



College of Optometrists of British Columbia



Mission

To serve and protect the public by guiding and regulating the profession of optometry in British Columbia.

Vision

Better lifelong vision through excellence in optometric regulation.

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AS OF DECEMBER 31, 2015

BOARD OF DIRECTORS

Dr. Dale Dergousoff Chair

ELECTED MEMBER

Dr. Joan Hansen Vice Chair ELECTED MEMBER

Mr. Wesley Barnaby PUBLIC MEMBER

Dr. Pardeep Dhillon ELECTED MEMBER

Dr. Sally Donaldson ELECTED MEMBER

Ms. Joyce Kenoras PUBLIC MEMBER

Mr. Gurminder Parihar PUBLIC MEMBER

Dr. Manbir Randhawa ELECTED MEMBER

Dr. David Schwirtz ELECTED MEMBER

OFFICE STAFF

Dr. Robin Simpson REGISTRAR

Ms. Stanka Jovićević CAO/ASSISTANT TO THE REGISTRAR

Iela Vuksan ADMINISTRATIVE ASSISTANT

Ikreet Randhawa ADMINISTRATIVE ASSISTANT

Ronak Samadi ADMINISTRATIVE ASSISTANT

Tatjana Anicic ADMINISTRATIVE ASSISTANT

Jasmeen Deol ADMINISTRATIVE ASSISTANT 2016 ANNUAL **GENERAL MEETING**



Report of the Chair and Registrar

A year ago we reported that the College of Optometrists of British Columbia made steady and sure progress in 2014 on a number of initiatives.

The initiatives strongly support the College's mandate of protecting members of the public who receive optometric services and ensuring they receive safe, effective, and ethical treatment. 2015 was another very productive year for many of those initiatives.

The College continued to focus on developing and implementing best practices that are consistent with practices of other BC health regulators and that strengthen our core functions:

- Establishing and maintaining education and practice standards for the profession;
- Registering applicants who meet these standards;
- Responding to complaints from patients, the public, and other health care providers and taking action if a health professional's practice is unsafe or unethical; and
- Providing support and guidance to optometrists regarding practice standards.

This work is particularly critical given that the number of registrants continues to grow. As of December 31, 2015, there were 704 practising

registrants, including 48 new registrations, and 17 non-practising including one new registration.

In the area of practitioner support, the College built on the hiring of a Quality Assurance Program Coordinator in 2014 to facilitate delivery of quality assurance (QA) programs. In 2015, the College was able to assess more practitioners in more regions of the province at a lower cost per assessment. This enabled program delivery to be more efficient and effective and reduced use of administrative resources.

To further support optometrists' efforts to advance their knowledge and skills, in 2015, the College trained additional facilitators for our popular and highly acclaimed Peer Circle program. As a result, the College was able to expand the program beyond the Lower Mainland by offering it to registrants in the Okanagan and on Vancouver Island. The program, overseen by the QA Committee, provides registrants with a safe environment where they can discuss practice issues in the context of evolving professional standards.

The Registrar conducted annual random audits of continuing

education (CE) credits that registrants self-recorded and self-reported. The audit results overwhelmingly confirmed that our registrants participate in CE at a level above the minimum required, and that in general, BC optometrists are constantly advancing their skills and knowledge to provide better lifelong vision for British Columbians.

A key indicator of the effectiveness of our QA programs is the number of complaints made against registrants, and in particular, the number that proceed to a discipline hearing. The Inquiry Committee had one case in 2014 in which an investigation resulted in the Committee directing the Registrar to issue a citation for a discipline hearing by the Discipline Committee. The hearing, which concluded in 2015, involved significant effort and resources from the Discipline Committee and staff. See the Discipline Committee report for details of the case.

Another key indicator is the number of applications to the Health Professions Review Board (HPRB) for an independent review of Inquiry Committee complaint decisions. Last year one complainant applied to the

Report of the Chair and Registrar

HPRB for review of an Inquiry Committee decision. The HPRB confirmed the Inquiry Committee's decision. The College continues 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 and communicated to complainants clearly.

