

The College of Optometrists



Province of British Columbia

Annual Report 2013



Mandate

The mandate of the College is derived from section 16 of the Health Professions Act where it states "It is the duty of a college at all times to serve and protect the public, and to exercise its powers and discharge its responsibilities under all enactments in the public interest." The College does not advocate for the profession but works to serve the public.

Vision Statement

College of Optometrists of British Columbia is committed to serving and protecting the public interest by guiding the profession of optometry in British Columbia.

5th Annual General Meeting
Sunday, June 8, 2014

The Metropolitan Hotel Vancouver
Vancouver, British Columbia



**COLLEGE OF OPTOMETRISTS OF BRITISH COLUMBIA
2013 ANNUAL REPORT**

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College of Optometrists of BC

YEAR IN REVIEW

Dr. Roger Gafur, Chair

“Let us have faith that right makes might, and in that faith, let us, to the end, dare to do our duty as we understand it.”
 - Abraham Lincoln

COLLEGE BOARD

Elected members:
 Dr. Roger Gafur
 Dr. Mark Bourdeau
 Dr. Dale Dergousoff
 Dr. Tanya Flood
 Dr. Kevin Youck
 Dr. Manbir Randhawa

Appointed members:
 Mr. David MacPherson
 Ms. Barbara Buchanan
 Ms. Tina Dion

BOARD PERSONNEL

The College of Optometrists of British Columbia continues to be headed by its Registrar, Dr. Robin Simpson.

The College’s Board is made up of six elected registrants and three appointed public members. The elected registrants are Dr. Dale Dergousoff, Dr. Tanya Flood, Dr. Roger Gafur, Dr. Kevin Youck, Dr. Mark Bourdeau and Dr. Manbir Randhawa. The public members are Mr. David MacPherson, Ms. Barbara Buchanan and Ms. Tina Dion.

NEW COLLEGE OFFICE ADDRESS COMING

In 2012, the College purchased office space at 906 -938 Howe Street and is preparing to move early in 2014.

STRATEGIC PLANNING SESSION

In 2013, the Board developed a strategic plan worksheet to aid in identifying, tracking and completing key goals. Improving communication with the public, our registrants and stakeholders will be a major focus in the coming year.

FINANCES

The College, under the leadership of Mr. David Macpherson and Dr. Dale Dergousoff, has exercised financial responsibility.

COMMENT

Our College continues to hold its mandate of protection of the public high. From our ever evolving Quality Assurance Committee, which continues to raise the bar for eye care in this province, to our Registration Committee which ensures the public is well served and well protected by scrutinizing the applicants we allow to register with us, the future for optometry in this province looks bright.

It is thanks to countless hours contributed by volunteers on our committees that our College is able to be so effective in discharging its duties. Their patience and effort often go unnoticed by many, but we here at the College are quite cognoscente of their contribution.

We will be settling in to our new modern office environment early in the new year and look forward to serving British Columbia by being ineffective healthcare regulator.

REGISTRAR'S REPORT

Dr. Robin Simpson

"I criticize by creation - not by finding fault."

- Cicero (106-43 B.C.)

COLLEGE STAFF:

Dr. Robin Simpson,
Registrar

Stanka Jovičević,
CAO/Assistant to
the Registrar

Jela Vuksan,
Administrative
Registration Assistant

Louisa Young,
Administrative Assistant

Ronak Samadi
Receptionist

Our mandate of public protection requires the College to regulate the profession so that British Columbians may trust that they will receive safe, effective and ethical optometric services.

In order to fulfill our mandate of public protection, the College has continued to focus, in 2013, on developing best practices which are consistent with all regulated health professions in BC, for addressing those core functions of registration, quality assurance, complaint investigation and practitioner support. Our participation with the other 22 members of the Health Professions Regulators of BC (HPRBC) has provided support and enabled consistency with the other regulators under the Health Professions Act (HPA) when addressing those core functions. In addition, other issues which influence our regulatory function, notably the Agreement on Internal Trade (AIT) and the credentialing of international optometric graduates (IOGs) continue to present challenges and demanded our attention.

The number of registrants continues to grow. As of December 31, 2013, there were 636 practising and 73 non-practising registrants. Over 98% of registrants renewed their registration online, which represents a significant conservation of resources when compared to previous years.

