



ALBERTA college
of OPTOMETRISTS

ANNUAL REPORT

TO

GOVERNMENT

2007

Mission Statement

Alberta College of Optometrists

The mission of the Alberta College of Optometrists is to ensure that the practice and the promotion of Optometry within Alberta is conducted in the best interests of the public through the exercise of the regulatory powers granted to the College in the Health Professions Act, the Optometrists Profession Regulation and the Bylaws of the College.

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## **President's Report**

It has been my pleasure to serve as President of your College this past year. I am pleased

with the progress of the College Council as it evolves into a policy governance board. This process was started by Bob DeMara, then Gary Wetmore moved it further along, and I followed their wise lead. A policy governance board depends on a quality Council plus efficient and effective staff. We are indeed fortunate to have Dr. Gordon Hensel as our Registrar, Bonnie Sniedze as our Executive Assistant, and Betty Gill as our part-time Bookkeeper. My thanks are extended to Gord, Bonnie and Betty for continuing to ensure that the office runs smoothly.

I have enjoyed working with a great Council: Drs. Shane Keddie, Mark Bourdeau, Rod Huszar, Lori Jaffray, and Scott Poxon are complemented by our past president, Dr. Gary Wetmore, plus our public representatives Gary Christopherson and Gayle Stevens-Guille. I would like to thank each of them for their ongoing efforts and quality input.

In order to serve our members and our mandate, the College could only function when the committees under Council do their vital jobs. I can report our committees are doing a great job on your behalf, but, as always, we would be happy to have even more members volunteer so we can continue to properly and effectively self regulate our own profession. Volunteerism is a great way to learn more about your college and your profession. I urge every member to consider investing some of his/her time to this rewarding and learning experience. I would like to take this opportunity to thank all members who have given of their time and energy to the many College committees.

The most exciting milestone of my term was the recent move into a new office in a building we own jointly with the AAO. While the ACO and AAO Councils will always have different perspectives on issues due to our separate mandates, I believe the future for co-operation and understanding is unparalleled if both Councils continue to communicate effectively.

As both Councils are on the path of policy governance, I see great possibilities for improved communication due to our new real estate arrangement. It will always be a process that requires high quality communication based on respect for each Council's objectives. The process is indeed worthwhile as it is only when the two Councils have common goals that we can work together to move our profession forward.

As I look forward, I see a bright future for our profession. In the past, our profession had worked long and hard to establish trust with both the public and government. Your College has a legal obligation and professional duty to protect that trust, and with each member's support and input, I am optimistic we will continue building that brighter future.

Respectfully submitted,

Gerry R. Leinweber, O.D.

**Registrar's Report**

The Registrar is involved in many activities such as the preliminary handling of

grievances, investigations of formal complaints, review of preliminary investigations, administration of new registrations, processing of optometric professional corporations and communication with other regulatory authorities, associations and government departments.

I am also very involved with the day-to-day operations of all standing and ad-hoc committees. With the plethora of activity in each committee, I rely very heavily on the committee chairmen and their respective committee members for their insight and initiative. These individuals have performed their statutory duties in a professional manner and should be commended. I join all regulated members in thanking:

**A. Competence Committee**

Dr. Gary Watson - Chairman  
Dr. Lance Couture - Secretary  
Dr. Rob Eastwood  
Dr. Gene Edworthy  
Dr. Ed Jang  
Dr. Charles Klettke  
Dr. Peter McGuigan  
Dr. Sunil Mehta  
Dr. Holly Parker  
Dr. Wes Prince  
Dr. Christine Russo

**B. Hearings Director and Membership List**

Dr. Len Bistriz - Hearings Director  
Dr. Dennis Heimdahl  
Dr. Neil Starko  
Dr. Fran Tatabe  
Dr. Ernie Watson

**C. Legislation Committee**

Dr. Laura Dwernichuk  
Dr. Larry Kanters  
Dr. Craig McQueen

**D. Mediators**

Dr. Harvey Hazelaar  
Dr. Doug Howes  
Dr. Wayne Klettke

**E. Registration Committee**

Dr. Mona Purba - Chairman  
Dr. Grant Balen

Dr. Angela Endres  
Dr. Steve Krein  
Dr. Stan Russo

**F. Canadian Examiners in Optometry**

Dr. Lori Jaffray - Alberta representative

I would also like to thank Mrs. Bonnie Sniedze for performing the daily activities in the College office in an extremely efficient and kindhearted manner. It is only due to her tireless and resourceful efforts that the ACO office continues to run smoothly and efficiently. Our part-time bookkeeper, Mrs. Betty Gill, also performs her duties admirably.

