

Canadian Occupational Therapy Foundation



Financial Statements For the year ended September 30, 2024



Canadian Occupational Therapy Foundation
Financial Statements
For the year ended September 30, 2024

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Independent Auditor's Report

**To the Directors of
Canadian Occupational Therapy Foundation**

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Opinion

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We have audited the financial statements of Canadian Occupational Therapy Foundation (the "foundation"), which comprise the statement of financial position as at September 30, 2024, 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 foundation as at September 30, 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 report. We are independent of the foundation 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 foundation'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 foundation or to cease operations, or has no realistic alternative but to do so.

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

Baker Tilly Ottawa LLP

Chartered Professional Accountants, Licensed Public Accountants
February 26, 2025
Ottawa, Ontario

Canadian Occupational Therapy Foundation Statement of Financial Position

September 30	2024	2023
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Assets

Current

Cash	\$ 27,142	\$ 38,015
Accounts receivable	78,159	72,842
	105,301	110,857

Investments (Note 2)	1,262,495	1,177,943
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Tangible capital assets (Note 3)	2,389	3,982
	2,389	3,982

	\$ 1,370,185	\$ 1,292,782
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Liabilities and Fund Balances

Current

Accounts payable and accrued liabilities (Note 4)	\$ 26,185	\$ 45,947
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Loan payable	-	40,000
	-	40,000

	26,185	85,947
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Fund balances

Unrestricted	894,766	807,947
Internally restricted	56,151	60,305
Externally restricted (Schedule)	393,083	338,583
	1,344,000	1,206,835

	\$ 1,370,185	\$ 1,292,782
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Approved on behalf of the board

_____ Director

_____ Director

Canadian Occupational Therapy Foundation Statement of Operations

For the year ended September 30

2024

2023

	Unrestricted Funds	Internally Restricted Funds	Externally Restricted Funds	Total	Total
Revenues					
CAOT grant	\$ 104,730	\$ -	\$ -	\$ 104,730	\$ 92,075
Fundraising and special events	31,876	-	41,089	72,965	62,547
Investment income	23,492	1,700	9,543	34,735	47,085
Realized gain on investments	9,285	693	3,891	13,869	2,946
Unrealized gain on investments	79,755	5,953	33,423	119,131	30,954
	249,138	8,346	87,946	345,430	235,607
Expenses					
Amortization of tangible capital assets	1,593	-	-	1,593	796
Board meetings	682	-	-	682	694
Communication	-	-	-	-	136
Contracted services	11,445	-	-	11,445	-
Fundraising and special events	2,331	-	-	2,331	715
General and administrative	50,873	-	-	50,873	41,439
Grants and awards	30,801	12,500	26,861	70,162	70,535
Salaries and benefits	71,179	-	-	71,179	69,745
	168,904	12,500	26,861	208,265	184,060
Excess (deficiency) of revenue over expenses for the year	\$ 80,234	\$ (4,154)	\$ 61,085	\$ 137,165	\$ 51,547

Canadian Occupational Therapy Foundation Statement of Changes in Fund Balances

For the year ended September 30	2024				2023	
	Unrestricted Fund	Internally Restricted Funds	Externally Restricted Funds	Total	Total	
Balance, beginning of year	\$ 807,947	\$ 60,305	\$ 338,583	\$ 1,206,835	\$ 1,155,288	
Excess (deficiency) of revenue over expenses for the year	80,234	(4,154)	61,085	137,165	51,547	
Interfund transfers (Note 5)	6,585	-	(6,585)	-	-	
Balance, ending of year	\$ 894,766	\$ 56,151	\$ 393,083	\$ 1,344,000	\$ 1,206,835	