Application for registration from IOGs continues to grow. The College collaborated with all other Canadian optometric regulators to reach an agreement in principle on a fair and objective process for the assessment of credentials and prior learning for those IOGs seeking admission to the International Optometric Bridging Program (IOBP) at the University of Waterloo, and thus, access to the Canadian entry to practise exam, the Canadian Assessment of Competencies in Optometry (CACO), which is maintained and administered by the Canadian Examiners in Optometry (CEO). The College has also committed, with all other Canadian optometric regulators, to support a multiyear project to develop a current multipurpose competency profile for optometry which will be led by CEO. Once completed, this multipurpose competency profile for optometry is expected to inform the ongoing development of evaluating exams for prior learning and other indicators of competency.

This last year, the practice assessment function of the Quality Assurance Committee increased the number of randomly selected practitioner assessments performed compared to the previous year. This required the coordination of volunteer peer assessors and the reallocation of additional staff resources. Once again, the assessments have overwhelmingly revealed that our registrants practice at a level above the standard set. The College also conducted a random audit of continuing education (CE) credits which had been "self-recorded and self-reported". This audit has also revealed that our registrants overwhelmingly participate in CE at a level above the standard set. To ensure that the programs of the Quality Assurance Committee continue to be refined and extended, a new position, Quality Assurance Coordinator, was created and will be staffed in the coming year.



We have continued to refine our complaints investigation and adjudication processes to ensure that they are fair, objective, unbiased and transparent, and to ensure that dispositions are reached in a timely manner. Several new articles, informed by the dispositions of the Inquiry Committee, have been provided to our registrants this year as a further step towards our goal of effective, appropriate and meaningful communications. In the year ahead, the public, our registrants and other stakeholders will learn more of our communications plan.

Effective regulation requires that bylaws and policies be accessible and understandable to stakeholders. This year, a bylaw review was completed. The purpose was to correct perceived inconsistencies and to make the bylaws more accessible to our registrants and other stakeholders. These revised bylaws have been approved by the Board of the College and in June 2013, they were sent to the Ministry of Health for their consideration.

The financial affairs of the College are in good order. Quarterly financial statements and fiscal forecasts are reviewed by the Board. This year, our Finance Advisory Group, consisting of Mr. David MacPherson and Dr. Dale Dergousoff, collaborated with the Registrar to produce a more informative and transparent 2014 budget and a policy guiding the investment of reserve funds, which have been approved by the Board. After consideration for unpredictable expense, our audited financial statements closely correspond with the approved 2013 deficit budget. It should be noted that registration and registration renewal fees have not changed since a small increase was approved in 2010.

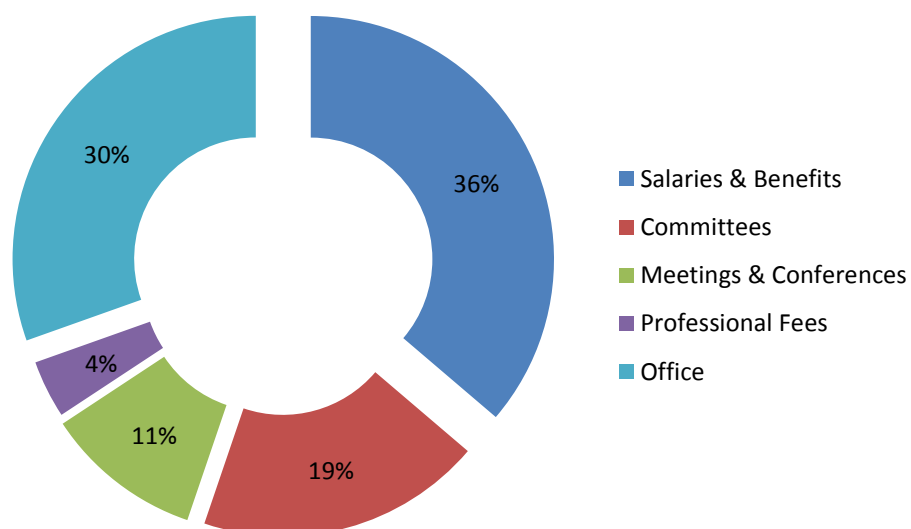
Our College is steadily developing as an effective regulator due to the contribution of active board members and many volunteer registrants who serve on committees, subcommittees and panels, and the dedicated staff led by our tireless Chief Administrative Officer and Assistant to the Registrar, Ms. Stanka Jovićević. We owe them our gratitude.