As of September 01, 2007, a total of 442 members, 265 professional corporations and 2 Limited Liability Partnerships were registered with the Alberta College of Optometrists. Although, the total number of regulated members increased by about 11% (from last year), the number of female members increased 15% and the number of male members increased 8%. The current membership breakdown is as follows:

|                          |            |
|--------------------------|------------|
| Female Regulated Members | 158        |
| Male Regulated Members   | <u>284</u> |
| Total Regulated Members  | 442        |

On behalf of all regulated members, I would like to welcome the following optometrists who have registered with the ACO since last year's Annual General Meeting:

|                         |                            |
|-------------------------|----------------------------|
| Dr. Monzer Al-Bekai     | Dr. Ali Hussien            |
| Dr. Nasiruddin Ali Khan | Dr. Y-Nhi Luong Huynh      |
| Dr. Jaswinder Bains     | Dr. Dayna Jones            |
| Dr. Gaggandeep Basra    | Dr. Bernard Kim            |
| Dr. William Bercha      | Dr. Anne-Michelle Larocque |
| Dr. Daryl Berger        | Dr. Julie Lee-Ying         |
| Dr. Shmyla Chaudhery    | Dr. Micah Luong            |
| Dr. Samandeep Dhaliwal  | Dr. Brian Mah              |
| Dr. Julie Dien          | Dr. Sarah Morris           |
| Dr. Kris Duguay         | Dr. Shelina Mulji          |
| Dr. Mark Frohlich       | Dr. Katie Olineck          |
| Dr. Shikha Garg         | Dr. Joanna Phillips        |
| Dr. Alina Gupta         | Dr. Fayaz Ravji            |
| Dr. Aaron Hesla         | Dr. Celina Shih            |
| Dr. Ryan Hogan          | Dr. Douglas Stefanyk       |
| Dr. Andrew Hoover       | Dr. Pamela Syrota          |
| Dr. Austin Hornberger   | Dr. Carol Tam              |
| Dr. Rochelle Hudson     | Dr. Hue Tu                 |
| Dr. Daniel Hurd         | Dr. Susan Wong             |
| Dr. Karen Feng          | Dr. Shane Groeneweg        |
| Dr. Julie Theng         | Dr. Lara Draper            |

I also serve as the ACO representative to CORA (Canadian Optometric Regulatory Authorities). We meet twice a year to discuss common issues and challenges, the CSAO national exams, the Canadian Examiners in Optometry, the Waterloo Bridging Program for international optometry graduates and the Mutual Recognition Agreement. I also attend the CAO Leadership Forum on behalf of Council.

Finally, I would like to thank all the regulated members that I have had the pleasure of interacting with this past year. As a self-regulating profession, our mandate is to protect and serve the public interest. Since this mandate may sometimes conflict with the personal interest of members of the profession, I thank you all for your understanding and co-operation as my duties do become difficult at times.

Respectfully Submitted,

Gordon Hensel, O.D., F.A.A.O.

## **Privacy Officer's Report**

All of the new privacy legislation attempts to balance an individual's right to have his/her

personal information protected and the need for practitioners to collect, use and disclose personal information for purposes that are considered reasonable. Reasonableness results from reviewing the situation from a third party standpoint and being fair, rational and truthful.

Since last year's AGM, only 1 complaint regarding possible privacy infringement was received at the ACO office. This complaint was resolved with the assistance of the ACO Privacy Officer, the complainant, the retail optical and the regulated member in question. The complaint involved an improper authorization for release of an optical prescription.

In order that all regulated members learn from the experiences of others, a summary of this complaint and actions taken to alleviate future occurrences will appear in a future issue of the ACO Communicator newsletter.

If you have any concerns or questions about privacy protocols, please review the privacy information contained in your ACO blue binder or as published on the ACO web-site.

If there are any further questions about specific issues not covered in the ACO blue binder or on the web-site, please contact the Alberta College of Optometrists office or the Privacy Commissioner of Alberta.

Respectfully submitted

Gordon Hensel, O.D., F.A.A.O.

## **Registration Committee Report**

The mandate of the Registration Committee is to review all applications for registration in Alberta as well as to undertake any other duty as mandated by the Health Professions

Act. To this end, the committee recently updated the ACO Registration and Licensure Information Package that will also be posted on the ACO website. This information details the necessary steps to obtain a practice permit in Alberta for various categories of membership.

Since the last Annual General Meeting (AGM) a change was made to now allow applicants to apply directly to the CEO (Canadian Examiners in Optometry) to challenge the CSAO exam. Previously, applicants had to register with a province, be sponsored by that province, write the CSAO, and then go back to complete their registration with that same province. This new system removes many of the administration redundancies, creates less confusion for applicants, and saves time and money for provincial registration committees.

One other change to the registration requirements have also been made since the last AGM. Applicants are now required to possess a current HCP (Health Care Practitioner) CPR certificate. This new designation replaces the previous Level “C” CPR certification.

A total of 40 applicants wrote the ACO Jurisprudence exam this past year. Of this total, 39 passed on the first attempt and one passed on their second attempt.

The Registration Committee would like to congratulate all new practitioners and welcome them to Alberta. On behalf of the entire membership, we hope your registration is just the first step in a lifelong professional career of learning and personal fulfillment.

Respectfully submitted,

Mona Purba, O.D.  
Chairperson

## **Competence Committee Report**

The Competence Committee’s (CC) mandate is to ensure members of this profession are practicing at a level consistent with the required Standards of Practice established by the

Alberta College of Optometrists. These Standards are periodically reviewed and adjusted as deemed necessary. With more demands being placed upon our profession by the public, other health care providers, and the government, the CC continues to evolve respecting its methodology for determining competency.

