

**BALANCE FOR BLIND ADULTS
FINANCIAL STATEMENTS
AS AT MARCH 31, 2015**

2 Directors to sign, & Return

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS AND MEMBERS OF BALANCE FOR BLIND ADULTS

Report on the Financial Statements

I have audited the accompanying financial statements of BALANCE for Blind Adults, which comprise the statement of financial position as at March 31, 2015, and the statements of revenues and expenditures, changes in Colin Haines Fund net assets and unrestricted net assets, and cash flow 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 auditor's 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.

I believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, these financial statements present fairly, in all material respects, the financial position of BALANCE for Blind Adults as at March 31, 2015, and its financial performance and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in cursive script that reads "Julia P. Stavreff".

CHARTERED ACCOUNTANT
LICENSED PUBLIC ACCOUNTANT

Toronto, Ontario
June 26, 2015

**BALANCE FOR BLIND ADULTS
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2015**

ASSETS

	<u>2015</u>	<u>2014</u>
Current Assets		
Bank	\$ 25,965	\$ 27,464
Investments - Note 2	242,372	245,021
HST receivable	6,812	9,016
Accounts receivable	9,870	4,000
Prepaid expenses and deposits	<u>3,687</u>	<u>3,687</u>
	288,706	289,188
LHIN-sponsored IT Systems asset - Note 4	<u>9,154</u>	<u>13,732</u>
	<u>\$ 297,860</u>	<u>\$ 302,920</u>

LIABILITIES

Current Liabilities		
Accounts payable and accrued charges	\$ 8,897	\$ 14,890
Deferred revenue - current portion - Note 4	<u>4,577</u>	<u>4,577</u>
	<u>13,474</u>	<u>19,467</u>
Deferred revenue - long term portion - Note 4	<u>4,577</u>	<u>9,155</u>
	<u>18,051</u>	<u>28,622</u>

NET ASSETS


Invested in Colin Haines Fund - Note 1(b)	12,354	19,668
Unrestricted net assets	<u>267,455</u>	<u>254,630</u>
	<u>279,809</u>	<u>274,298</u>
	<u>\$ 297,860</u>	<u>\$ 302,920</u>

APPROVED BY THE BOARD



Meenakshi Venkatesan

DIRECTOR,



Amish Lakhani

DIRECTOR

The accompanying notes form an integral part of these financial statements.
See Auditor's Report dated June 26, 2015.

**BALANCE FOR BLIND ADULTS
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2015**

	<u>2015</u>	<u>2014</u>
Revenue		
Ministry of Health LTC - LHIN - Service	\$ 536,743	\$ 536,743
Ministry of Health LTC - LHIN - IT systems upgrade	4,577	4,577
Donations	2,970	6,357
Memberships	100	196
Investment income - Note 5	3,245	13,310
Fees for service and honorariums	<u>4,613</u>	<u>6,823</u>
	<u>552,248</u>	<u>568,006</u>
Expenditures		
Salaries	382,231	382,613
Employee benefits	57,670	60,209
Staff travel	6,015	10,889
Staff training and fees	3,335	3,670
Supplies	5,962	5,192
Internet and website	1,526	1,925
Rent	42,056	50,521
Maintenance - premises	4,044	7,048
Insurance	1,949	2,210
Telephone	11,075	11,092
Office expenses	3,440	6,208
Staff resource materials	773	15
Computer replacement and upgrades	-	524
Audit, accounting and consulting	16,000	15,157
Bank charges	802	1,025
Fundraising expense	664	1,665
Amortization: LHIN-sponsored IT Systems asset - Note 4	<u>4,577</u>	<u>4,577</u>
	<u>542,119</u>	<u>564,540</u>
Excess of Revenues over Expenditures from Operations	10,129	3,466
Increase in Investment Value - Note 5	<u>2,696</u>	<u>7,003</u>
Excess of Revenues over Expenditures	<u>\$ 12,825</u>	<u>\$ 10,469</u>

The accompanying notes form an integral part of these financial statements.
See Auditor's Report dated June 26, 2015.