THE COLLEGE OF OPTOMETRISTS OF BRITISH COLUMBIA
Statement of Financial Position
December 31

	2013	2012
Assets		
Current		
Cash	\$ 1,493,359	\$ 1,653,020
Accounts receivable	1,171	1,760
Current portion of note receivable	19,875	0
Prepaid expenses	31,930	13,943
	1,546,335	1,668,723
Deposits	53,900	14,000
Note Receivable	34,125	54,000
Website Development	47,864	0
Property and Equipment	947,161	965,080
	\$ 2,629,385	\$ 2,701,803
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 67,994	\$ 46,276
Deferred revenue	881,595	853,683
Current portion of long-term debt	16,906	16,325
	966,495	916,284
Long-Term Debt	412,506	429,412
	1,379,001	1,345,696
Net Assets		
Unrestricted	1,250,384	1,356,107
	\$ 2,629,385	\$ 2,701,803

2013 Expenditures





REGISTRATION COMMITTEE REPORT
Dr. Gerald Komarnicky, B.Sc., O.D., F.A.A.O.

Chair:

Dr. Gerald Komarnicky

Committee Members:

Dr. Tanya Flood
 Dr. Mitra Mehin
 Dr. Priya Vohora

Mr. David MacPherson
 Public Member
 Ms. Gurpreet Bains
 Public Representative

Ex-Officio:

Dr. Robin Simpson
 Registrar
 Dr. Roger Gafur
 Chair

Staff Member:

Ms. Stanka Jovičević
 CAO/Assistant to the
 Registrar

The Health Professions Act (HPA) requires that the College establish and employ registration procedures that are transparent, objective and fair. The Registration Committee is mandated under s. 20 of the HPA with responsibility of granting registration. An applicant may apply to the Health Professions Review Board (HPRB) for a review of a registration decision. The HPRB is an administrative tribunal created under the HPA to provide an independent review of those decisions made by the self-governing colleges of designated health professions regarding the registration of their members. Through its reviews, early resolution processes and hearings, the HPRB monitors the activities of the colleges' registration committees, in order to ensure they fulfill their duties in the public interest and as mandated by legislation. The HPRB provides a neutral forum for members of the public as well as for health professionals to resolve issues or seek review of the colleges' decisions. To date, no applicant has sought review of a registration committee decision.

The Registration Committee (RC) is guided by Section 20 of the Health Profession Act (HPA) and by Part 4 of the College bylaws.

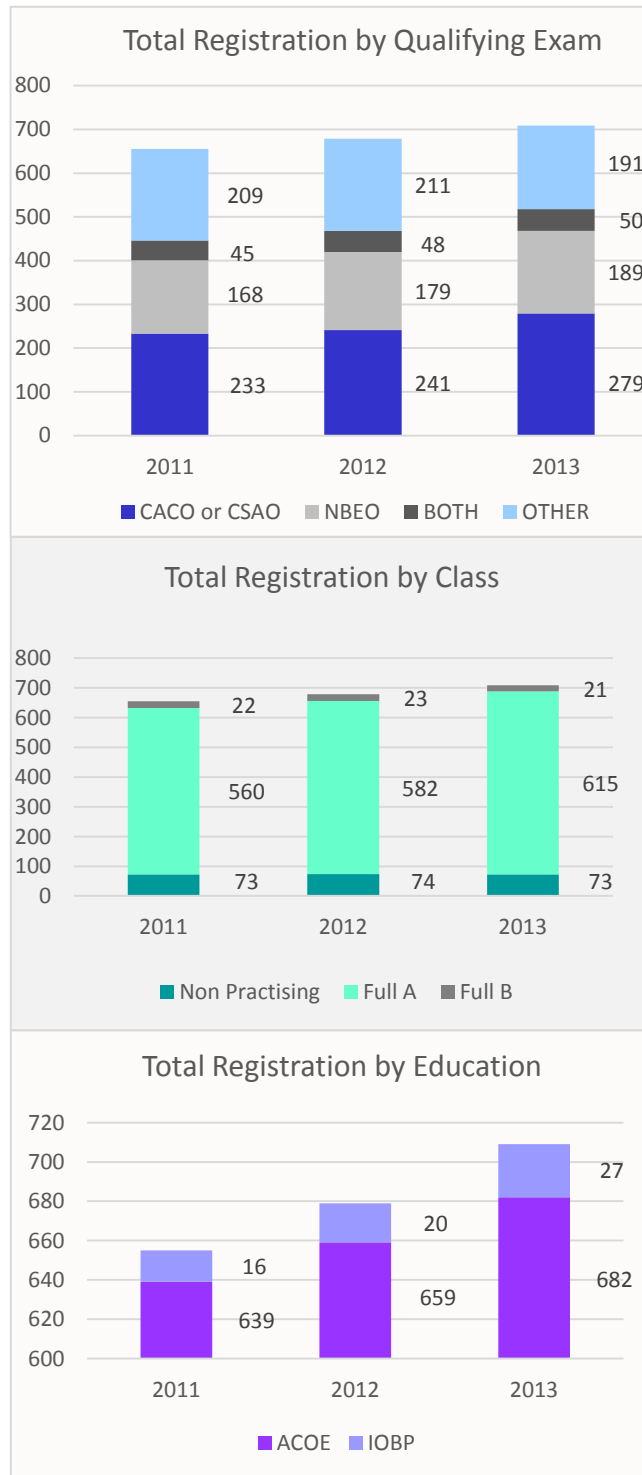
The RC convened four times during the year by telephone conference call to discuss matters pertaining to the registration of applicants from outside of Canada and from a former registrant seeking reinstatement.

