

CANADIAN OPTOMETRIC EDUCATION TRUST FUND

FINANCIAL STATEMENTS

DECEMBER 31, 2017

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PARKER PRINS LEBANO
Chartered Professional Accountants
Professional Corporation

INDEPENDENT AUDITORS' REPORT

To the Trustees
CANADIAN OPTOMETRIC EDUCATION TRUST FUND

Report on the Financial Statements

We have audited the accompanying financial statements of the **CANADIAN OPTOMETRIC EDUCATION TRUST FUND**, which comprise the Statement Of Financial Position as at December 31, 2017, and the Statements Of Operations And Changes In Net Assets and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the **CANADIAN OPTOMETRIC EDUCATION TRUST FUND** as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in black ink, appearing to read 'Parker Prins Lebano'.

Parker Prins Lebano Chartered Professional Accountants Professional Corporation
Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

Ottawa, Ontario
May 14, 2018

CANADIAN OPTOMETRIC EDUCATION TRUST FUND
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT		
Cash (note 2)	\$ 57,978	\$ 23,712
HST recoverable	2,898	3,840
Prepaid expenses	<u>605</u>	<u>657</u>
	61,481	28,209
INVESTMENTS (note 2)	<u>1,062,003</u>	<u>969,277</u>
	<u>\$ 1,123,484</u>	<u>\$ 997,486</u>
 LIABILITIES		
CURRENT		
Accounts payable and accrued charges	<u>\$ 9,396</u>	<u>\$ 5,500</u>
 NET ASSETS		
Internally restricted (schedule 1)	112,077	84,810
Unrestricted (schedule 2)	<u>1,002,011</u>	<u>907,176</u>
	<u>1,114,088</u>	<u>991,986</u>
	<u>\$ 1,123,484</u>	<u>\$ 997,486</u>

CANADIAN OPTOMETRIC EDUCATION TRUST FUND
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
REVENUE		
Donations	\$ 56,729	\$ 21,062
Investment income (note 2)	60,434	18,921
Foreign exchange loss (note 2)	(3,293)	(8,223)
Unrealized investment income (note 2)	97,783	98,728
CAO contribution (note 4)	<u>15,000</u>	<u>15,000</u>
	<u>226,653</u>	<u>145,488</u>
EXPENSES		
Professional development - awards	32,000	40,800
Other grants and awards	677	813
Bank charges	1,412	797
Unrecovered HST	1,260	727
Insurance	1,202	1,240
Meetings	11,096	325
Trade shows	808	768
Subcontractors	31,680	28,290
Portfolio management fee	9,337	9,003
Postage	648	182
Printing	6,217	774
Legal and audit	5,700	6,800
Office supplies	<u>2,514</u>	<u>455</u>
	<u>104,551</u>	<u>90,974</u>
EXCESS OF REVENUE OVER EXPENSES	122,102	54,514
NET ASSETS, BEGINNING OF YEAR	<u>991,986</u>	<u>937,472</u>
NET ASSETS, END OF YEAR	<u><u>\$ 1,114,088</u></u>	<u><u>\$ 991,986</u></u>

CANADIAN OPTOMETRIC EDUCATION TRUST FUND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
CASH FLOW FROM (USED FOR) OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 122,102	\$ 54,514
Net change to working capital components:		
HST recoverable	942	(1,672)
Prepaid expenses	52	(2)
Accounts payable and accrued liabilities	<u>3,896</u>	<u>(500)</u>
	<u>126,992</u>	<u>52,340</u>
CASH FLOWS USED FOR INVESTING ACTIVITIES		
Net increase in investments	<u>(92,726)</u>	<u>(70,636)</u>
NET INCREASE (DECREASE) IN CASH POSITION	34,266	(18,296)
CASH POSITION, BEGINNING OF YEAR	<u>23,712</u>	<u>42,008</u>
CASH POSITION, END OF YEAR	<u><u>\$ 57,978</u></u>	<u><u>\$ 23,712</u></u>

CANADIAN OPTOMETRIC EDUCATION TRUST FUND

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

1. PURPOSE OF THE ORGANIZATION

The Canadian Optometric Education Trust Fund is an organization formed by the Canadian Association Of Optometrists with a mandate to support the continuing growth and development of the profession of Optometry by providing financial assistance to worthy programs. The Canadian Optometric Education Trust Fund is incorporated under the Canadian Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, and reflect the following policies:

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists primarily of cash on hand and deposits with banks, which may periodically include guaranteed investment certificates.