In 2014, we reported that British Columbia's 26 regulated health professions, governed by 22 colleges under the Health Professions Act and one under the Social Workers Act, incorporated under the Society Act to become the Health Profession Regulators of BC Society. With the Society's initiatives like the development of a major public awareness campaign, the College has been able to communicate the importance for the public of consulting regulated health professionals, such as optometrists. At the national level, the College collaborates with the optometry regulators in other provinces through the Federation of Optometric Regulatory Authorities of Canada (FORAC), established in 2014. The College is a member of the Federation, and Registrar Dr. Robin Simpson is a Director on the FORAC Board. FORAC continues to work on issues including national standardization of CE requirements and fitness to practise requirements for registration applicants.

Effective regulation requires that the College's Bylaws and policies are accessible and understandable to our registrants and other stakeholders. A review of the Bylaws was completed in 2013 to correct perceived inconsistencies and make the Bylaws more accessible. Following further revisions, in April, 2015, the revised Bylaws were approved by the College's Board and became effective on September 13, 2015.

In the area of infrastructure to support the College's work, in 2014, new technology and processes were implemented as a first step towards our goal of effective, appropriate, and impactful communications. In 2015, the College began implementing a communications plan targeted to the public, optometrists, and other stakeholders. A key step in moving that plan forward has been the launch of our new website.

Thank you to the College staff for your dedication and commitment throughout the year and for rising to the challenge of capitalizing on our beautiful and functional new office environment to create a respectful, collaborative, and productive workplace culture. This was accomplished through the superb and perceptive guidance of Stanka Jovićević, Chief Administrative Officer and Assistant to the Registrar, whose efforts have paid off in a stable, skilled, productive, and engaged staff.

Thank you to the Board, committee members, and other volunteers for giving so generously of your time to make immeasureable contributions. Our appreciation goes to public

Board members appointed by the Ministry of Health and public representatives appointed by the Board for recognizing and contributing the public perspective. Thank you also to members of the profession elected to the Board by registrants. Your dedication, as Board and committee members, to the responsibilities inherent with the privilege of self-regulation ensures that the College can continue to effectively regulate optometry in the public interest.



Dr. Dale Dergousoff COLLEGE OF OPTOMETRISTS OF BRITISH COLUMBIA BOARD



Dr. Robin Simpson REGISTRAR

Registration Committee

The Registration Committee has a duty under section 20 of the Health Professions Act to administer the registration and reinstatement process in accordance with the College Bylaws.

CHAIR

Dr. Gerry Komarnicky

COMMITTEE MEMBERS

Mr. Wesley Barnaby
PUBLIC MEMBER

Mr. Thomas Beasley
PUBLIC REPRESENTATIVE

Dr. Tanya Flood Dr. Mitra Mehin

Dr. Priya Vohora

An applicant who is denied registration or granted registration on terms and conditions has the right to seek a review of that decision by the Health Professions Review Board (HPRB). To date, no applications for review of Registration Committee decisions have been filed with the HPRB.

The Registration Committee, like all other committees of the College, must act in the public interest in a manner that is transparent, objective, unbiased, and fair.

The Committee convened four meetings in 2015 to deal with applications for registration and reinstatement. Of note was an application from an individual who, despite advising the College that his/her license in a foreign jurisdiction "was lost due to non-response to Board", failed to disclose that he/she had had practised optometry

in two other foreign jurisdictions, had a criminal conviction in another jurisdiction, and had a license to practice optometry revoked in another jurisdiction. After affording the applicant an opportunity to respond to its concerns, the Registration Committee denied the application for registration on the basis that the applicant's entitlement to practice a health profession had been cancelled in two foreign jurisdictions and it was not satisfied that the applicant was a person of good character suitable for registration under section 53(d) of the College Bylaws.