A CC Think Tank was held earlier this spring in Red Deer. Two areas were addressed:

1. The need for the CC to check billing practices of all ACO members.

After presentations from the ACO Council and round table discussions, it was decided that the CC would only “spot check” AH&W billings. To better determine the method of billing, a “billing self assessment” form is now being included with each practice review. This form needs to be completed by the member prior to their actual review and given to the reviewer. The information provided by the practitioner will be assessed by the CC and attached to his/her final practice review report.

2. Methodology for conducting reviews.

In the past, CC members generally reviewed charts on their own usually with the assistance of a practitioner’s staff member. Upon completion, the reviewer met with the practitioner to go over the findings. With the various methods of record keeping now being used by the membership, it was becoming difficult to accurately assess patient charts, especially written charts. CC members are now conducting reviews with the requirement that the member be present during the course of the review. This format provides greater opportunity for both parties to interact during the review process and helps to clarify documentation contained within patient charts.

The CC remains very busy due to increasing yearly membership. Of the 101 reviews conducted since the Fall 2006 and Spring 2007, the following data is provided for your information. (It should be noted that the committee as a whole determines all final outcomes.)

|                                 |    |
|---------------------------------|----|
| Satisfactory Reviews            | 67 |
| Minor Remediations              | 24 |
| Unsatisfactory Reviews          | 5  |
| Tabled Reviews                  | 4  |
| Referred to Complaints Director | 1  |

Minor remediation requires the practitioner to inform the CC in writing that he/she has complied and made the necessary changes. Major remediation requires a 90 day follow-up visit to be conducted by a different reviewer to determine that the necessary changes have occurred. 90 day follow-up reviews are performed at the practitioner’s cost and members will be billed accordingly.

The committee will continue to adapt to the changes occurring within our profession. At present any changes in policy are provided to the membership via a printed article

published in the ACO newsletter, so look for this information whenever you receive your copy of the ACO Communicator.

I would like to take this opportunity to thank CC members Drs. Peter McGuigan, Charles Klettke, Lance Couture, Gene Edworthy, Ed Jang, Rob Eastwood, Holly Parker, Christine Russo and Wes Prince who have once again done an excellent job over the course of this past year. We have three new CC members, Dr. Sunny Mehta of Edmonton and Drs. Sandra Oshanyk and Sherri Norris of Calgary, who all join the Committee this fall. I would also like to thank Mrs. Bonnie Sniedze and Dr. Gordon Hensel for their never-ending assistance to this vital committee.

Unfortunately, two long time members of this group, Drs. Charles Klettke and Lance Couture, both from Calgary, will be stepping down this year. They have given much to this profession and their insights and expertise will be greatly missed. On behalf of the entire ACO membership, all the past and present members of the PRB, and the Competence Committee, I wish them all the best in their future endeavours.

Respectfully Submitted,

Gary Watson O.D.  
Chairman

## **Complaints Director's Report**

The Complaints Director is responsible for accepting written, signed complaints regarding regulated and former members, and fulfilling the College's mandate of public

protection with proper investigation and resolution of these complaints. Fortunately, the Health Professions Act allows more avenues for resolution than our previous Optometry Profession Act.

Since last years AGM, a total of 5 written complaints were received at the ACO office. The actions taken on these 5 complaints are as follows:

- a) Resolved with the assistance of the Complaints Director - 1
- b) Practitioner referred for remediation - 1
- c) Dismissed due to insufficient or no evidence of unprofessional conduct - 2
- d) Investigation not yet completed - 1

The first complaint was resolved with the assistance of the Complaints Director involved a patient who was unhappy with the resolution of their original complaint by an ACO Mediator. The patient wanted a full refund for their eyeglass prescription, but wanted to keep the eyeglasses as compensation for their time and trouble. The regulated member did offer to provide a full refund upon return of the eyeglasses, but also wanted to notify the patient's insurance company about the final "free" price of the eyeglasses. The patient declined the offer and decided to keep the eyeglasses. (Interesting note: The insurance company was perplexed why the client claimed for new glasses every year while the regulated member noted that the patient's eyeglasses were over 10 years old.)

The second complaint involved a referral from the ACO Competence Committee concerning a regulated member who did not meet the ACO Standards of Practice. The member is currently completing their individual remediation program and will undergo a follow-up practice review (at his/her own expense) upon completion.

The two complaints that were dismissed due to insufficient or no evidence of unprofessional conduct involved one regulated member who allegedly uttered false and potentially libelous comments about another health care professional; and another regulated member who allegedly used illegal advertising tactics to further their private office advertising and slander the name of another regulated member.

The last case that is still under investigation involves a potentially improper business deal between an ophthalmologist and an optometrist.

I would like to thank the following regulated members who performed preliminary investigations this past year on behalf of the College in a compassionate and professional manner: Drs. Bob DeMara, Donald Hegland, and Sophie Jobin.

Respectfully submitted,

Gordon Hensel, O.D., F.A.A.O.

**Mediator's Report**  
**Medicine Hat/Lethbridge Area**

No complaints were directed to me during the course of this past year. I'd like to thank all optometrists in the Medicine Hat/Lethbridge area for continuing to communicate positively with their patients and being pro-active in resolving any patient problems.