The RC acts in the interest of the public while being fair, objective, transparent and unbiased in all of its deliberations.

As of December 31, 2013, our College consists of 709 registrants, including 55 new registrants. Seventy-three of our colleagues are registered in the "non-practising" registration class.

2013 Change in Registration Status					
	Changed To:	Full A	Full B	Non-Practising	Inactive
Initial Registration Status:					
Unregistered ¹		20	0	0	0
Registered AIT ²		9	0	1	0
Registered Other ³		26	0	3	0
Full A		0	0	9	19
Full B		2	0	0	1
Non-Practising		4	0	0	7
Inactive		2	0	0	0

1) No previous registration in any jurisdiction 2) Registered in a Canadian jurisdiction at the time of application
 3) Registered outside of Canada





QUALITY ASSURANCE COMMITTEE REPORT
Dr. Tanya Flood

Chair:
Dr. Tanya Flood

Committee Members:
Dr. Brad MacDougall
Dr. Stephanie Gautier
Dr. Victor Chin
Ms. Barbara Buchanan
Public Member
Ms. Vikki Bell
Public Representative

Ex-Officio:
Dr. Robin Simpson
Registrar
Dr. Roger Gafur
Chair

Staff Member:
Ms. Stanka Jovičević
CAO/Assistant to the
Registrar

The Quality Assurance Committee plays a key role in fulfilling two of the duties and objects of the College, as set out in the Health Professions Act, Part 1 Section 16(2)(d,e). These are, “to establish and maintain a continuing competency program to promote high practice standards amongst registrants,” and “to establish, monitor and enforce standards of practice to enhance the quality of practice and reduce incompetent, impaired or unethical practice amongst registrants.”

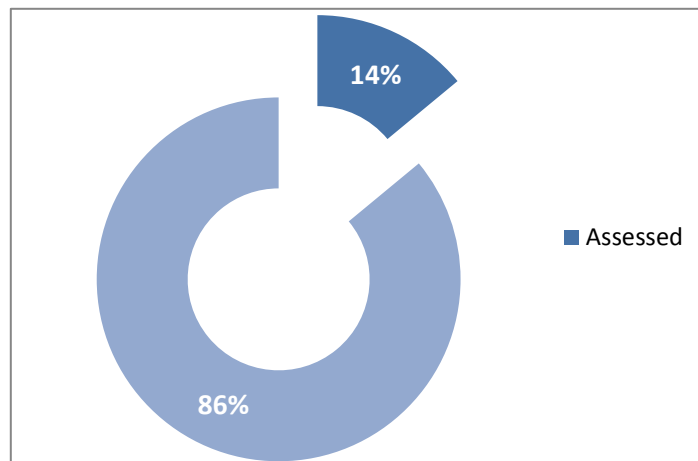
The overriding goal of the Quality Assurance Committee is to ensure that our registrants are maintaining professional competence and are providing safe, effective and ethical care to British Columbians.

To ensure that these duties are met effectively and fairly, the Quality Assurance Committee has a balanced continuing competency program which utilizes the following Four Pillars:

Continuing Education (CE) is one step in ensuring continuing competency. All registrants are required to participate in continuing education for the purpose of professional development. Registrants’ participation is monitored by random CE audits annually. 104 CE audits were completed in 2013 and all were found to be in compliance.

Practitioner Assessment (PA) is another step in ensuring that all patients in BC receive safe, effective and ethical treatment. PAs are carried out by registrants who have participated in intensive training in assessment methodologies and aid registrants to identify areas for improvement which are addressed as part of the process. 100 practitioner assessments were conducted in 2013. All were found to be in compliance and 1 required reassessment at that registrant’s cost.