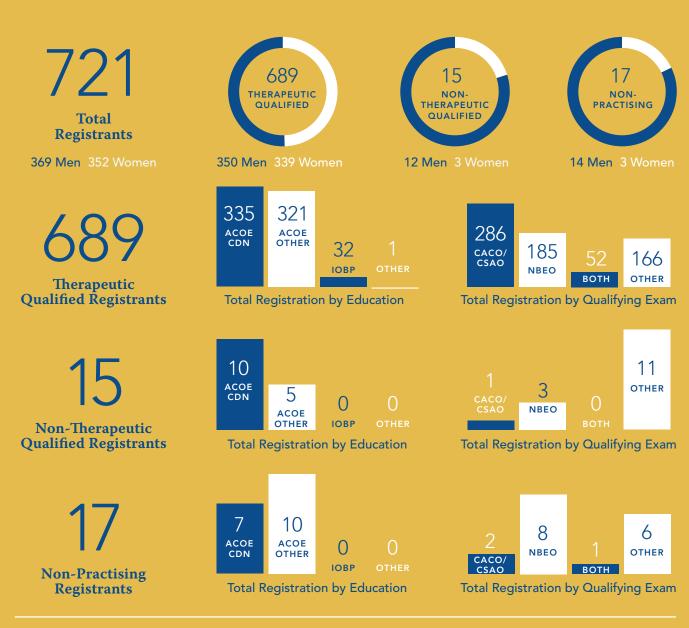
As of December 31, 2015, there were 704 practising registrants. In 2015, more than 98% of registrants renewed their registration online, which represents a significant conservation of resources.

Change in Registration Class AS OF DECEMBER 31, 2015

INITIAL	STATUS CHANGED TO:						
REGISTRATION STATUS	Therapeutic Qualified	Non-Practising	Inactive				
Unregistered ¹	36^{4}	0	8				
Registered CDN ²	6	0	0				
Registered Other ³	7	1	0				
Therapeutic Qualified ⁵	0	1	<i>37</i>				
Non-therapeutic Qualifie	ed^5 0	0	2				
Non-practising	2	0	8				
Inactive	2	0	0				

^{1 –} No previous registration in any jurisdiction. 2 – Registered in a Canadian jurisdiction at the time of application. 3 – Registered in a Non-Canadian jurisdiction at the time of application. 4 – Of these 36 registrants, eight did not renew on December 1, 2015, and became Inactive. 5 – The College's Bylaws were amended September 13, 2015 to change the name of the "Full A" registration class to "Therapeutic Qualified" and "Full B" to "Non-therapeutic Qualified". The names were changed to provide the public with more clarity regarding a registrant's scope of practice.

Registration Statistics AS OF DECEMBER 31, 2015



FOCUS ON 2015 REGISTRATIONS



ACOE Accreditation Council on Optometric Education (Canada) ACOE OTHER (USA) 10BP International Optometric Bridging Program

CACO Canadian Assessment of Competence in Optometry CSAO Canadian Standard Assessment in Optometry NBEO National Board of Examiners in Optometry (USA)

Quality Assurance Committee

The Quality Assurance Committee is responsible for two core functions of the College, specified in section 16 (2) of the Health Professions Act:

- To establish, monitor, and enforce standards of practice to enhance the quality of practice and reduce incompetent, impaired, or unethical practice amongst registrants.
- To establish and maintain a continuing competency program to promote high practice standards amongst registrants.

CHAIR

Dr. Tanya Flood

COMMITTEE MEMBERS

Dr. Justin Asgarpour Ms. Vikki Bell PUBLIC REPRESENTATIVE

Dr. Victor Chin Dr. Joan Hansen Ms. Leza Muir PUBLIC REPRESENTATIVE

Mr. Gurminder Parihar PUBLIC MEMBER

The Quality Assurance Committee's primary goal is to ensure that our registrants maintain professional competence and provide safe, effective, and ethical care. To meet that goal, the Committee directs the maintenance of a quality assurance program that includes the following components:

Continuing Education

As a condition of annual registration renewal specified in the Bylaws, all registrants are required to participate in approved continuing education programs for professional development. Registrants are required to record and report to the College the continuing education programs they participate in. Registrants' participation in continuing education programs is verified by the Registrar's annual audit of a sample of registrants. In 2015, 377 randomly selected registrants were audited for all selfreported and self-recorded years. Only three were not able to provide proof of participation as recorded.