Respectfully submitted,

Doug Howes, O.D.

## **Mediator's Report Northern Region**

Since the last AGM, a total of 18 complaints were successfully mediated in the Edmonton and northern areas of the province.

Fourteen complaints involved dissatisfaction with glasses or contact lenses, glasses too heavy, poor acuity with their new Rx, price greater when picking up the glasses than what was originally quoted, frame provided not the original one selected and headaches or eyestrain with their new Rx. All of these complaints were successfully mediated when the optometrist in question was contacted and the patient returned to his/her office.

Three complaints involved patients inquiring about potential improper billings for services. These were all successfully mediated when the optometrist contacted the patient and explained what constitutes an insured service as opposed to what constitutes an uninsured service. One complaint involved an optometrist who refused to perform an eye examination for a patient who wished to fill their prescription elsewhere. The optometrist agreed to perform the exam when informed that their actions were in violation of the ACO Code of Ethics.

I would like to thank all regulated members who responded in a quick and compassionate manner when called.

Respectfully submitted,

Harvey Hazelaar, O.D.  
Chairman, Northern Region

## **Mediator's Report Calgary and Area**

Since the last AGM I have mediated only 7 complaints which are identified as follows:

Prescription problems with spectacles or contact lenses = 5  
Questions regarding billing or fees = 2

In almost every instance the queries were successfully resolved by mediation. I would like to thank all members for continuing to do such a great job in keeping the number of patient complaints to such a low level again this year.

Communication is the key to avoidance of misunderstandings and I would like to thank those members who responded quickly to resolve mediations as soon as they were brought to their attention.

Respectfully submitted,

Wayne Klettke, O.D.  
Chairman

## **Addition to Calgary and Area Report**

During the several months I covered for Dr. Wayne Klettke while he was away I received four grievances ranging from not being given contact lens information, thinking the prescription was incorrect, and feeling that they were being discriminated against because they were social services recipients.

All complaints were resolved once the practitioners' offices were aware of their patients concerns. A special thank you is extended to these optometrists for their quick and effective co-operation.

Respectfully submitted,

Doug Howes, O.D.  
Chairman  
Medicine Hat/Lethbridge Area

## **Hearings Director's Report**

No new hearings have been undertaken since last year's AGM.

The one case that was still pending as at last year's AGM Report was heard by the Hearing Tribunal and a final decision had been made. That decision is now under appeal (as requested by the regulated member) to the ACO Council with the appeal date set for November 16, 2007.

Respectfully submitted,

Len Bistriz, O.D.  
Hearings Director

## **Public Members Report**

During 2007 the Council of the Alberta College of Optometrists welcomed Gayle Steven-Guille to the Board. She replaced Mr. Michael Nish, who had served on Council for four years. All public members are appointed through Order-in-Council. Gary Christopherson, now the senior public member, has served on Council for three years, this being his fourth annual general meeting. Gayle Stevens-Guille brings to the College a background in nursing and extensive community involvement. She looks forward to serving the public interest and optometry in the coming years.

### **Role of Public Members**

The Health Professions Act (HPA) dictates that all self-regulated professions include public representation on their boards. The reason is to provide balance, transparency and of course, to ensure the public interest is protected. Balance is provided, in the case of the ACO, by the ratio of 6 optometrists to 2 lay people as voting members on the College Council. The public members also examine issues through a "public interest filter" that is not anchored within the profession. In fact, their contribution to Council debate is often through the perception of the general public.

Public members serve basically as volunteers, with only a token *per diem* paid by government. To ensure objectivity, regulatory colleges cannot provide public members with any additional funds. Travel expenses to attend board meetings are covered at government rates.

Public members are often challenged by issues that require specialized knowledge of specific profession-based practice and technology. Despite this, we are energized by the opportunity to serve the various health professions. Your public members are inspired by the professionalism of the optometrists who sit on the ACO Council and their dedication to

serving both optometry and the public interest. We are also impressed by the professional rigour and compassion shown by the ACO Registrar and staff.

### **Education & Marketing**

In recent years the provincial government has been seeking more efficient ways of delivering health care to Albertans. Part of this process includes the recognition of a wide range of health professions under the Health Professions Act.

As these various health professions gain recognition, their profiles will be raised in the public consciousness. However, the public is often confused by the roles of these new health professions. It may be difficult for the public to understand which professional is the appropriate choice for their circumstances. Choice is further compounded by the public's perception of training and price. It is human nature to want to be treated by the best educated or most competent practitioner, except when it costs money, when the cheapest may be the preferred option. Unless, of course, there is a perception that the cheapest option may detrimentally impact one's health at which point economy may weigh less in personal health care decisions.

The point is that the public often does not have the knowledge to make informed health care choices between the professions. There is little public knowledge about the competencies and training of health professionals and about public and private costs. This situation suggests a need for the profession of optometry to educate the public about the competencies and training of the various eye-care providers and the public and private costs of diagnostic and treatment procedures.

It will be especially important to differentiate public education, which is in the public interest, with the marketing of optometry, which is in the interest of the profession. One is within the purview of the College, the other the Association. As health care reform proceeds and the public becomes more responsible for their health care choices, the College and Association will need to consider these issues, and possibly develop and fund joint innovative programs to reach the public.

