

CANADIAN OPTOMETRIC EDUCATION TRUST FUND

FINANCIAL STATEMENTS

DECEMBER 31, 2018

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PARKER PRINS LEBANO
Chartered Professional Accountants
Professional Corporation

INDEPENDENT AUDITORS' REPORT

To the Members of the:

CANADIAN OPTOMETRIC EDUCATION TRUST FUND

Opinion

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, 2018, and the Statements Of Changes In Net Assets, Operations, and Cash Flows for the year then ended, and Notes To 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 Canadian Optometric Education Trust Fund as at December 31, 2018, and the results of its 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Canadian Optometric Education Trust Fund 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 Canadian Optometric Education Trust Fund'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 Canadian Optometric Education Trust Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Canadian Optometric Education Trust Fund's financial reporting process.

Auditors' 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 auditors' 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 Canadian Optometric Education Trust Fund'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 Canadian Optometric Education Trust Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Canadian Optometric Education Trust Fund 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.



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

Ottawa, Ontario
May 21, 2019

CANADIAN OPTOMETRIC EDUCATION TRUST FUND
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash (note 2)	\$ 103,588	\$ 57,978
Accounts receivable	1,500	-
HST recoverable	1,730	2,898
Prepaid expenses	1,153	605
	107,971	61,481
INVESTMENTS (note 2)	1,041,197	1,062,003
	\$ 1,149,168	\$ 1,123,484
LIABILITIES		
CURRENT		
Accounts payable and accrued charges	\$ 5,875	\$ 9,396
Deferred revenue	4,000	-
	9,875	9,396
NET ASSETS		
Internally restricted (schedule 1)	134,457	112,077
Unrestricted (schedule 2)	1,004,836	1,002,011
	1,139,293	1,114,088
	\$ 1,149,168	\$ 1,123,484

CANADIAN OPTOMETRIC EDUCATION TRUST FUND
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	2017
REVENUE		
Donations	\$ 23,180	\$ 56,729
Investment income (note 2)	88,416	154,924
CAO contribution (note 4)	-	15,000
	111,596	226,653
EXPENSES		
Professional development - awards	32,000	32,000
Other grants and awards	100	677
Bank charges	907	1,412
Unrecovered HST	753	1,260
Insurance	1,194	1,202
Meetings	-	11,096
Trade shows	-	808
Subcontractors	31,608	31,680
Portfolio management fee	10,824	9,337
Postage	54	648
Printing	1,956	6,217
Legal and audit	6,250	5,700
Office supplies	745	2,514
	86,391	104,551
EXCESS OF REVENUE OVER EXPENSES	25,205	122,102
NET ASSETS, BEGINNING OF YEAR	1,114,088	991,986
NET ASSETS, END OF YEAR	\$ 1,139,293	\$ 1,114,088

CANADIAN OPTOMETRIC EDUCATION TRUST FUND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 25,205	\$ 122,102
Net change to working capital components:		
Accounts receivable	(1,500)	-
HST recoverable	1,168	942
Prepaid expenses	(548)	52
Accounts payable and accrued liabilities	(3,521)	3,896
Deferred revenue	4,000	-
	<u>24,804</u>	<u>126,992</u>
CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES		
Net decrease (increase) in investments	<u>20,806</u>	<u>(92,726)</u>
NET INCREASE IN CASH POSITION	45,610	34,266
CASH POSITION, BEGINNING OF YEAR	<u>57,978</u>	<u>23,712</u>
CASH POSITION, END OF YEAR	<u><u>\$ 103,588</u></u>	<u><u>\$ 57,978</u></u>

CANADIAN OPTOMETRIC EDUCATION TRUST FUND

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

1. PURPOSE OF THE ORGANIZATION

The Canadian Optometric Education Trust Fund (COETF) 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 \$82,099 (2017 - \$45,108) 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, 2018

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) had committed to annual contributions of \$15,000 through 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.

6. COMMITMENTS

During the year the Canadian Optometric Education Trust Fund committed approximately \$8,000 to be paid in 2019 for a donor event.

CANADIAN OPTOMETRIC EDUCATION TRUST FUND
SCHEDULE 1 - INTERNALLY RESTRICTED FUNDS
DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u>
BALANCE, BEGINNING OF YEAR	\$ 112,077	\$ 84,810
TRANSFER FROM UNRESTRICTED NET ASSETS (note 5)	<u>22,380</u>	<u>27,267</u>
BALANCE, END OF YEAR	<u>\$ 134,457</u>	<u>\$ 112,077</u>
 INTERNALLY RESTRICTED NET ASSETS CONSIST OF:		
DR. DAVID MCKENNA MEMORIAL FUND	\$ 62,951	\$ 62,551
2020 CAMPAIGN FUND	48,578	26,598
ESTATE OF KATHLEEN YORK	<u>22,928</u>	<u>22,928</u>
	<u>\$ 134,457</u>	<u>\$ 112,077</u>

CANADIAN OPTOMETRIC EDUCATION TRUST FUND
SCHEDULE 2 - UNRESTRICTED NET ASSETS
DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u>
BALANCE, BEGINNING OF YEAR	\$ 1,002,011	\$ 907,176
DONATIONS	23,180	56,729
INVESTMENT INCOME	88,416	154,924
CAO CONTRIBUTION	-	15,000
TRANSFER TO INTERNALLY RESTRICTED NET ASSETS (note 5)	<u>(22,380)</u>	<u>(27,267)</u>
	<u>1,091,227</u>	<u>1,106,562</u>
DEDUCT		
Expenses	<u>86,391</u>	<u>104,551</u>
BALANCE, END OF YEAR	<u><u>\$ 1,004,836</u></u>	<u><u>\$ 1,002,011</u></u>