

CANADIAN OPTOMETRIC EDUCATION TRUST FUND

FINANCIAL STATEMENTS

DECEMBER 31, 2015

DRAFT

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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, 2015, 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, 2015, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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

Ottawa, Ontario
March XX, 2016

CANADIAN OPTOMETRIC EDUCATION TRUST FUND
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT		
Cash (note 2)	\$ 42,008	\$ 87,619
Accounts receivable	-	288
HST recoverable	2,168	2,405
Prepaid expenses	<u>655</u>	<u>1,003</u>
	44,831	91,315
 INVESTMENTS (note 2)	 <u>898,641</u>	 <u>881,775</u>
	<u>\$ 943,472</u>	<u>\$ 973,090</u>
 LIABILITIES		
CURRENT		
Accounts payable and accrued charges	\$ 6,000	\$ 6,961
 DUE TO CANADIAN ASSOCIATION OF OPTOMETRISTS (note 4)	 <u>-</u>	 <u>13,519</u>
	<u>6,000</u>	<u>20,480</u>
 NET ASSETS		
Internally restricted (schedule 1)	71,473	44,743
Unrestricted (schedule 2)	<u>865,999</u>	<u>907,867</u>
	<u>937,472</u>	<u>952,610</u>
	<u>\$ 943,472</u>	<u>\$ 973,090</u>

CANADIAN OPTOMETRIC EDUCATION TRUST FUND
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	2014
REVENUE		
Donations	\$ 38,545	\$ 31,864
Investment income (note 2)	26,122	62,023
Foreign exchange gain (note 2)	37,147	17,058
Unrealized investment (loss) income (note 2)	(30,246)	16,160
CAO contribution (note 4)	<u>15,000</u>	<u>30,000</u>
	<u>86,568</u>	<u>157,105</u>
 EXPENSES		
Professional development - awards	40,575	48,400
Other grants and awards	54	-
Amortization	-	40
Bank charges	796	526
Unrecovered HST	943	-
Insurance	1,590	1,858
Meetings	10,821	5,393
Trade shows	1,092	-
Subcontractors	24,612	13,500
Portfolio management fee	12,724	14,480
Postage	295	122
Printing	1,748	282
Legal and audit	5,665	6,964
Office supplies	<u>791</u>	<u>137</u>
	<u>101,706</u>	<u>91,702</u>
 (DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	 (15,138)	 65,403
 NET ASSETS, BEGINNING OF YEAR	 <u>952,610</u>	 <u>887,207</u>
 NET ASSETS, END OF YEAR	 <u><u>\$ 937,472</u></u>	 <u><u>\$ 952,610</u></u>

CANADIAN OPTOMETRIC EDUCATION TRUST FUND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>2015</u>	<u>2014</u>
CASH FLOW (USED FOR) FROM OPERATING ACTIVITIES		
(Deficiency) excess of revenue over expenses	\$ (15,138)	\$ 65,403
Items not affecting cash:		
Amortization	-	40
Net change to working capital components:		
Accounts receivable	288	(288)
HST recoverable	237	(530)
Prepaid expenses	348	(49)
Accounts payable and accrued liabilities	(961)	461
Due to Canadian Association of Optometrists	<u>(13,519)</u>	<u>(89,609)</u>
	<u>(28,745)</u>	<u>(24,572)</u>
CASH FLOWS (USED FOR) FROM INVESTING ACTIVITIES		
Net (increase) decrease in investments	<u>(16,866)</u>	<u>39,021</u>
NET (DECREASE) INCREASE IN CASH POSITION	(45,611)	14,449
CASH POSITION, BEGINNING OF YEAR	<u>87,619</u>	<u>73,170</u>
CASH POSITION, END OF YEAR	<u><u>\$ 42,008</u></u>	<u><u>\$ 87,619</u></u>

CANADIAN OPTOMETRIC EDUCATION TRUST FUND

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

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

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 \$9,914 (2014 - \$33,134) 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.

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.

CANADIAN OPTOMETRIC EDUCATION TRUST FUND
NOTES TO FINANCIAL STATEMENTS (continued)
DECEMBER 31, 2015

4. RELATED PARTY TRANSACTIONS

During the previous year, the Canadian Association of Optometrists (CAO) was responsible for various operating costs on behalf of the Canadian Association Optometric Education Trust Fund (COETF). The costs incurred by CAO were offset by any funds collected on behalf of COETF. In 2013 CAO did not make their contribution of \$15,000 as done in 2012, however, the motion was passed to contribute \$30,000 in 2014 and return to \$15,000 in 2015. The net current liability balance outstanding of \$nil (2014 - \$13,519) to the related organization represents net operating costs.

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 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.

CANADIAN OPTOMETRIC EDUCATION TRUST FUND
SCHEDULE 1 - INTERNALLY RESTRICTED FUNDS
DECEMBER 31, 2015

	<u>2015</u>	<u>2014</u>
BALANCE, BEGINNING OF YEAR	\$ 44,743	\$ 22,928
TRANSFER FROM UNRESTRICTED NET ASSETS (note 5)	<u>26,730</u>	<u>21,815</u>
BALANCE, END OF YEAR	<u>\$ 71,473</u>	<u>\$ 44,743</u>
 INTERNALLY RESTRICTED NET ASSETS CONSIST OF:		
DR. DAVID MCKENNA MEMORIAL FUND	\$ 48,545	\$ 21,815
ESTATE OF KATHLEEN YORK	<u>22,928</u>	<u>22,928</u>
	<u>\$ 71,473</u>	<u>\$ 44,743</u>

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CANADIAN OPTOMETRIC EDUCATION TRUST FUND

SCHEDULE 2 - UNRESTRICTED NET ASSETS

DECEMBER 31, 2015

	<u>2015</u>	<u>2014</u>
BALANCE, BEGINNING OF YEAR	\$ 907,867	\$ 864,279
DONATIONS	38,545	31,864
INVESTMENT INCOME	33,023	95,241
CAO CONTRIBUTION	15,000	30,000
TRANSFER FROM INTERNALLY RESTRICTED NET ASSETS (note 5)	<u>(26,730)</u>	<u>(21,815)</u>
	<u>967,705</u>	<u>999,569</u>
DEDUCT		
Expenses	<u>101,706</u>	<u>91,702</u>
BALANCE, END OF YEAR	<u><u>\$ 865,999</u></u>	<u><u>\$ 907,867</u></u>

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