### **Roles of the College & Association**

One of the most significant events since our last AGM is the joint purchase by the ACO and the AAO of our new office building on Argyll Road. Sharing the same building can provide economies and improve cooperation between the College and Association. These may become increasingly important as health care and optometry evolve in Alberta. For example, one can foresee education and Standards of Practice as issues that will affect both the ACO and the AAO and can benefit from proximity.

However, the joint tenancy and common issues will make it more challenging to separate the public interest from the interests of the profession. Only five years ago, the legal firm Miller Thompson wrote a discussion paper to describe current thinking on the subject. They noted "The regulatory functions of a College are performed on behalf of the public, whereas member service function of a professional organization are performed on behalf of the members of the profession. There can be a conflict of interest between these two functions. At the time the report was released, the government was insisting on both a physical and a functional separation of each College and its member service association".

Recently, more professions have been proclaimed in the Health Professions Act as joint College and Association.

From that original opinion to our joint tenancy at Argyll Road shows how quickly health care and regulatory reform are proceeding in Alberta.

### **Alberta College of Optometrists Website**

The College website serves several purposes: public education, conflict resolution, legislation and governance repositories, professional education and registration information. As more individuals use the internet for information searches, it will be necessary to update the current ACO website and implement strategies for revisions on a regular basis. These updates and revisions will need to consider government inspired changes to the profession and the public's need for knowledge about vision issues and optometry.

Respectfully submitted:

Gary Christopherson and Gayle Stevens-Guille

# **Auditor's Report**

**2007**



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**ALBERTA COLLEGE OF OPTOMETRISTS**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2007

# ALBERTA COLLEGE OF OPTOMETRISTS

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2007

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**Partners**

Zavhar K. Tejpar\* CA  
Brenda G. Pisko\* CA

**Associate**

Daisie W. Pon\* CMA

\*Professional Corporation

## AUDITORS' REPORT

To the Members of Alberta College of Optometrists:

We have audited the statement of financial position of Alberta College of Optometrists as at December 31, 2007 and the statements of changes in net assets, operations and cash flows for the year then ended. These financial statements are the responsibility of the College's management. 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 an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at December 31, 2007, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

April 10, 2008  
Edmonton, Alberta

  
CHARTERED ACCOUNTANTS

# ALBERTA COLLEGE OF OPTOMETRISTS

## Statement of Financial Position As at December 31, 2007

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|                                                            | <u>2007</u>      | <u>2006</u>      |
|------------------------------------------------------------|------------------|------------------|
| <b>ASSETS</b>                                              |                  |                  |
| Current Assets:                                            | \$               | \$               |
| Cash                                                       | 463,150          | 340,926          |
| Marketable securities, <i>Note 3</i>                       | 184,347          | 539,301          |
| Accounts receivable                                        | 23,245           | 188,375          |
| Prepaid expenses                                           | <u>-</u>         | <u>9,537</u>     |
| Total current assets                                       | 670,742          | 1,078,139        |
| Capital Assets, <i>Note 4</i>                              | <u>1,348,302</u> | <u>854,064</u>   |
|                                                            | <u>2,019,044</u> | <u>1,932,203</u> |
| <b>LIABILITIES</b>                                         |                  |                  |
| Current Liabilities:                                       |                  |                  |
| Accounts payable                                           | 27,332           | 17,208           |
| Due to related party, <i>Note 5</i>                        | 18,844           | 29,143           |
| Callable debt due within one year                          | 40,000           | 40,000           |
| Members' dues collected in advance                         | <u>535,500</u>   | <u>566,685</u>   |
| Total current liabilities                                  | 621,676          | 653,036          |
| Callable Debt, <i>Note 6</i>                               | <u>499,999</u>   | <u>540,000</u>   |
| Total liabilities                                          | <u>1,121,675</u> | <u>1,193,036</u> |
| <b>NET ASSETS</b>                                          |                  |                  |
| Invested in Capital Assets                                 | 808,303          | 274,064          |
| Internally Restricted for Competency Review, <i>Note 7</i> | 2,126            | 2,126            |
| Unrestricted                                               | <u>86,940</u>    | <u>462,977</u>   |
| Net Assets                                                 | <u>897,369</u>   | <u>739,167</u>   |
|                                                            | <u>2,019,044</u> | <u>1,932,203</u> |

SIGNED ON BEHALF OF THE BOARD:

Director: \_\_\_\_\_

Director: \_\_\_\_\_

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*The accompanying notes and schedules are an integral part of these financial statements.*

# ALBERTA COLLEGE OF OPTOMETRISTS

## Statement of Changes in Net Assets For the Year Ended December 31, 2007

|                                   | 2007                |                                                 |                                       |                |
|-----------------------------------|---------------------|-------------------------------------------------|---------------------------------------|----------------|
|                                   | <u>Unrestricted</u> | <u>Restricted for<br/>Competency<br/>Review</u> | <u>Invested in<br/>Capital Assets</u> | <u>Total</u>   |
| Balance, beginning of year        | \$ 462,977          | \$ 2,126                                        | \$ 274,064                            | \$ 739,167     |
| Excess of revenues (expenditures) | 220,998             | -                                               | (62,796)                              | 158,202        |
| Investment in capital assets      | <u>(597,035)</u>    | <u>-</u>                                        | <u>597,035</u>                        | <u>-</u>       |
| Balance, end of year              | <u>86,940</u>       | <u>2,126</u>                                    | <u>808,303</u>                        | <u>897,369</u> |