Practitioner Assessment and Peer-Based Support Programs

Registrant peers, who are trained in assessment methodologies, assess a sample of registrants and their practices for compliance with the Bylaws and policies of the College concerning standards of practice and professional competence. These assessments assure compliance and help identify registrants who would benefit from peer-based support programs. Practitioner assessments began in 2005 as a pilot project, and were formally instituted in 2008. Since 2010, assessments have included a place of practice assessment and a clinical record assessment. In 2015, 141 practitioner assessments were conducted. All but one were found to be in compliance. That one registrant chose to participate in the College's peer-based practitioner support program.

Peer-based support programs are available to registrants who have been identified as requiring assistance in meeting standards of practice. The College currently has a small number of registrants qualified to provide peer support.

Quality Assurance Committee

Peer Circles

In Peer Circles, registrants address quality assurance issues relevant to clinical practice, within a small-group, interactive learning environment. This context gives registrants an opportunity to enhance best practices by analyzing, identifying, and resolving issues related to clinical care, through safe discussions and dialogue with colleagues. The fall Peer Circle event held in October 2015 was attended by 80 registrants.

Dr. Lawrence MacAulay, the College's Quality Assurance Program Coordinator, demonstrated his excellent organizational, communication, and management skills through the 2015 round of Practitioner Assessments, the fall Peer Circle event, and the 2015 training events for new Peer Circle facilitators and practice assessors. The College now has assessors and facilitators based in the Okanagan region and on Vancouver Island, which has enabled program delivery to be more efficient and effective and improved access for registrants.

The term of Ms. Barbara Buchanan, Public Board Member, expired in September and Ms. Vikki Bell, Public Representative, retired from the Committee at the end of the year. They will be missed. We thank them for their input and guidance, which were integral to the Committee. They kept us in touch with the public perspective and our mandate to protect the public. Thank you to our registrant members, whose commitment to our profession and valued opinions are so appreciated. We are also very grateful to the College office team. A special thank you goes to Dr. Robin Simpson and Ms. Stanka Jovićević for their significant support of the Quality Assurance program.



Inquiry Committee

The Health Professions Act (HPA) requires that the College establish and employ inquiry procedures that are transparent, objective, impartial, and fair.

CHAIR

Dr. Sally Donaldson

COMMITTEE MEMBERS

Mr. Wesley Barnaby PUBLIC MEMBER

Dr. Russell Ebata Dr. Roger Gafur Dr. Eva Kalicinsky Dr. Dorlee Kneifel PUBLIC REPRESENTATIVE The Inquiry Committee investigates complaints from the public against registrants. The Committee also initiates investigations of registrants. After completing investigations, complaints are resolved and disposition is provided to all parties, in accordance with section 33 of the HPA. Serious matters are forwarded to the Discipline Committee. Complainants may apply to the Health Professions Review Board (HPRB) for an independent review of decisions.

Communication issues, including misunderstandings between optometrists and their patients or other members of the public, remain the most frequent cause of complaints that come to the College. These issues 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, leads to a satisfactory resolution for both parties. This mediation process continues to be a useful tool for the Inquiry Committee in resolving complaints successfully.

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

regarding advertising and marketing, failure to comply with standards of practice, and failure to provide notice to the College of place of practice. Other issues include professional misconduct and issues related to protection of privacy.

At the start of 2015, 12 cases from the previous year were still under investigation. Over the course of the year, 23 new investigations were initiated – 15 of which related to complaints from the public and 24 were resolved.

Seven complaints were resolved by consent orders, under section 33(6)(c) of the HPA. 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 15 cases, the Inquiry Committee concluded that no further action was required, as the conduct or competence of the registrant was satisfactory, in accordance with section 33(6)(a) of the HPA. In 2015, one complainant requested a review by the HPRB of an Inquiry Committee decision. The HPRB confirmed the Inquiry Committee's decision in that matter.

In addition to their duties to investigate and adjudicate complaints, in 2015 the Inquiry Committee created guidelines for the profession regarding social media and

Inquiry Committee

online networking. The College Board approved the document, which was included in the College's policies.

In September 2015, Mr. Wesley Barnaby replaced Ms. Barbara Buchanan, whose term as a public board member (appointed by Ministerial Order) had expired.