2013 Practitioner Assessment





Peer Circles (PC) are contemporary form of professional development in which registrants address quality-assurance issues relevant to clinical practice, within a small-group, interactive learning environment. This gives registrants an opportunity to enhance best practices by analyzing, identifying and resolving problems related to clinical care, through discussions and dialogue with colleagues. One of the goals for 2013 was to make this program readily accessible for our registrants. This was achieved by doubling the Peer Circles provided.

Peer based support and mentorship programs are available to registrants who have been identified as requiring assistance in meeting standards of practice. The College currently has three qualified mentors.

Our committee wishes to extend a huge thank you to the College office team! The registrants of BC appreciate your commitment to the success of our profession. A special thank you goes to Dr. Robin Simpson and Ms. Stanka Jovićević for their significant support of the Quality Assurance program.



INQUIRY COMMITTEE REPORT

Dr. Sally Donaldson

Chair:

Dr. Sally Donaldson

Committee Members:

Dr. Dale Dergousoff
Dr. Russell Ebata
Dr. Eva Kalicinsky
Ms. Barbara Buchanan
Public Member
Mr. Brian Newlands
Public Representative

Ex-Officio:

Dr. Robin Simpson
Registrar
Dr. Roger Gafur
Chair

Legal Counsel:

Ms. Angela Westmacott

Staff Member:

Ms. Stanka Jovičević
CAO/Assistant to the
Registrar

The Health Professions Act (HPA) requires that the College establish and employ inquiry procedures that are transparent, objective and fair. The Inquiry Committee is mandated to investigate complaints against registrants. The Inquiry Committee may also initiate an investigation of a registrant. Upon conclusion of an investigation, complaints are resolved and disposition provided to all parties, in accordance with s. 33 of the Act. Complainants may apply for review by the Health Professions Review Board (HPRB). The HPRB is an administrative tribunal created under the Act to provide an independent review of those decisions made by the self-governing colleges of designated health professions regarding the timeliness and disposition of complaints made against their registrants. Through its reviews, early resolution processes and hearings, the HPRB monitors the activities of the colleges' complaints inquiry committees, in order to ensure they fulfill their duties in the public interest and as mandated by legislation. The HPRB provides a neutral forum for members of the public as well as for health professionals to resolve issues or seek review of the colleges' decisions. This year, no complainant has sought review of an inquiry committee decision.

Complaints, Inquiry and Discipline

At the start of the year, 19 cases were under investigation, 25 new complaints were received and 24 were concluded.

Communication issues include misunderstandings between optometrists and their patients or the public. They represent the greatest number of complaints, by far, which come to the College office. These complaints are often resolved, with the assistance and cooperation of the registrant, before a formal complaint is filed. In many cases, an open discussion between the registrant and the complainant, acknowledging the complainant's concerns and perspective leads to a resolution satisfactory to both parties.

Clinical management issues include failure to comply with standards of practice.

Practice management issues included failure to maintain custody of clinical records in accordance with the bylaws, failure to secure and prevent unauthorized use of prescription pads and failure to provide notice to the College of place of practice.

Other issues included professional misconduct, fitness to practise and protection of privacy.

11 complaints were resolved by consent orders, under s. 33(6)(c). A consent order is an agreement between a registrant and the College in which a registrant agrees to the facts of the matter and agrees not to repeat the conduct.

In 12 cases, the Inquiry Committee concluded that no further action was required, as the conduct or competence of the registrant was satisfactory, in accordance with s. 33(6)(a).