  

|                                   | 2006                |                                                 |                                       |                |
|-----------------------------------|---------------------|-------------------------------------------------|---------------------------------------|----------------|
|                                   | <u>Unrestricted</u> | <u>Restricted for<br/>Competency<br/>Review</u> | <u>Invested in<br/>Capital Assets</u> | <u>Total</u>   |
| Balance, beginning of year        | \$ 618,707          | \$ 6,116                                        | \$ 20,722                             | \$ 645,545     |
| Excess of revenues (expenditures) | 106,752             | (3,990)                                         | (9,140)                               | 93,622         |
| Investment in capital assets      | <u>(262,482)</u>    | <u>-</u>                                        | <u>262,482</u>                        | <u>-</u>       |
| Balance, end of year              | <u>462,977</u>      | <u>2,126</u>                                    | <u>274,064</u>                        | <u>739,167</u> |

*The accompanying notes and schedules are an integral part of these financial statements.*

# ALBERTA COLLEGE OF OPTOMETRISTS

## Statement of Operations For the Year Ended December 31, 2007

|                                                 | 2007           |                |                                    | 2006<br>Actual<br>\$ |
|-------------------------------------------------|----------------|----------------|------------------------------------|----------------------|
|                                                 | Actual         | Budget         | Variance                           |                      |
|                                                 | \$             | \$             | Favourable<br>(Unfavourable)<br>\$ |                      |
| <b>Revenues:</b>                                |                |                |                                    |                      |
| Member dues                                     | 515,400        | 578,900        | (63,500)                           | 477,060              |
| Special levy                                    | 86,200         | 80,000         | 6,200                              | -                    |
| Rental income                                   | 25,915         | -              | 25,915                             | 12,957               |
| Application and registration fees               | 25,308         | 25,200         | 108                                | 21,229               |
| Professional Corporation dues                   | 21,400         | 15,900         | 5,500                              | 19,100               |
| Interest                                        | 15,592         | 3,025          | 12,567                             | 23,764               |
|                                                 | <u>689,815</u> | <u>703,025</u> | <u>(13,210)</u>                    | <u>554,110</u>       |
| <b>Expenditures:</b>                            |                |                |                                    |                      |
| Administrative and executive, <i>Schedule I</i> | 390,970        | 412,100        | 21,130                             | 377,599              |
| College committees, <i>Schedule II</i>          | 77,847         | 130,000        | 52,153                             | 73,749               |
| Amortization                                    | 63,236         | 10,000         | (53,236)                           | 9,317                |
| Gain on sale of equipment                       | (440)          | -              | 440                                | (177)                |
| Contingency                                     | -              | 20,613         | 20,613                             | -                    |
| Capital expenditures                            | -              | 135,000        | 135,000                            | -                    |
|                                                 | <u>531,613</u> | <u>707,713</u> | <u>176,100</u>                     | <u>460,488</u>       |
| <b>Excess of revenues (expenditures)</b>        | <u>158,202</u> | <u>(4,688)</u> | <u>162,890</u>                     | <u>93,622</u>        |

*The accompanying notes and schedules are an integral part of these financial statements.*

# ALBERTA COLLEGE OF OPTOMETRISTS

## Statement of Cash Flows For the Year Ended December 31, 2007

| CASH PROVIDED FROM (USED IN):                         | 2007                  | 2006                  |
|-------------------------------------------------------|-----------------------|-----------------------|
|                                                       | \$                    | \$                    |
| <b>OPERATING ACTIVITIES:</b>                          |                       |                       |
| Excess of revenues                                    | 158,202               | 93,622                |
| Amortization                                          | 63,236                | 9,317                 |
| Gain on sale of capital assets                        | (440)                 | (177)                 |
|                                                       | <u>220,998</u>        | <u>102,762</u>        |
| Changes to non-cash operating assets and liabilities: |                       |                       |
| Accounts receivable                                   | 165,130               | (32,830)              |
| Prepaid expenses                                      | 9,537                 | (5,805)               |
| Accounts payable                                      | 10,124                | (1,201)               |
| Members' dues collected in advance                    | (31,185)              | 97,540                |
|                                                       | <u>374,604</u>        | <u>160,466</u>        |
| <b>FINANCING ACTIVITIES:</b>                          |                       |                       |
| Net change due to related party                       | (10,299)              | 25,506                |
| Issuance of callable debt                             | -                     | 600,000               |
| Payments on callable debt                             | (40,001)              | (20,000)              |
|                                                       | <u>(50,300)</u>       | <u>605,506</u>        |
| <b>INVESTMENT ACTIVITIES:</b>                         |                       |                       |
| Net change to marketable securities                   | 354,954               | 96,699                |
| Purchase of capital assets                            | (559,034)             | (843,365)             |
| Proceeds on disposal of capital assets                | 2,000                 | 883                   |
|                                                       | <u>(202,080)</u>      | <u>(745,783)</u>      |
| <b>INCREASE TO CASH</b>                               | <b>122,224</b>        | <b>20,189</b>         |
| <b>CASH, BEGINNING OF YEAR</b>                        | <b><u>340,926</u></b> | <b><u>320,737</u></b> |
| <b>CASH, END OF YEAR</b>                              | <b><u>463,150</u></b> | <b><u>340,926</u></b> |
| <b>SUPPLEMENTAL DISCLOSURE:</b>                       |                       |                       |
| Interest received                                     | <u>25,258</u>         | <u>23,289</u>         |
| Interest paid                                         | <u>35,455</u>         | <u>18,842</u>         |