Canadian Occupational Therapy Foundation Statement of Cash Flows

For the year ended September 30	2024	2023
Cash flows from (used in) operating activities		
Excess (deficiency) of revenue over expenses for the year	\$ 137,165	\$ 51,547
Items not involving cash		
Amortization of tangible capital assets	1,593	796
Unrealized gain on investments	(119,131)	(30,954)
	<u>19,627</u>	<u>21,389</u>
Change in non-cash working capital items		
Accounts receivable	(5,317)	(24,115)
Accounts payable and accrued liabilities	(19,762)	32,906
	<u>(5,452)</u>	<u>30,180</u>
Cash flows from (used in) investing activities		
Change in investments	34,579	(11,853)
Purchase of tangible capital assets	-	(4,778)
	<u>34,579</u>	<u>(16,631)</u>
Cash flows from (used in) financing activities		
Repayment of loan payable	(40,000)	-
Increase (decrease) in cash during the year	(10,873)	13,549
Cash, beginning of year	38,015	24,466
Cash, end of year	\$ 27,142	\$ 38,015

Canadian Occupational Therapy Foundation

Notes to the Financial Statements

September 30, 2024

1. Significant Accounting Policies

Nature of Business

The foundation was founded in 1983 to advance the science of occupational therapy in Canada through scholarships and research grants and by supporting education programs. All scholarships and research grants are determined through a peer review competition adjudicated by the foundation's Research and Scholarship Committee. The Committee recommends candidates for funding to the foundation's Board of Governors which approves all awards.

The foundation is incorporated under the Canada Not-for-profit Corporations Act and is a registered charity under the Income Tax Act and, as such, is exempt from income taxes and may issue income tax receipts to donors.

Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Use of Estimates

The preparation of financial statements in accordance 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 periods. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant estimates include assumptions used in estimating provisions for certain accrued liabilities and the useful lives and related amortization rates for tangible capital assets.

Fund Accounting

The foundation uses fund accounting. The various funds are described as follows:

a) Unrestricted Fund

The Unrestricted Fund is used to receive all monies not otherwise designated to issue all awards not allocated from the designated funds.

b) Internally Restricted Fund

The Board of Governors of the foundation has established the following funds for the purpose described:

- (i) The Invacare Canada Award Fund was established in 1995 from the Hovis Medical Fund and fundraising proceeds from Invacare Canada Inc. special events. The Invacare Canada Award Fund is used to fund awards in the amount of \$2,000 annually as approved by the COTF Board of Governors.

Canadian Occupational Therapy Foundation Notes to the Financial Statements

September 30, 2024

1. Significant Accounting Policies (continued)

Fund Accounting (continued)

- (ii) The Thelma Cardwell Scholarship Fund was established in 2001 to fund annual scholarship awards of \$2,000.
- (iii) The Janice Hines Memorial Fund was established in 1995 to support the transfer of knowledge of best practices in pediatric occupational therapy through annual awards of \$1,000.
- (iv) The Janice Hines Memorial Fund was established in 1995 to support the transfer of knowledge of best practices in pediatric occupational therapy through annual awards of \$1,000.
- (v) The Marita Dyrbye Memorial Fund was established in 2001 to fund annual awards of \$1,000 for activities that enhance the practice of occupational therapy in mental health every odd year.
- (vi) The Isobel Robinson Historical Research Fund was established in 2003 to fund historical research projects in the amount of \$2,000 every even year.
- (vii) The Goldwin Howland Award Fund was established in 1983 to fund an annual award to a member who demonstrates leadership and vision with the profession in the amount of \$2,000.
- (viii) The Huguette Picard Fund was established in 2020 to fund an annual award to a professor, clinical supervisor, or professional and research master's student who demonstrates pedagogical innovation in clinical teaching in the amount of \$2,500.

(c) Externally Restricted

A number of Provincial Associations have established funds managed by the foundation to provide awards to members of the Associations:

- (i) The Ontario Society of Occupational Therapists Research Fund was established by the Ontario Society of Occupational Therapists ("OSOT") in 1985 for clinical research and presentation activities.
- (ii) The Manitoba Society of Occupational Therapists Research Fund was established by the Manitoba Society of Occupational Therapists ("MSOT") in 1995 to fund research projects.
- (iii) The Alberta Association of Registered Occupational Therapists Research Fund was established by the Alberta Association of Registered Occupational Therapists ("MROT") in 1995 to fund research projects.
- (iv) The British Columbia Society of Occupational Therapists Research Fund was established by the British Columbia Society of Occupational Therapists ("BCSOT") in 1994 to fund research projects.