Ms. Buchanan provided exemplary service on the Inquiry Committee since the College was created in 2009 and has earned our respect and gratitude. Public

members and representatives keep us in touch with the public perspective and our mandate to protect the public. Thank you to our registrant members, whose commitment to our profession and valued opinions are so appreciated. We are also very grateful to legal counsel Angela Westmacott for her clarity and intelligence, as she continues to guide and support the Committee's efforts to attain best practices with her great experience and knowledge.



Patient Relations Committee

The Patient Relations Committee has a mandate, in accordance with Section 16(f) of the Health Professions Act, to establish a patient relations program that aims to prevent sexual misconduct.

CHAIR

Dr. Joan Hansen

COMMITTEE MEMBERS

Ms. Joyce Kenoras
PUBLIC MEMBER

Dr. Mitra Mehin Ms. Marnie MitchellPUBLIC REPRESENTATIVE

Dr. Manbir Randhawa

The College broadens that mandate by developing tools for registrants to understand their overall obligations with respect to professional boundaries and ethics. The Patient Relations Committee's work complements the College's quality assurance initiatives on standards of practice.

In 2014, the Patient Relations Committee created and submitted to the Board terms of reference for the Committee. The Board approved the terms of reference and also

approved a budget to develop content for a best practices learning modules that will be consistent with the College's belief that patient relations issues are best addressed in the overall context of boundaries and ethics. In 2015, as part of development of the learning modules, the Committee created and approved content on professional boundaries and ethics. The web-based modules, to be completed in 2016, will be delivered through a learning management system.

Discipline Committee

The Discipline Committee has a mandate to hear and determine matters in discipline hearings following investigation by the Inquiry Committee and issuance of citations by the Registrar under section 37 of the Health Professions Act.

CHAIR

Dr. Pardeep Dhillon

COMMITTEE MEMBERS

Ms. Vikki Bell PUBLIC REPRESENTATIVE

Dr. Mark Bourdeau Ms. Joyce Kenoras PUBLIC MEMBER

Ms. Marnie Mitchell PUBLIC REPRESENTATIVE

Dr. Anisa Nurani Dr. Katherine Pratt The Chair of the Discipline Committee may appoint a panel that consists of three members of the Committee, at least one of which must be a public representative, to preside at hearings.

On March 27, 2015, a panel of the Discipline Committee found that Dr. Jerry Mackenzie contravened various provisions of the College Bylaws, which conduct also constituted professional misconduct under section 39(1) of the Health Professions Act. The Discipline Committee found that despite an order by the Committee released on April 28, 2014, which, among other things, suspended his registration for three years, Dr. Mackenzie did the following: he continued to practice optometry on four occasions; failed to reimburse a patient as ordered by the Discipline Committee; failed to pay a fine imposed by the Discipline Committee; held himself out as an optometrist while suspended; made appointments for patients or prospective patients while suspended; contacted or communicated with patients while suspended; continued to use his name at his place of business in relation to optometry services during a suspension; failed to prominently display a notice of suspension while suspended; failed to dispose of patient files containing personal information within a reasonable period of his ceasing practice while suspended; and committed sexual misconduct in relation to a female patient.

When the College became aware that Dr. Mackenzie was continuing to practise optometry in contravention of the

suspension, in May 2014, it filed an application for an injunction in Supreme Court. Dr. MacKenzie consented to the injunction order. However, when it subsequently became clear that Dr. MacKenzie was not complying with the terms of the injunction order, the Inquiry Committee directed the Registrar to issue a citation for a second discipline hearing on January 28, 2015. In addition, the College filed an application in Supreme Court for an order that Dr. MacKenzie was in contempt of the injunction. The contempt proceeding has concluded. The Court held on October 26, 2015 that Dr. MacKenzie had committed civil contempt of the Court's Order.