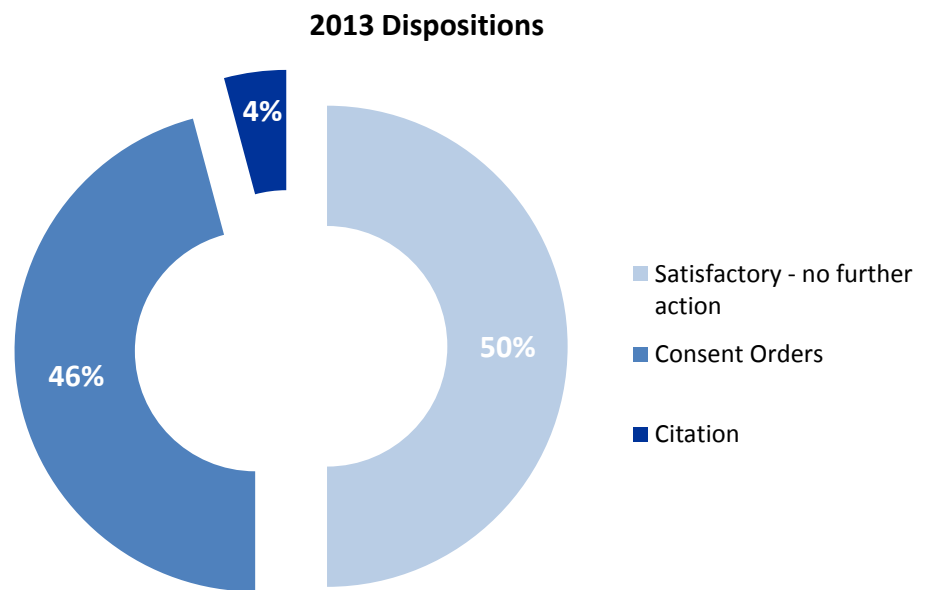


In one case, the Registrar was directed to issue a citation for hearing by the Discipline Committee.

Gratitude: I would like to take this opportunity to thank our two public members. Their input and guidance are an integral part of our committee. They keep us in touch with the public perspective and our mandate to protect the public. Thank you to our current registrant members, whose commitment to our profession and valued opinions are so appreciated. We are grateful to Ms. Angela Westmacott, Legal Counsel for her clarity and intelligence, as she continues to guide and supports our committee with her great experience and knowledge as we strive to attain best practices.

Finally, and a huge thank you to the College office staff. The Inquiry Committee could not function as efficiently and effectively as it does without the incredible work and unwavering dedication of our entire college staff, and especially Stanka Jovićević, CAO/Assistant to the Registrar. Stanka's work ethic and commitment to our profession is of the highest standard, and is so appreciated by us all.

It is such a privilege to continue to work with such a great group of people.³⁰





PATIENT RELATIONS COMMITTEE REPORT

Ms. Barbara Buchanan, Public Member

Chair:

Ms. Barbara Buchanan

Committee Members:

Dr. Nina Gill

Dr. Joan Hansen

Dr. Mitra Mehin

Ms. Tina Dion

Public Member

Mr. Jack Corbett Public Representative

Ex-Officio:

Dr. Robin Simpson

Registrar

Dr. Roger Gafur

Chair

Staff Member:

Ms. Stanka Jovičević

CAO/Assistant to the

Registrar

The Patient Relations (PR) committee is established under Section 16 (f) of the Health Professions Act and has the responsibility to establish a Patient Relations Program to seek to prevent sexual misconduct.

PURPOSE OF THE PR COMMITTEE

The PR committee makes recommendations to the board regarding a patient relations program.

The patient relations program must include measures for preventing or dealing with professional misconduct of a sexual nature.

The measures for preventing or dealing with professional misconduct of a sexual nature must include: the development and co-ordination of educational programs on professional misconduct for registrants and the public, guidelines for the conduct of registrants with their patients, and the provision of information to the public regarding the responsibilities of registrants and the college's complaint and disciplinary process.

The PR committee created and submitted to the Board the PR committee terms of reference.

The PR committee believes that the patient relations issues can best be seen as a boundaries and ethics section in a best practices model for the college. A training/education/prevention component could be delivered as a web based tutorial.

The PR committee also sees the work of the PR committee fitting into the Quality Assurance (QA) standards of practice. Examples from other BC Health Professions Colleges include a tutorial. The Chair and College staff attended a day session put on by the Health Regulators Organization (HRO) and found the sharing of ideas between colleges useful.

In the coming year, the committee plans for the work on the prevention programs, to determine what documents on boundaries and ethics the College already has and what needs to be created to raise awareness.

**THE COLLEGE OF OPTOMETRISTS
OF BRITISH COLUMBIA**

**Financial Statements
December 31, 2013**

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INDEPENDENT AUDITORS' REPORT

TO THE BOARD MEMBERS OF THE COLLEGE OF OPTOMETRISTS OF BRITISH COLUMBIA

We have audited the accompanying financial statements of The College of Optometrists of British Columbia, 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 as management determines is necessary to enable the preparation of the 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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' judgment, 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 entity's preparation and fair presentation of the financial statements 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 entity'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 we have 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 College of Optometrists of British Columbia as at December 31, 2013, and the results of its operations, changes in its net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Smythe Ratcliffe LLP

Chartered Accountants

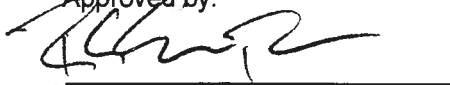
Vancouver, British Columbia
March 18, 2014

THE COLLEGE OF OPTOMETRISTS OF BRITISH COLUMBIA
Statement of Financial Position
December 31