INVESTMENTS

In accordance with Section 3051 of the CICA Standards and Guidance Collection, investments quoted in an active market are recorded at their fair values with changes recorded in net income. Investments consist of Canadian bonds, T-Bills, Money Market Funds and equities. Due to the significant diversification of the investment portfolios, management does not believe the interest rates and maturity dates of the investments are material to the amount and timing of future cash flows. The interest rates and maturity dates have therefore not been presented.

Included in Cash on the Statement Of Financial Position is \$45,108 (2016 - \$3,532) which represents funds held within the RBC Dominion Securities portfolio for investing purposes.

CAPITAL ASSETS

Capital assets, consisting of computer and equipment, are stated at cost and are amortized at a rate of 30%, using the declining balance method intended to amortize the costs over their estimated useful lives.

REVENUE RECOGNITION

The Canadian Optometric Education Trust Fund follows the deferral method of accounting for contributions. 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.

CANADIAN OPTOMETRIC EDUCATION TRUST FUND

NOTES TO FINANCIAL STATEMENTS (continued)

DECEMBER 31, 2017

3. FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, accounts receivable, long-term investments and accounts payable and accrued liabilities. The book values of the accounts receivable and payable approximate fair values due to their short-term nature. Long-term investments are recorded at lower of cost and quoted market value due to the volatility of quoted market values. Unless otherwise noted, it is the trustees' opinion that the organization is not exposed to significant interest, currency, liquidity, market or credit risks arising from these instruments.

4. CAO CONTRIBUTION

The Canadian Association of Optometrists (CAO) has committed to annual contributions of \$15,000 through to the end of 2017.

5. INTERNALLY RESTRICTED FUNDS

ESTATE OF KATHLEEN YORK

The Royal Bank of Canada was the trustee of the estate of Kathleen York. Her Will asked that funds be donated to a charity that would support eye care research completed in Nova Scotia. The Nova Scotia Association of Optometrists submitted a proposal to use the proceeds of the donation for research completed in collaboration with a research team at Dalhousie University. The research has now been completed and was to be published in a clinical Journal in 2013. Any outstanding proceeds are to be paid out upon instruction from the Nova Scotia Association of Optometrists.

DR. DAVID MCKENNA MEMORIAL FUND

A fund in the memory of Dr. David McKenna was established by colleagues and friends following his passing in March, 2014. The monies will be used by COETF to support projects involving optometry students.

2020 CAMPAIGN

A fund has been established that challenges all Canadian Optometrists to donate \$2,020 by the year 2020 as an opportunity to give back to their profession and contribute to scientific advancements in the optometric field. Donors who meet the 2020 Campaign goal will be considered Patrons of COETF and receive a certificate and COETF pin.

CANADIAN OPTOMETRIC EDUCATION TRUST FUND
SCHEDULE 1 - INTERNALLY RESTRICTED FUNDS
DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
BALANCE, BEGINNING OF YEAR	\$ 84,810	\$ 71,473
TRANSFER FROM UNRESTRICTED NET ASSETS (note 5)	<u>27,267</u>	<u>13,337</u>
BALANCE, END OF YEAR	<u>\$ 112,077</u>	<u>\$ 84,810</u>
 INTERNALLY RESTRICTED NET ASSETS CONSIST OF:		
DR. DAVID MCKENNA MEMORIAL FUND	\$ 62,551	\$ 54,078
2020 CAMPAIGN FUND	26,598	7,804
ESTATE OF KATHLEEN YORK	<u>22,928</u>	<u>22,928</u>
	<u>\$ 112,077</u>	<u>\$ 84,810</u>

CANADIAN OPTOMETRIC EDUCATION TRUST FUND

SCHEDULE 2 - UNRESTRICTED NET ASSETS

DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
BALANCE, BEGINNING OF YEAR	\$ 907,176	\$ 865,999
DONATIONS	56,729	21,062
INVESTMENT INCOME	154,924	109,426
CAO CONTRIBUTION	15,000	15,000
TRANSFER TO INTERNALLY RESTRICTED NET ASSETS (note 5)	<u>(27,267)</u>	<u>(13,337)</u>
	<u>1,106,562</u>	<u>998,150</u>
DEDUCT		
Expenses	<u>104,551</u>	<u>90,974</u>
BALANCE, END OF YEAR	<u><u>\$ 1,002,011</u></u>	<u><u>\$ 907,176</u></u>