**BALANCE FOR BLIND ADULTS
STATEMENT OF CHANGES IN NET ASSETS
AS AT MARCH 31, 2015**

	<u>2015</u>	<u>2014</u>
COLIN HAINES FUND		
Investment income	\$ 256	\$ 1,045
Course participants' subsidies	(1,590)	(1,244)
Dialogue in the Dark project costs	<u>(6,280)</u>	<u>-</u>
(Deficiency) of revenues over expenditures - operations	(7,614)	(199)
Unrealized investment gain	<u>300</u>	<u>219</u>
(Deficiency) excess of revenue over expenditures	(7,314)	20
Balance, beginning of year	<u>19,668</u>	<u>19,648</u>
Balance, end of year	<u>\$ 12,354</u>	<u>\$ 19,668</u>
UNRESTRICTED NET ASSETS		
Excess of revenues over expenditures from:		
- operations	\$ 10,129	\$ 3,466
- investments - Note 5	<u>2,696</u>	<u>7,003</u>
Excess of revenue over expenditures	12,825	10,469
Balance, beginning of year	<u>254,630</u>	<u>244,161</u>
Balance, end of year	<u>\$ 267,455</u>	<u>\$ 254,630</u>
 Total Net Assets, end of year	 <u>\$ 279,809</u>	 <u>\$ 274,298</u>

The accompanying notes form an integral part of these financial statements.
See Auditor's Report dated June 26, 2015.

**BALANCE FOR BLIND ADULTS
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2015**

	<u>2015</u>	<u>2014</u>
CASH PROVIDED BY (USED IN)		
Operating Activities		
Excess (deficiency) of revenues over expenditures from:		
-Unrestricted net assets	\$ 10,129	\$ 3,466
-Colin Haines fund	(7,614)	(199)
Add : Items not requiring the use of cash:		
Amortization - LHIN-sponsored IT Systems asset	<u>4,577</u>	<u>4,577</u>
	<u>7,092</u>	<u>7,844</u>
Changes in Non-Cash Working Capital Balances from Operations:		
(Increase) decrease in accounts receivable	(5,870)	3,109
Decrease in HST receivable	2,204	2,057
(Increase) decrease in prepaid expenses and deposits	-	394
(Decrease) in accounts payable	(5,993)	(16,986)
(Decrease) in deferred revenue	<u>(4,577)</u>	<u>(4,577)</u>
	<u>(14,236)</u>	<u>(16,003)</u>
Investing Activities		
Colin Haines fund: unrealized investment gain	300	219
Unrestricted net assets: investment gain	<u>2,696</u>	<u>7,003</u>
	<u>2,996</u>	<u>7,222</u>
Increase (Decrease) in Cash During Year	(4,148)	(937)
Cash, at beginning of year	<u>272,485</u>	<u>273,422</u>
Cash, at end of year	<u>\$ 268,337</u>	<u>\$ 272,485</u>
Consists of:		
Bank	\$ 25,965	\$ 27,464
Investments - Note 2	<u>242,372</u>	<u>245,021</u>
	<u>\$ 268,337</u>	<u>\$ 272,485</u>

The accompanying notes form an integral part of these financial statements.
See Auditor's Report dated June 26, 2015.

**BALANCE FOR BLIND ADULTS
NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2015**

BALANCE for Blind Adults is a non-profit organization incorporated under the Registered Charities Act of Ontario and offers learning opportunities for independent living, community access and employment opportunities for individuals with visual impairment.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for Not-For-Profit Organizations (ASNPO). The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared using careful judgment within reasonable limits of materiality and within the framework of the accounting policies summarized below:

(a) Basis of Accounting and Financial Statement Preparation

BALANCE for Blind Adults reports revenue and expenses using the accrual basis of accounting, fund accounting and the deferral method of accounting for revenue.

(b) Fund Accounting

The activities of BALANCE for Blind Adults are carried out through an unrestricted general fund. The Colin Haines fund is another unrestricted fund but BALANCE for Blind Adults chooses to separately account for this fund.

(c) Revenue Recognition

The organization uses the deferral method of accounting for revenue. It recognizes restricted contributions as revenue in the period during which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or when it can be reasonably regarded as receivable.

(d) Capital Assets

In accordance with generally accepted accounting principles, non-profit organizations with revenues greater than \$500,000 are to capitalize major capital assets. There were no major capital asset additions of significance in prior years, nor in the current year. Per Note 4, an equipment grant received in the prior year requires capitalization accounting due to government regulations - this is being treated as a special different asset class.

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NOTES TO THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2015**

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial instrument measurement

The organization initially measures its financial assets and financial liabilities at fair value. It subsequently measures its investments (GIC's and mutual funds) at fair value through profit or loss. All other financial assets are subsequently measured at amortized cost, including cash and accounts receivable. All financial liabilities are subsequently measured at amortized cost, including accounts payable.