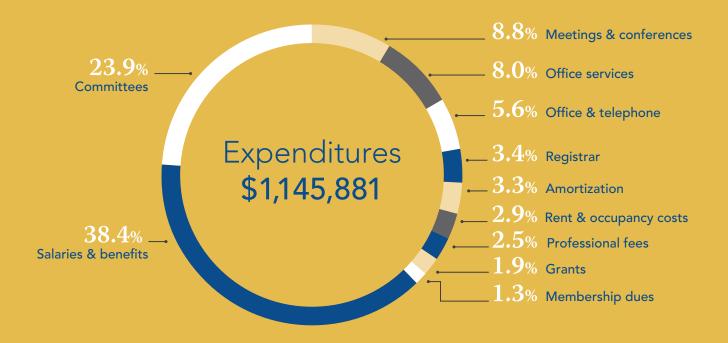
On August 27, 2015, a panel of the Discipline Committee released a decision on penalty. The Discipline Committee decided that Dr. Mackenzie is "ungovernable" based on his repeated and wanton disregard and disrespect for the College's regulatory process. The Registrar was directed to issue a public notice in accordance with section 39.3(1) of the Health Professions Act. View the public notice on the College website.

This case has involved significant effort and resources from both the Inquiry and Discipline Committees and staff. The term of Mr. David MacPherson, public member, expired in September and he was not eligible for reappointment. As Chair of the panel that heard the case above, his contribution to the Committee was immeasurable.

Income and Expenditure

FROM JANUARY 1, 2015 TO DECEMBER 31, 2015











Financial Statements December 31, 2015

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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, 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 as 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 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, 2015 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.

Chartered Professional Accountants

Smythe LLP

Vancouver, British Columbia February 29, 2016

Statement of Financial Position

December 31

	2015	2014
Assets (note 7)		
Current Cash Prepaid expenses Accounts receivable Current portion of note receivable (note 5)	\$ 1,289,254 15,080 0 0	\$ 1,343,759 14,078 5,563 19,875
Note Receivable (note 5) Website (note 6) Property and Equipment (note 4)	1,304,334 0 67,418 1,102,226	1,383,275 7,625 70,759 1,122,600
	\$ 2,473,978	\$ 2,584,259
Liabilities		
Current Accounts payable and accrued liabilities Deferred revenue Current portion of long-term debt (note 7)	\$ 42,382 996,013 22,160	\$ 101,537 995,821 17,507
Long-Term Debt (note 7)	1,060,555 267,542	1,114,865 296,573
Net Assets	1,328,097	1,411,438
Unrestricted	 1,145,881	 1,172,821
	\$ 2,473,978	\$ 2,584,259

Commitment (note 8)

Approved by:

College Registrar

Chair, Board of College

Statement of Operations and Changes in Net Assets Year Ended December 31

		2015		2014
Revenues				
Annual renewal fees	•	4 447 040	•	4 000 4 40
Registration application fees	\$	1,117,643	\$	1,023,142
Other fees		40,575		47,835
Corporation application fees		20,480		13,322
Interest		13,650		14,175
Continuing education		6,630		12,017
Continuing education		0		2,430
		1,198,978		1,112,921
Expenditures				
Salaries and benefits		470,473		462,664
Committees		293,624		206,798
Meetings and conferences		108,050		106,480
Office services		97,816		166,031
Office and telephone		68,512		79,100
Registrar		41,633		43,800
Rent and occupancy costs		35,324		45,685
Professional fees		31,012		32,516
Grants		22,900		18,240
Membership dues		16,182		10,240
Amortization		40,392		29,170
		1,225,918		1,190,484
Deficiency of Dovernor				
Deficiency of Revenues over Expenditures for Year		(26,940)		(77,563)
Net Assets, Beginning of Year		1,172,821		1,250,384
Net Assets, End of Year	\$	1,145,881	\$	1,172,821

Statement of Cash Flows Year Ended December 31

	 2015	2014
Operating Activities		
Deficiency of revenues over expenditures	\$ (26,940) \$	(77,563)
Item not involving cash Amortization Changes in non-cash working capital Prepaid expenses Accounts receivable Note receivable Accounts payable and accrued liabilities Deferred revenue ash Provided by (Used in) Operating Activities westing Activities Website development costs incurred Additions to property and equipment	40,392	29,170
	13,452	(48,393)
Changes in non-cash working capital		
	(1,002)	17,852
	5,563	(4,392)
Note receivable	27,500	26,500
Accounts payable and accrued liabilities	(59,155)	33,543
	 192	114,226
	(26,902)	187,729
Cash Provided by (Used in) Operating Activities	(13,450)	139,336
Investing Activities		
	(4,150)	(22,895)
	 (12,527)	(150,709)
Cash Used in Investing Activities	 (16,677)	(173,604)
Financing Activity		
Repayment of long-term debt	(24,378)	(115,332)
Outflow of Cash	(54,505)	(149,600)
Cash, Beginning of Year	1,343,759	1,493,359
Cash, End of Year	\$ 1,289,254 \$	1,343,759
Supplemental Cash Flow Information		
Non-cash investing activity:		
Deposits for additions to property and equipment	\$ 0 \$	53,900

Notes to Financial Statements Year Ended December 31, 2015

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 and continuing education are recognized as revenue when the member is invoiced.