	2013	2012
Assets (note 8)		
Current		
Cash	\$ 1,493,359	\$ 1,653,020
Accounts receivable	1,171	1,760
Current portion of note receivable (note 5)	19,875	0
Prepaid expenses	31,930	13,943
	1,546,335	1,668,723
Deposits	53,900	14,000
Note Receivable (note 5)	34,125	54,000
Website Development (note 6)	47,864	0
Property and Equipment (note 4)	947,161	965,080
	\$ 2,629,385	\$ 2,701,803
Liabilities		
Current		
Accounts payable and accrued liabilities (note 7)	\$ 67,994	\$ 46,276
Deferred revenue	881,595	853,683
Current portion of long-term debt (note 8)	16,906	16,325
	966,495	916,284
Long-Term Debt (note 8)	412,506	429,412
	1,379,001	1,345,696
Net Assets		
Unrestricted	1,250,384	1,356,107
	\$ 2,629,385	\$ 2,701,803

Commitments (note 9)

Approved by:



College Registrar



Chair, Board of College

THE COLLEGE OF OPTOMETRISTS OF BRITISH COLUMBIA
Statement of Operations and Changes in Net Assets
Year Ended December 31

	2013	2012
Revenues		
Annual renewal fees	\$ 972,558	\$ 944,786
Registration application fees	36,645	60,605
Rental	35,076	28,804
Corporation application fees	16,275	19,100
Other fees schedule	15,986	8,850
Interest	11,291	24,848
Continuing education	8,370	5,400
	1,096,201	1,092,393
Expenditures		
Salaries and benefits	438,466	389,868
Committees	229,680	177,545
Rent and occupancy costs	127,031	111,720
Meetings and conferences	119,126	95,196
Office services	82,567	94,500
Office and telephone	64,600	65,675
Professional fees	46,465	71,725
Registrar	38,866	33,442
Grants	27,340	0
Amortization	27,783	31,363
	1,201,924	1,071,034
Excess (Deficiency) of Revenues over Expenditures for Year	(105,723)	21,359
Net Assets, Beginning of Year	1,356,107	1,334,748
Net Assets, End of Year	\$ 1,250,384	\$ 1,356,107

THE COLLEGE OF OPTOMETRISTS OF BRITISH COLUMBIA
Statement of Cash Flows
Year Ended December 31

	2013	2012
Operating Activities		
Excess (deficiency) of revenues over expenditures	\$ (105,723)	\$ 21,359
Item not involving cash		
Amortization	27,783	31,363
	(77,940)	52,722
Changes in non-cash working capital		
Accounts receivable	589	(342)
Prepaid expenses	(17,987)	(4,946)
Deposits	(39,900)	0
Accounts payable and accrued liabilities	21,718	(29,063)
Deferred revenue	27,912	40,600
	(7,668)	6,249
Cash Provided by (Used in) Operating Activities	(85,608)	58,971
Investing Activities		
Website development costs	(47,864)	0
Purchase of property and equipment	(9,864)	(959,134)
Withdrawal of term deposits	0	1,388,037
Cash Provided by (Used in) Investing Activities	(57,728)	428,903
Financing Activities		
Proceeds from long-term debt	0	455,000
Repayment of long-term debt	(16,325)	(9,263)
Cash Provided by (Used in) Financing Activities	(16,325)	445,737
Inflow (Outflow) of Cash	(159,661)	933,611
Cash, Beginning of Year	1,653,020	719,409
Cash, End of Year	\$ 1,493,359	\$ 1,653,020

THE COLLEGE OF OPTOMETRISTS OF BRITISH COLUMBIA
Notes to Financial Statements
Year Ended December 31, 2013

1. OPERATIONS

The College of Optometrists of British Columbia (the "College") is a not-for-profit organization with the objective to serve and protect the public in relation to the practice of optometry in British Columbia.

The College's bylaws are regulated under the *Health Professions Act* of British Columbia (the "HPA"). The College establishes qualifications of members and ensures the standards set out in the HPA regulations and bylaws are maintained by the members.

The College is exempt from income tax under the provisions of the *Income Tax Act*.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the College were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies.

(a) Revenue recognition

Annual renewal fees are recognized as revenue in the fiscal year to which they relate. These fees received in advance have been recorded as deferred revenue.

Registration fees, corporation fees, other fees schedule and continuing education are recognized as revenue when the member is invoiced.

Rental income from a property lease is recognized as due on a monthly basis.

Interest income is recognized as it is earned.