*The accompanying notes and schedules are an integral part of these financial statements.*

# ALBERTA COLLEGE OF OPTOMETRISTS

Notes to the Financial Statements  
For the Year Ended December 31, 2007

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1. PURPOSE OF ORGANIZATION:

Alberta College of Optometrists is responsible for the registration, conduct and discipline of optometrists in Alberta and strives to ensure that the practice and promotion of optometry is conducted in the best interests of the public. Alberta College of Optometrists is incorporated under the Health Professions Act and is a not-for-profit organization under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and reflect the following policies:

(a) Marketable Securities:

Marketable securities are valued at the lower of cost and quoted market value.

(b) Capital Assets and Amortization:

Amortization is recorded using the following annual rates, without residual values:

|                           |                      |
|---------------------------|----------------------|
| Building                  | 5% declining balance |
| Asphalt and parking areas | 10% straight-line    |
| Furniture                 | 20% straight-line    |

(c) Revenue Recognition:

Alberta College of Optometrists follows the deferral method of accounting for contributions. Unrestricted contributions and internally restricted investment income are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(d) Donated Services:

The work of the College is dependant on the voluntary services of many individuals. Since these services are not normally purchased by the College and because of the difficulty of determining their fair market value, donated services are not recognized in these financial statements.

# ALBERTA COLLEGE OF OPTOMETRISTS

Notes to the Financial Statements  
For the Year Ended December 31, 2007

## 2. SIGNIFICANT ACCOUNTING POLICIES, Continued:

### (e) Use of Estimates:

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

## 3. MARKETABLE SECURITIES:

Marketable securities consist of term deposits capable of prompt liquidation. These investments are recorded at cost plus accrued interest, which approximates market value. Interest rates on term deposits range from 3.8% to 4.5%.

## 4. CAPITAL ASSETS AND ACCUMULATED AMORTIZATION:

|                           | 2007             |                          | 2006             |                |
|---------------------------|------------------|--------------------------|------------------|----------------|
|                           | Cost             | Accumulated Amortization | Net Book Value   | Net Book Value |
| Land                      | \$ 378,375       | \$ -                     | \$ 378,375       | \$ -           |
| Building                  | 976,561          | 48,828                   | 927,733          | 825,342        |
| Furniture                 | 93,415           | 62,416                   | 30,999           | 28,354         |
| Asphalt and parking areas | 12,439           | 1,244                    | 11,195           | -              |
| Leasehold improvements    | -                | -                        | -                | 368            |
|                           | <u>1,460,790</u> | <u>112,488</u>           | <u>1,348,302</u> | <u>854,064</u> |

## 5. RELATED PARTY TRANSACTIONS:

- (a) The College and the Alberta Association of Optometrists (AAO), an organization with common membership, share certain common expenses paid to outside third parties and real estate acquired during the 2006 fiscal year. Reimbursements to AAO during the current year amounted to \$588,561 (2006 - \$55,937).

These transactions are in the ordinary course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

- (b) The balance payable at year-end is without security, interest or specified terms of repayment.

# ALBERTA COLLEGE OF OPTOMETRISTS

Notes to the Financial Statements  
For the Year Ended December 31, 2007

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6. CALLABLE DEBT:

|                                                                                                                                                                                                                                | <u>2007</u>    | <u>2006</u>    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                                                                                                                                                | \$             | \$             |
| Demand term bank loan, secured by building and real property with a carrying value of \$1,306,108, repayable in monthly instalments of \$3,333 plus interest at prime plus 0.25% per annum, with a maturity date of June 2021. | 539,999        | 580,000        |
| Callable debt due within one year                                                                                                                                                                                              | <u>40,000</u>  | <u>40,000</u>  |
| Due beyond one year                                                                                                                                                                                                            | <u>499,999</u> | <u>540,000</u> |

Principal repayments of callable debt over the next five years are as follows:

|                  | \$             |
|------------------|----------------|
| 2008             | 40,000         |
| 2009             | 40,000         |
| 2010             | 40,000         |
| 2011             | 40,000         |
| 2012             | 40,000         |
| Subsequent years | <u>339,999</u> |
|                  | <u>539,999</u> |

7. RESTRICTIONS ON NET ASSETS:

In 2000, a special levy was assessed for purposes of conducting a competency review in accordance with the Health Professions Act. These funds, in the amount of \$34,000 plus investment income, are internally restricted for expenditures relating to the completion of the competency review. As at December 31, 2007 the balance remaining in this fund is \$2,126.

