,161,912	\$ 1,041,101	\$ 120,811	\$ 157,997

6. Accounts payable and accrued liabilities

	2025	2024
Accounts payable and accrued liabilities	\$ 156,925	\$ 112,185
Government remittances	203,426	234,696
	\$ 360,351	\$ 346,881

COLLEGE OF OPTICIANS OF ONTARIO

Notes to Financial Statements
December 31, 2025

7. Net assets

The financial statements have been prepared in a manner which segregates net assets balances and have been allocated by Executive Council as follows:

	2025	2024
Internally restricted funds		
Reserve for funding of therapy or counselling (a)	\$ 96,360	\$ 96,360
Unrestricted funds		
Invested in capital assets (b)	120,812	157,997
Operating contingency (c)	3,500,000	3,200,000
Unauthorized practice contingency (d)	500,000	500,000
Premises contingency (e)	650,000	650,000
Strategic initiatives contingency (f)	200,000	200,000
General reserve (g)	1,274,785	1,125,253
	\$ 6,341,957	\$ 5,929,610

- a) Reserve for funding of therapy or counselling: As per legislative requirements, funds have been put aside for the funding of sexual abuse therapy. The Executive Council has set aside an amount equal to four (4) times the maximum amount which can be granted to a patient seeking therapy for sexual abuse.
- b) Invested in capital assets: Are reflected on the statement of financial position and include furniture and fixtures, computer hardware and leasehold improvements that are utilized in the day-to-day operations of the College.
- c) Operating contingency: Represents twelve (12) months of operating expenses, which shall be re-calculated annually based on the previous twelve months operating expenses.
- d) Unauthorized practice contingency: As part of its Strategic Plan, the College is committed to prosecuting unauthorized practice. The fund is reduced to reflect legal expenses as incurred that are specifically attributed to ongoing unauthorized practice matters.
- e) Premises contingency: With the completion of the office move it is recommended that funds be accumulated in a premises contingency fund to address requirements at the end of the current lease ranging from a lease extension with premises refurbishment, moving to a new premise and associated leasehold improvements or the possible purchase of a premise.

COLLEGE OF OPTICIANS OF ONTARIO

Notes to Financial Statements
December 31, 2025

7. Net assets (continued)

- f) Strategic initiatives contingency: The Executive Council has set aside this amount to support the College's Strategic Plan 2026-2028. While funds will be allocated in the budget for activities that support initiatives such as council governance reform, the contingency fund will be directed to any unforeseen directives issued by the government.
- g) General reserve: This fund represents the general reserve and is the remainder of the surplus funds after the other restricted and unrestricted amounts are taken into consideration. These funds can be used for any unexpected or unbudgeted items including the implementation of new legislative changes.

All allocations for above specified contingencies were approved by the Executive Council.

8. Commitments

The commitment of the College under a lease agreement aggregates to \$180,000. The instalments over the next two years are the following:

2026	\$	120,000
2027		60,000
		<hr/>
		\$ 180,000

9. Financial instruments

Financial risks

The significant risks arising from financial instruments to which the College is exposed as at December 31, 2025 are detailed below. There are no changes to significant risks from fiscal 2024.

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.

COLLEGE OF OPTICIANS OF ONTARIO

Notes to Financial Statements
December 31, 2025

9. Financial instruments (continued)

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 on its short-term investments. The College manages this risk by holding exclusively guaranteed investment certificates and staggering the terms of the investments held.

COLLEGE OF OPTICIANS OF ONTARIO

Additional Information

Year Ended December 31, 2025

Schedule A - Council and committee

	2025		2024	
	Honoraria	Expenses	Honoraria	Expenses
Statutory/By-law Committees				
Ad-Hoc Committees - miscellaneous	\$ 2,444	\$ -	\$ 4,924	\$ -
Council	61,434	30,427	60,980	12,466
Discipline	5,388	-	18,107	-
Executive	3,240	-	7,550	-
Governance	4,952	-	6,050	-
Inquiries, Complaints, and Reports Committee	6,825	-	9,350	-
Patient relations	388	-	2,075	-
Quality assurance	19,900	-	21,713	-
Registration	8,507	-	4,225	-
	\$ 113,078	\$ 30,427	\$ 134,974	\$ 12,466