

CANADIAN OPTOMETRIC EDUCATION TRUST FUND
FINANCIAL STATEMENTS
DECEMBER 31, 2014

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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, 2014, 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, 2014, 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 cursive script that reads "Parker Prins Lebano".

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

Ottawa, Ontario
April 25, 2015

CANADIAN OPTOMETRIC EDUCATION TRUST FUND
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
ASSETS		
CURRENT		
Cash (note 2)	\$ 87,619	\$ 73,170
Accounts receivable	288	-
HST recoverable	2,405	1,875
Prepaid expenses	<u>1,003</u>	<u>954</u>
	91,315	75,999
INVESTMENTS (note 2)	881,775	920,795
CAPITAL ASSETS (note 5)	<u>-</u>	<u>41</u>
	<u><u>\$ 973,090</u></u>	<u><u>\$ 996,835</u></u>
LIABILITIES		
CURRENT		
Accounts payable and accrued charges	\$ 6,961	\$ 6,500
DUE TO CANADIAN ASSOCIATION OF OPTOMETRISTS (note 4)	<u>13,519</u>	<u>103,128</u>
	<u>20,480</u>	<u>109,628</u>
NET ASSETS		
Internally restricted (schedule 1)	44,743	22,928
Unrestricted (schedule 2)	<u>907,867</u>	<u>864,279</u>
	<u>952,610</u>	<u>887,207</u>
	<u><u>\$ 973,090</u></u>	<u><u>\$ 996,835</u></u>

CANADIAN OPTOMETRIC EDUCATION TRUST FUND
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
REVENUE		
Donations	\$ 31,864	\$ 13,472
Investment income (note 2)	79,081	38,606
Unrealized investment income (note 2)	16,160	69,828
CAO contribution (note 4)	30,000	-
	157,105	121,906
 EXPENSES		
Professional development - awards	48,400	45,500
Amortization	40	17
Bank charges	526	223
Insurance	1,858	1,814
Meetings	5,393	6,586
Subcontractors	13,500	-
Portfolio management fee	14,480	12,998
Postage	161	42
Printing	282	313
Legal and audit	6,964	6,679
Office supplies	98	676
	91,702	74,848
 EXCESS OF REVENUE OVER EXPENSES	65,403	47,058
 NET ASSETS, BEGINNING OF YEAR	887,207	840,149
 NET ASSETS, END OF YEAR	\$ 952,610	\$ 887,207

CANADIAN OPTOMETRIC EDUCATION TRUST FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
CASH FLOW (USED FOR) FROM OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 65,403	\$ 47,058
Items not affecting cash:		
Amortization	40	17
Net change to working capital components:		
Accounts receivable	(288)	3,345
HST recoverable	(530)	1,720
Prepaid expenses	(49)	-
Accounts payable and accrued liabilities	461	(10,002)
Due to Canadian Association of Optometrists	<u>(89,609)</u>	<u>103,128</u>
	<u>(24,572)</u>	<u>145,266</u>
 CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES		
Net decrease (increase) in investments	<u>39,021</u>	<u>(110,592)</u>
 NET INCREASE IN CASH POSITION	<u>14,449</u>	<u>34,674</u>
 CASH POSITION, BEGINNING OF YEAR	<u>73,170</u>	<u>38,496</u>
 CASH POSITION, END OF YEAR	<u><u>\$ 87,619</u></u>	<u><u>\$ 73,170</u></u>

CANADIAN OPTOMETRIC EDUCATION TRUST FUND

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

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 \$33,134 (2013 - \$14,616) 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, 2014

4. RELATED PARTY TRANSACTIONS

During the 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. The net current liability balance outstanding of \$13,519 (2013 - \$103,128) to the related organization represents net operating costs.

5. CAPITAL ASSETS

	2014		2013
Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ -	\$ -	\$ 41

6. 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 will be done in 2015.

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, 2014

	<u>2014</u>	<u>2013</u>
BALANCE, BEGINNING OF YEAR	\$ 22,928	\$ 102,019
TRANSFER FROM (TO) UNRESTRICTED NET ASSETS (note 6)	<u>21,815</u>	<u>(79,091)</u>
BALANCE, END OF YEAR	<u>\$ 44,743</u>	<u>\$ 22,928</u>
 INTERNALLY RESTRICTED NET ASSETS CONSIST OF:		
DR. DAVID MCKENNA MEMORIAL FUND	\$ 21,815	\$ -
ESTATE OF KATHLEEN YORK	<u>22,928</u>	<u>22,928</u>
	<u>\$ 44,743</u>	<u>\$ 22,928</u>

CANADIAN OPTOMETRIC EDUCATION TRUST FUND
SCHEDULE 2 - UNRESTRICTED NET ASSETS
DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
BALANCE, BEGINNING OF YEAR	\$ 864,279	\$ 738,130
DONATIONS	31,864	13,472
INVESTMENT INCOME	95,241	108,434
CAO CONTRIBUTION	30,000	-
TRANSFER FROM INTERNALLY RESTRICTED NET ASSETS (note 6)	<u>(21,815)</u>	<u>79,091</u>
	<u>999,569</u>	<u>939,127</u>
DEDUCT		
Expenses	<u>91,702</u>	<u>74,848</u>
BALANCE, END OF YEAR	<u>\$ 907,867</u>	<u>\$ 864,279</u>