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
Furniture	 4 years 	straight-line
Online computer software	- 4 years	straight-line
Office equipment	- 4 years	straight-line
Computer equipment	- 3 years	straight-line

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

(c) Website

Website is recorded at cost less accumulated amortization. The website is amortized using a five-year straight-line method. Additions during the year are amortized at one-half the annual rates.

(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.

Notes to Financial Statements Year Ended December 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 and changes in net assets.

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 and changes in net assets. In the event a previously recognized impairment loss should be reversed, the amount of the reversal is recognized in the statement of operations and changes in net assets 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 and changes in net assets 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.

(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.

Notes to Financial Statements Year Ended December 31, 2015

3. FINANCIAL INSTRUMENTS (Continued)

(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 variable interest rate long-term debt.

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	2015	2014
Land	\$ 769,273	\$ 0\$	769,273 \$	769,273
Building	330,556	29,688	300,868	300,615
Furniture	43,754	16,408	27,346	38,285
Online computer software	86,749	84,413	2,336	4,982
Office equipment	7,495	6,060	1,435	2,563
Computer equipment	37,545	36,577	968	6,882
	\$ 1,275,372	\$ 173,146 \$	1,102,226 \$	1,122,600

5. NOTE RECEIVABLE

The note receivable was and interest-free loan due from a former registrant as a result of various fines and restitution for legal expenses.

The College placed a lien on the former registrant's principal residence as security against the note receivable. The registrant was reinstated in 2014, and under the terms of reinstatement, is required to repay the outstanding balance over a two-year period ending in 2016.

During the year, the registrant paid back the note receivable in entirety.

In addition, the College issued a penalty of \$50,000 (2014 - \$10,000) and restitution for hearing costs of \$15,879 (2014 - \$13,006) (excluding interest) to be paid by a former registrant.

6. WEBSITE

	Accumulated						
		Cost	Amortizati	on	2015	2014	
Website	\$	74,90	9\$ 7,	491 \$	67,418 \$	70,759	

Notes to Financial Statements Year Ended December 31, 2015

7. LONG-TERM DEBT

	 2015	 2014
Bank of Montreal, variable interest rate loan at prime plus 0.5% per annum, repayable in monthly instalments of \$2,639 including interest, due May 30, 2032	\$ 289,702	\$ 314,080
Less: Current portion	 22,160	 17,507
	\$ 267,542	\$ 296,573

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

2016	\$	22,160
2017	•	22,277
2018		23,411
2019		24,244
2020		25,106
Subsequent years		172,504
	_	
	\$	289.702

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 that 1.5:1 as covenant on its loan. As at December 31, 2015, the College did not meet the debt service ratio covenant. The bank has waived in writing its right to demand repayment of the loan within the next fiscal year. Accordingly, the loan has been classified as a long-term liability in these financial statements.

8. COMMITMENT

The College is committed to an equipment lease payment totaling \$27,697 over the remaining term expiring May 26, 2019.

2016	\$	8,522
2017		8,522
2018		8,522
2019	<u></u>	2,131
	_	
	\$	27,697

9. SUBSEQUENT EVENT

Subsequent to year-end, a special resolution was passed by the Board of Directors to assess a special levy of \$250 per registrant for all classes of registrants registered as of December 1, 2015. The special levy is to be paid to the College no later than March 31, 2016.

College of Optometrists of British Columbia

906 – 938 Howe Street Vancouver, BC V6Z 1N9

Telephone: (604) 623-3464

Toll Free Phone: 1-866-910-3464

Fax: (604) 623-3465

Email: college@optometrybc.ca Website: optometrybc.ca