(f) Income taxes

The organization is a registered charitable organization and while registered is exempt from income tax.

2. INVESTMENTS

As indicated in Note 1, the investments are accounted for as held for trading, and are disclosed at market value. Realized income and the change in unrealized gain and loss in market value is charged to the income statement for investments that are held by BALANCE for Blind Adults. The types of investments that are held are shown below.

2015

Investment by type	<u>Cost</u>	<u>Market</u>
Cash	\$ 179,521	\$ 179,521
Bank GIC	5,662	5,662
Mutual funds - Aston Hill Capital Fund	<u>36,862</u>	<u>57,189</u>
	<u>\$ 222,045</u>	<u>\$ 242,372</u>

The cost of the investments at March 31, 2014, was \$266,582 and the market value at that date was \$245,021.

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AS AT MARCH 31, 2015**

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3. LEASE COMMITMENTS

The organization has leased office premises at 4920 Dundas Street West until November 30, 2015. The lease commitment for the eight months then ended, including operating costs and property taxes, is \$24,690.

The organization has leased office premises at 720 Spadina Avenue until March 31, 2016. The lease commitment for the year then ended, including operating costs and property taxes, is \$9,695.

4. LHIN ONE-TIME FUNDING FOR IT SYSTEMS CAPITAL ASSET ADDITION AND DEFERRED REVENUE

The Ministry of Health (MOH) requires that organizations that receive funding for information systems equipment amortize the equipment and recognize the revenue equally over five years on a straight-line basis. This differs from BALANCE for Blind Adults' regular accounting policy under which non-major capital expenditures are expensed (these IT Systems additions are considered non-major). Given the special nature of the MOH funding, BALANCE for Blind Adults is maintaining its regular capital expenditure policy but will track the MOH one-time funding capital expenditures as a special capital asset group that is amortized equally over five years using the straight-line method (results in \$4,577 amortization expense per year):

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value 2015</u>	<u>Net Book Value 2014</u>
LHIN - IT Systems asset	\$ <u>22,886</u>	\$ <u>13,732</u>	\$ <u>9,154</u>	\$ <u>13,732</u>

The net book value at year end is also the portion of the grant that is deferred revenue at year end. Of this \$9,154 total deferred revenue amount, \$4,577 is the current portion and \$4,577 is the long-term portion.

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5. INVESTMENT INCOME

Investment income includes realized income, and also the change in the unrealized market value of the fund during the year on investments owned by BALANCE for Blind Adults. These investments have been funded from cumulative fundraising efforts. The change in the investments in the year is shown below:

	<u>2015</u>	<u>2014</u>
BALANCE Funds:		
Opening balance at market value	\$ <u>225,353</u>	\$ <u>225,282</u>
Investment income in year	3,245	13,310
Increase in investment value in year	<u>2,696</u>	<u>7,003</u>
Net gain for year	5,941	20,313
Transfer of funds to operating bank account	<u>(1,276)</u>	<u>(20,242)</u>
Increase in investment holdings for year	<u>4,665</u>	<u>71</u>
Market value, end of year for general-purpose Balance funds	230,018	225,353
Colin Haines Funds:		
Market value, end of year for segregated Colin Haines Funds	<u>12,354</u>	<u>19,668</u>
Total market value of funds held	\$ <u><u>242,372</u></u>	\$ <u><u>245,021</u></u>

6. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments. The following analysis presents the organization's exposures to significant risk at the reporting date, i.e. March 31, 2015.

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NOTES TO THE FINANCIAL STATEMENTS
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6. FINANCIAL INSTRUMENTS (continued)

Credit risk

The organization is exposed to credit risk with respect to GIC's and mutual funds. However, the credit risk with respect to these investments is insignificant since they are held in large financial institutions.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to liquidity rate risk mainly in respect of its accounts payable.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk, which is explained below. Market risk also includes currency risk and other price risk, which do not apply for the organization. The organization is exposed to market risk mainly in respect of its mutual funds. (See Note 2)

Interest rate risk

The organization is exposed to interest rate risk on its variable interest rate GIC and mutual funds. Variable-rate instruments subject the organization to risk of changes in fair value. At year end, the interest rate for the GIC holding with fair market value of \$5,662 was 0.25%, and its maturity date is December 8, 2015.