# ALBERTA COLLEGE OF OPTOMETRISTS

Notes to the Financial Statements  
For the Year Ended December 31, 2007

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8. CREDIT FACILITIES:

The College has access to a revolving credit facility with a maximum limit of \$10,000 and a balance of nil at year-end. This facility is secured by a general security agreement and bears interest at prime plus 0.25% per annum.

9. COMPARATIVE FIGURES:

Certain of the 2006 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2007.

10. CHANGE OF AUDITORS:

The prior year's financial statements were audited by another firm of Chartered Accountants.

11. BUDGETS:

Budget information, while not forming a part of the audited financial statements, is included for information purposes.

12. FINANCIAL INSTRUMENTS:

The College's financial instruments consist of cash, marketable securities, accounts receivable, accounts payable, amounts due to related party and callable debt. It is management's opinion that the College is not exposed to significant currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

The College is exposed to interest rate risk, since the term bank loan and revolving credit facilities bear interest at prime plus 0.25%.

# ALBERTA COLLEGE OF OPTOMETRISTS

Schedules to the Financial Statements  
For the Year Ended December 31, 2007

## Administrative and Executive

## SCHEDULE I

|                                            | 2007           |                |                                          | 2006           |
|--------------------------------------------|----------------|----------------|------------------------------------------|----------------|
|                                            | Actual         | Budget         | Variance<br>Favourable<br>(Unfavourable) |                |
|                                            | \$             | \$             | \$                                       | \$             |
| Annual general meeting                     | 3,128          | 15,000         | 11,872                                   | 1,927          |
| Audit                                      | 8,771          | 10,000         | 1,229                                    | 5,643          |
| Bank charges                               | 1,916          | 1,000          | (916)                                    | 2,314          |
| Building - insurance                       | 328            | 2,500          | 2,172                                    | 1,101          |
| Building - loan interest                   | 35,455         | 38,000         | 2,545                                    | 9,421          |
| Building - property tax                    | 14,928         | 6,000          | (8,928)                                  | -              |
| Building - repairs and maintenance         | 8,210          | 10,000         | 1,790                                    | 1,679          |
| Building - utilities                       | 23,076         | 9,000          | (14,076)                                 | 10,545         |
| Computer maintenance                       | 24,695         | 25,000         | 305                                      | 37,452         |
| Council travel, accommodation and per diem | 32,221         | 31,600         | (621)                                    | 25,346         |
| Honorarium                                 | 10,000         | 12,000         | 2,000                                    | 14,000         |
| Insurance                                  | 1,359          | 3,000          | 1,641                                    | 1,360          |
| Legal fees - disciplinary action           | 21,331         | 20,000         | (1,331)                                  | 23,754         |
| Legal fees - general                       | 23,220         | 10,000         | (13,220)                                 | 44,703         |
| Office supplies                            | 6,751          | 8,000          | 1,249                                    | 7,772          |
| Postage and courier                        | 9,348          | 7,500          | (1,848)                                  | 10,599         |
| Printing                                   | 11,579         | 6,000          | (5,579)                                  | 8,783          |
| Rent                                       | 15,924         | 23,000         | 7,076                                    | 22,929         |
| Telephone                                  | 5,629          | 5,000          | (629)                                    | 4,269          |
| Wages, benefits and subcontract            | <u>133,101</u> | <u>169,500</u> | <u>36,399</u>                            | <u>144,002</u> |
|                                            | <u>390,970</u> | <u>412,100</u> | <u>21,130</u>                            | <u>377,599</u> |

# ALBERTA COLLEGE OF OPTOMETRISTS

Schedules to the Financial Statements  
For the Year Ended December 31, 2007

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|                                     | <u>College Committees</u> |                |                                | SCHEDULE II   |
|-------------------------------------|---------------------------|----------------|--------------------------------|---------------|
|                                     | 2007                      |                |                                | 2006          |
|                                     | <u>Actual</u>             | <u>Budget</u>  | <u>Variance (Unfavourable)</u> | <u>Actual</u> |
|                                     | \$                        | \$             | \$                             | \$            |
| CORA/CEO                            | 9,953                     | 12,000         | 2,047                          | 12,824        |
| Communications and public relations | 3,957                     | 10,000         | 6,043                          | 4,066         |
| Competence Committee                | 58,678                    | 50,000         | (8,678)                        | 35,096        |
| Complaints Resolution               | 581                       | 4,000          | 3,419                          | 2,588         |
| Continuing Competence Program       | -                         | 2,000          | 2,000                          | 3,990         |
| Hearings Tribunal                   | 3,412                     | 12,000         | 8,588                          | 13,135        |
| Intra/Interprofessional Relations   | -                         | 6,000          | 6,000                          | 1,583         |
| Legislative                         | 172                       | 4,000          | 3,828                          | 203           |
| Registration                        | 948                       | 3,000          | 2,052                          | 597           |
| Think tank                          | 146                       | 27,000         | 26,854                         | (333)         |
|                                     | <u>77,847</u>             | <u>130,000</u> | <u>52,153</u>                  | <u>73,749</u> |

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