(b) Amortization

Property and equipment are recorded at cost less accumulated amortization and amortized using the following methods and annual rates:

Building	- 4%	declining-balance
Computer equipment	- 3 years	straight-line
Online computer software	- 4 years	straight-line
Office equipment	- 4 years	straight-line
Furniture	- 4 years	straight-line

Additions during the year are amortized at one-half the annual rates.

(c) Website development

Website development is recorded at cost. Amortization is not taken on website development until the asset is in use.

THE COLLEGE OF OPTOMETRISTS OF BRITISH COLUMBIA
Notes to Financial Statements
Year Ended December 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Impairment of long-lived assets

A long-lived asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

(e) Financial instruments

The College initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The College subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. In the event a previously recognized impairment loss should be reversed, the amount of the reversal is recognized in the statement of operations provided it is not greater than the original amount prior to write-down.

For any financial instrument that is measured at amortized cost, the instrument's cost is adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption. These transaction costs are amortized into income on a straight-line basis over the term of the instrument. All other transaction costs are recognized in the statement of operations in the period incurred.

(f) Use of estimates

The preparation of these financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Significant estimates include the collectibility of the note receivable and rates of amortization. While management believes these estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

3. FINANCIAL INSTRUMENTS

(a) Liquidity risk

Liquidity risk is the risk that the College will encounter difficulty in meeting obligations associated with financial liabilities.

The College is exposed to this risk mainly in respect of its accounts payable and long-term debt. Cash flow from operations provides satisfactory resources to meet the College's cash requirements. The College's borrowing arrangements are concentrated with a single Canadian financial institution.

THE COLLEGE OF OPTOMETRISTS OF BRITISH COLUMBIA
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3. FINANCIAL INSTRUMENTS (Continued)

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The College is exposed to credit risk with respect to its cash. The College has mitigated this risk by holding cash with a major Canadian financial institution and credit union. Additionally, the College is exposed to credit risk on its note receivable. This risk has been assessed as minimal.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The College is exposed to interest rate price risk on its fixed interest rate long-term debt.

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	2013	2012
Land	\$ 769,273	\$ 0	\$ 769,273	\$ 769,273
Building	159,470	9,441	150,029	156,280
Online computer software	86,749	78,082	8,667	13,679
Computer equipment	37,545	19,460	18,085	23,820
Office equipment	5,199	4,092	1,107	2,028
	\$ 1,058,236	\$ 111,075	\$ 947,161	\$ 965,080

5. NOTE RECEIVABLE

The note receivable is interest-free and due from a former registrant as a result of various fines and restitution for legal expenses. The College has placed a lien on the former registrant's principal residence as security against the note receivable.

Subsequent to year-end, the registrant was reinstated. Under the terms of reinstatement, the registrant is required to repay the outstanding balance over a two year period commencing in 2014.

6. WEBSITE DEVELOPMENT

Website development relates to the redevelopment of the College's website and communications platform that was not ready for use as at December 31, 2013. Amortization of this asset will commence when it is put into use.

7. GOVERNMENT REMITTANCES

Included in accounts payable and accrued liabilities are government remittances of \$14,098 (2012 - \$2,704).

THE COLLEGE OF OPTOMETRISTS OF BRITISH COLUMBIA
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8. LONG-TERM DEBT

	2013	2012
Bank of Montreal, fixed interest rate loan at 3.5% per annum, repayable in monthly installments of \$2,639 including interest, due May 30, 2032	\$ 429,412	\$ 445,737
Less: Current portion	16,906	16,325
	\$ 412,506	\$ 429,412

Long-term debt principal repayments to be made during the next five years and subsequent years are as follows:

2014	\$ 16,906
2015	17,507
2016	18,130
2017	18,775
2018	19,442
Subsequent years	338,652
	\$ 429,412

The lender has a general security agreement providing a first and fixed charge over all assets and a floating charge over the real property of the borrower. In addition, a first charge has been secured on the land and buildings at 906 - 938 Howe Street, Vancouver, British Columbia.

The College is required to maintain a debt service ratio greater than 1.5:1 as covenant on its loan. As at year-end, the College is in compliance with this loan covenant.

9. COMMITMENTS

The College's lease agreement for occupancy costs expired January 31, 2014. In relation to this lease, \$6,802 has been paid subsequent to year-end. The College is committed to equipment lease payments of \$19,852 over the remaining term of a lease expiring September 1, 2015.

Commitments in each of the next two years are as follows:

2014	\$ 14,633
2015	5,219
	\$ 19,852



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