Canadian Occupational Therapy Foundation

Notes to the Financial Statements

September 30, 2024

1. Significant Accounting Policies (continued)

Fund Accounting (continued)

- (v) The New Brunswick Association of Occupational Therapists Research Fund was established by the New Brunswick Association of Occupational Therapists ("NBAOT") in 2002 to fund research, scholarship and publication projects.
- (vi) The Prince Edward Island Association of Occupational Therapists Research Fund was established in 2006 to fund research, scholarship and publication projects.
- (vii) The Barbara Worth Emergent Leader Fund was established in 2014. The purpose of the fund was to create an award to honour Barbara Worth, who had a very distinguished career and contributed significantly to the regulation of Occupational Therapy in Ontario.
- (viii) The Townsend Polatajko Lectureship Fund was established in 2023 to recognize the efforts of the founders of CSOS to establish a body that would foster occupational science in Canada and link it with other occupational science, both nationally and internationally.
- (ix) The Gowan Indigenous Health Scholarship Fund was established in 2023 with the intent to support an Indigenous applicant to offset the costs of their Master of Occupational Therapy degree. This will assist in reducing barriers to entry, and increase representation within the profession.

Financial Instruments

Financial instruments are financial assets or liabilities of the foundation where, in general, the foundation has the right to receive cash or another financial asset from another party or the foundation has the obligation to pay another party cash or other financial asset.

Measurement of arm's length financial instrument

The foundation initially measures its arm's length financial assets and liabilities at fair value. The foundation subsequently measures arm's length financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in operations.

Arm's length financial assets and financial liabilities measured at amortized cost include cash, accounts receivable, and accounts payable and accrued liabilities. Investments are measured at fair value.

Canadian Occupational Therapy Foundation

Notes to the Financial Statements

September 30, 2024

1. Significant Accounting Policies (continued)

Financial Instruments (continued)

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no 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 of revenue over expenses.

Transaction costs

The foundation recognizes its transaction costs in excess of revenue over expenses in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Tangible Capital Assets

Tangible capital assets are recorded at cost. Amortization is based on the estimated useful life of the asset and is provided as follows:

Computer equipment	3 years	Straight-line
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Revenue Recognition

The foundation follows the restricted fund method of accounting. Restricted contributions are recognized as revenue of the appropriate restricted funds. Unrestricted contributions are recognized as revenue of the unrestricted fund.

Revenue from donations, fundraising activities and special events are recognized when received by the foundation.

Investment income, including realized and unrealized gains/losses are recognized when earned.

Allocation of Investment income and Expenses

Investment income is allocated to each fund appropriately based on the fund balance as at the beginning of the year. Interfund transfers are comprised of investment management fees and other general administrative costs that are allocated to each fund appropriately based on the fund balance as at the beginning of the year.

Canadian Occupational Therapy Foundation

Notes to the Financial Statements

September 30, 2024

2. Investments

The foundation holds money market funds, equity mutual funds, and bond mutual funds, as well as fixed income securities which earn interest at a rate of 1.90% with a maturity date of September 2026, and a guaranteed investment certificate which earns interest at a rate of 4.55% with a maturity date of April 2025. The use of the guaranteed investment certificate is restricted by the bank as it is held as security on the foundation's credit cards, and as such, it is classified as long-term. These investments are measured at fair value, as outlined below:

	2024	2023
Cash	\$ 3,306	\$ -
Fixed income fund	14,711	13,847
Money market funds	11,742	47,492
Bond mutual funds	845,592	762,019
Equity mutual funds	370,617	338,779
Scotiabank guaranteed investment certificate	16,527	15,806
	\$ 1,262,495	\$ 1,177,943

3. Tangible Capital Assets

	Cost	Accumulated Amortization	2024 Net Book Value
Computers	\$ 4,778	\$ 2,389	\$ 2,389

	Cost	Accumulated/ amortization	2023 Net Book Value
Computers	\$ 4,778	\$ 796	\$ 3,982

Canadian Occupational Therapy Foundation

Notes to the Financial Statements

September 30, 2024

4. Credit Facility

The foundation has available to it a credit card with a credit limit of \$15,000, of which \$914 was utilized at year-end and is included in accounts payable and accrued liabilities.

