

**CANADIAN OPTOMETRIC EDUCATION TRUST FUND**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2013**

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PARKER PRINS LEBANO  
Chartered 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, 2013, 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, 2013, 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 'Paul Prins Lebano'.

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

Ottawa, Ontario  
April 5, 2014

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**CANADIAN OPTOMETRIC EDUCATION TRUST FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2013**

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	<b>2013</b>	<b>2012</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (note 2)	\$ 73,170	\$ 38,496
Accounts receivable	-	3,345
HST recoverable	1,875	3,595
Prepaid expenses	954	954
	<b>75,999</b>	46,390
INVESTMENTS (note 2)	<b>920,795</b>	810,203
CAPITAL ASSETS (note 5)	<b>41</b>	58
	<b>\$ 996,835</b>	<b>\$ 856,651</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued charges	\$ 6,500	\$ 16,502
DUE TO CANADIAN ASSOCIATION OF OPTOMETRISTS (note 4)	<b>103,128</b>	-
	<b>109,628</b>	16,502
<b>NET ASSETS</b>		
Internally restricted (schedule 1)	<b>22,928</b>	102,019
Unrestricted (schedule 2)	<b>864,279</b>	738,130
	<b>887,207</b>	840,149
	<b>\$ 996,835</b>	<b>\$ 856,651</b>

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**CANADIAN OPTOMETRIC EDUCATION TRUST FUND**  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

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	<b>2013</b>	<b>2012</b>
<b>REVENUE</b>		
Donations	\$ 13,472	\$ 36,476
Investment income (note 2)	38,606	43,657
Unrealized investment income (note 2)	69,828	7,258
CAO contribution (note 4)	-	15,000
	<b>121,906</b>	<b>102,391</b>
<b>EXPENSES</b>		
Professional development - awards	45,500	48,000
Amortization	17	25
Bank charges	223	895
Unrecovered HST	-	2,565
Insurance	1,814	1,814
Meetings	6,586	10,066
Subcontractors	-	2,548
Portfolio management fee	12,998	13,232
Postage	42	134
Printing	313	1,286
Legal and audit	6,679	6,236
Office supplies	676	57
Nova Scotia research project	-	18,779
	<b>74,848</b>	<b>105,637</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>47,058</b>	<b>(3,246)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>840,149</b>	<b>843,395</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 887,207</b>	<b>\$ 840,149</b>

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# CANADIAN OPTOMETRIC EDUCATION TRUST FUND

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2013

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	<u>2013</u>	<u>2012</u>
<b>CASH FLOW FROM (USED FOR) OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ 47,058	\$ (3,246)
Items not affecting cash:		
Amortization	17	25
Net change to working capital components:		
Accounts receivable	3,345	(2,174)
HST recoverable	1,720	5,001
Accounts payable and accrued liabilities	(10,002)	7,902
Due to Canadian Association of Optometrists	<u>103,128</u>	<u>-</u>
	<u>145,266</u>	<u>7,508</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net (increase) decrease in investments	<u>(110,592)</u>	<u>57,418</u>
<b>NET INCREASE IN CASH POSITION</b>	<b>34,674</b>	<b>64,926</b>
<b>CASH POSITION, BEGINNING OF YEAR</b>	<u>38,496</u>	<u>(26,430)</u>
<b>CASH POSITION, END OF YEAR</b>	<u><u>\$ 73,170</u></u>	<u><u>\$ 38,496</u></u>

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# CANADIAN OPTOMETRIC EDUCATION TRUST FUND

## NOTES TO FINANCIAL STATEMENTS

### DECEMBER 31, 2013

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#### 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 \$14,616 (2012 - \$51,461) 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.

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# CANADIAN OPTOMETRIC EDUCATION TRUST FUND

## NOTES TO FINANCIAL STATEMENTS (continued)

DECEMBER 31, 2013

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### 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 \$103,128 (2012 - \$Nil) to the related organization represents two years of net operating costs.

### 5. CAPITAL ASSETS

	2013		2012
	Cost	Accumulated Amortization	Net Book Value
Computer equipment	<u>\$ 5,138</u>	<u>\$ 5,097</u>	<u>\$ 41</u>
			<u>\$ 58</u>

### 6. INTERNALLY RESTRICTED FUNDS

#### TEN YEAR FUND

The Board of Directors passed a motion to no longer segregate this internally restricted fund, therefore, it has been added to the Unrestricted Fund balance. This fundraising campaign was conducted from 1998 - 2001, seeking donations of \$2,001 per donor. The donation form included a clause that allowed the COETF Trustees to hold funds for 10 years. An internally restricted account was used for this purpose.

#### 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 2014.

### 7. FUND TRANSFERS

During 2013 the organization incurred expenses related to the Estate of Kathleen York fund in the amount of \$Nil (2012 - \$19,321), which left the balance unchanged..

### 8. COMPARATIVE FIGURES

Certain of the prior year comparative numbers have been reclassified to conform to the current year's financial statement presentation.

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# CANADIAN OPTOMETRIC EDUCATION TRUST FUND

## SCHEDULE 1 - INTERNALLY RESTRICTED NET ASSETS

DECEMBER 31, 2013

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	<u>2013</u>	<u>2012</u>
BALANCE, BEGINNING OF YEAR	\$ 102,019	\$ 121,340
TRANSFER TO UNRESTRICTED NET ASSETS (note 6)	(79,091)	-
PAID OUT FROM INTERNALLY RESTRICTED NET ASSETS	<u>-</u>	<u>(19,321)</u>
BALANCE, END OF YEAR	<u>\$ 22,928</u>	<u>\$ 102,019</u>
 INTERNALLY RESTRICTED NET ASSETS CONSIST OF:		
TEN YEAR FUND	\$ -	\$ 79,091
ESTATE OF KATHLEEN YORK	<u>22,928</u>	<u>22,928</u>
	<u>\$ 22,928</u>	<u>\$ 102,019</u>



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# CANADIAN OPTOMETRIC EDUCATION TRUST FUND

## SCHEDULE 2 - UNRESTRICTED NET ASSETS

DECEMBER 31, 2013

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	<u>2013</u>	<u>2012</u>
<b>BALANCE, BEGINNING OF YEAR</b>	<b>\$ 738,130</b>	<b>\$ 722,055</b>
<b>DONATIONS</b>	<b>13,472</b>	<b>36,476</b>
<b>INVESTMENT INCOME</b>	<b>108,434</b>	<b>50,915</b>
<b>CAO CONTRIBUTION</b>	<b>-</b>	<b>15,000</b>
<b>TRANSFER FROM INTERNALLY RESTRICTED NET ASSETS (note 6)</b>	<b><u>79,091</u></b>	<b><u>19,321</u></b>
	<b><u>939,127</u></b>	<b><u>843,767</u></b>
<b>DEDUCT</b>		
Expenses	<b><u>74,848</u></b>	<b><u>105,637</u></b>
<b>BALANCE, END OF YEAR</b>	<b><u><u>\$ 864,279</u></u></b>	<b><u><u>\$ 738,130</u></u></b>