5. Interfund Transfers

During the year, the Board approved an interfund transfer of \$6,585 from the externally restricted fund to the unrestricted fund as part of the allocation of investment income and expenses.

6. Financial Instruments

The foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the foundation's risk exposure and concentrations as at September 30, 2024.

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 foundation's main credit risk relates to its accounts receivable.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. The foundation is exposed to interest rate risk and other price risk.

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 foundation is mainly exposed to fair value risk on its investments with fixed interest rates.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The foundation is exposed to other price risk due to its investments in mutual funds.

Changes in risk

There have been no significant changes in the foundation's risk exposure from the previous fiscal year.

Canadian Occupational Therapy Foundation Notes to the Financial Statements

September 30, 2024

7. Comparative Amounts

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

Canadian Occupational Therapy Foundation

Schedule of Externally Restricted Funds

For the year ended September 30, 2024

	Ontario Society of Occupational Therapists Research Fund	Manitoba Society of Occupational Therapists Research Fund	Alberta Association of Registered Occupational Therapists Research Fund	British Columbia Society of Occupational Therapists Research Fund	Towsend Polatajko Lectureship Fund	Barbara Worth Emergent Leader Fund	Brunswick Association of Occupational Therapists Research Fund	New Edward Island Association of Occupational Therapists Research Fund	Gowan Indigenous Health Scholarship Fund	Total Externally Restricted Funds
Revenue										
Fundraising	\$ 12,429	\$ -	\$ -	\$ 60	\$ 17,050	\$ 50	\$ 500	\$ -	\$ 11,000	\$ 41,089
Investment income, including unrealized/realized gains/losses	12,095	5,940	8,054	2,067	2,475	12,611	2,032	1,583	-	46,857
	24,524	5,940	8,054	2,127	19,525	12,661	2,532	1,583	11,000	87,946
Expenses										
Awards	12,000	1,400	3,946	-	1,000	5,000	515	-	3,000	26,861
Excess (deficiency) of revenue over expenses for the year	12,524	4,540	4,108	2,127	18,525	7,661	2,017	1,583	8,000	61,085
Interfund transfers (Note 5)	(2,765)	(828)	(1,225)	(100)	(903)	(252)	(310)	(202)	-	(6,585)
Fund balances, beginning of year	87,395	42,918	58,199	14,939	17,880	91,127	14,686	11,439	-	338,583
Fund balances, end of year	\$ 97,154	\$ 46,630	\$ 61,082	\$ 16,966	\$ 35,502	\$ 98,536	\$ 16,393	\$ 12,820	\$ 8,000	\$ 393,083

Canadian Occupational Therapy Foundation

Schedule of Externally Restricted Funds (continued)

For the year ended September 30, 2023

	Ontario Society of Occupational Therapists Research Fund	Manitoba Society of Occupational Therapists Research Fund	Alberta Association of Registered Occupational Therapists Research Fund	British Columbia Society of Occupational Therapists Research Fund	Towsend Polatajko Lectureship Fund	Barbara Worth Emergent Leader Fund	Brunswick Association of Occupational Therapists Research Fund	New Edward Island Association of Occupational Therapists Research Fund	Prince Externally Restricted Funds
Revenue									
Fundraising	\$ 3,310	\$ -	\$ 534	\$ 60	\$ 17,880	\$ 250	\$ 625	\$ -	\$ 22,659
Investment income, including unrealized/realized gains/losses	6,444	2,988	4,048	1,096	-	6,298	994	789	22,657
	9,754	2,988	4,582	1,156	17,880	6,548	1,619	789	45,316
Expenses									
Awards	12,000	1,900	3,000	1,750	-	5,000	800	400	24,850
Excess (deficiency) of revenue over expenses for the year	(2,246)	1,088	1,582	(594)	17,880	1,548	819	389	20,466
Interfund transfers	(2,291)	(802)	(1,135)	(100)	-	(263)	(306)	(207)	(5,104)
Fund balances, beginning of year	91,932	42,632	57,752	15,633	-	89,842	14,173	11,257	323,221
Fund balances, end of year	\$ 87,395	\$ 42,918	\$ 58,199	\$ 14,939	\$ 17,880	\$ 91,127	\$ 14,686	\$ 11,439	\$ 338,583