

BALANCE FOR BLIND ADULTS
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Members of
BALANCE For Blind Adults

We have audited the accompanying financial statements of BALANCE For Blind Adults, which comprise the balance sheet as at March 31, 2018, and the statements of revenues and expenses, 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.

Auditor's 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 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.

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, these financial statements present fairly, in all material respects, the financial position of BALANCE For Blind Adults as at March 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matter

The balance sheet as at March 31, 2017 and the statements of revenue and expenses, changes in net assets and cash flows for the year ended March 31, 2017 were audited by another firm of chartered professional accountants who expressed an unqualified opinion on those financial statements on June 28, 2017.



Toronto, Ontario
June 18, 2018

Chartered Professional Accountants
Licensed Public Accountants

BALANCE FOR BLIND ADULTS

BALANCE SHEET

AS AT MARCH 31, 2018

	2018	2017
		<i>(note 5)</i>
ASSETS		
Current assets		
Cash	\$ 84,216	\$ 65,620
Investments <i>(note 2)</i>	250,236	246,789
HST receivable	3,642	4,609
Accounts receivable	4,240	2,700
Prepaid expenses and deposits	2,928	12,678
	345,262	332,396
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	22,059	17,482
Deferred revenue	13,323	14,698
	35,382	32,180
NET ASSETS		
General Fund	291,473	288,283
Colin Haines Fund	18,407	11,933
	309,880	300,216
	\$ 345,262	\$ 332,396

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board:

_____, Director _____, Director

BALANCE FOR BLIND ADULTS
STATEMENT OF REVENUES AND EXPENSES
YEAR ENDED MARCH 31, 2018

	2018	2017 <i>(note 5)</i>
Revenues		
Ministry of Health LTC - LHIN - Service	\$ 536,743	\$ 536,743
Ministry of Health LTC - LHIN - One-time funding	952	-
Ministry of Health LTC - LHIN - IT systems upgrade	-	4,577
Donations - unrestricted	4,228	1,874
Donation - training centre upgrades	21,403	6,274
Geoffrey H. Wood Foundation grant	-	5,000
Fundraising and event sponsorship	6,026	6,025
Summer student and other grants	4,808	950
Fees for services	2,463	3,840
Investment income <i>(note 2)</i>	5,928	15,302
	582,551	580,585
Expenses		
Salaries	391,564	378,885
Employee benefits	59,902	63,189
Staff travel	3,190	3,512
Staff training and fees	4,502	2,405
Memberships and accreditation	1,625	1,088
Supplies	4,933	4,600
Internet and website	3,575	10,000
Rent	30,094	25,081
Maintenance - premises	6,459	5,185
Insurance	2,695	2,425
Telephone	9,991	8,396
Marketing and communications	485	724
Office expenses	5,235	1,031
Computer replacement and upgrades	1,382	6,340
Audit, accounting and professional fees	24,149	23,095
Bank charges	694	976
Fundraising	569	17
Training centre upgrades	21,403	6,274
Disbursements from Colin Haines Fund	440	660
Amortization: LHIN-sponsored IT systems asset	-	4,577
Geoffrey H. Wood grant expenditures	-	5,000
	572,887	553,460
Excess of revenues over expenses for the year	\$ 9,664	\$ 27,125

The accompanying notes are an integral part of these financial statements

BALANCE FOR BLIND ADULTS

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2018

2018	General Fund	Colin Haines Fund	Total
Balance at beginning of year	\$ 288,283	\$ 11,933	\$ 300,216
Excess of revenues over expenses	9,664	-	9,664
Allocation of investment income			
Realized gains and income distribution	(422)	422	-
Unrealized gains/losses	(212)	212	-
Fund disbursements	440	(440)	-
Recovery of cost on Dialogue in the Dark	(6,280)	6,280	-
	291,473	18,407	309,880

2017	General Fund	Colin Haines Fund	Total
	<i>(note 5)</i>	<i>(note 5)</i>	<i>(note 5)</i>
Balance at beginning of year	260,493	12,598	273,091
Excess of revenues over expenses	27,125	-	27,125
Allocation of investment income			
Realized gains and income distribution	(493)	493	-
Unrealized gains/losses	498	(498)	-
Fund disbursements	660	(660)	-
	\$ 288,283	\$ 11,933	\$ 300,216

The accompanying notes are an integral part of these financial statements

BALANCE FOR BLIND ADULTS

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2018

	2018	2017
		<i>(note 5)</i>
Cash flows from operating activities		
Excess of revenues over expenses	\$ 9,664	\$ 27,125
- Realized and unrealized losses (gains)	3,771	(6,950)
- Amortization - LHIN-sponsored IT systems asset	-	4,577
	13,435	24,752
Changes in non-cash working capital balances from operations:		
(Increase) decrease in accounts receivable	(1,540)	(3,359)
(Increase) decrease in HST receivable	967	14,280
(Increase) decrease in prepaid expenses and deposits	9,750	(3,635)
Increase (decrease) in accounts payable	4,577	(1,741)
Increase (decrease) in deferred revenue	(1,375)	5,121
	12,379	10,666
Cash flows from investing activity		
Proceeds on disposal of mutual funds and redemption of GIC	8,346	5,667
Cost of purchases and reinvestments in mutual funds and GIC	(15,564)	(14,019)
Change in cash during the year	18,596	27,066
Cash - at beginning of year	65,620	38,554
Cash - at end of year	\$ 84,216	\$ 65,620

The accompanying notes are an integral part of these financial statements

BALANCE FOR BLIND ADULTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018

NATURE OF OPERATIONS

BALANCE For Blind Adults (the "Organization" or "BALANCE") is a non-profit organization incorporated under the Registered Charities Act of Ontario and is generally exempt from corporate income taxes. BALANCE offers learning opportunities for independent living, community access and employment opportunities for individuals with visual impairment.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Toronto Central Local Health Integration Network ("LHIN") - Financial Support

The major portion of the Organization's funding is provided under the terms of the service accountability agreement dated April 1, 2014 with the LHIN. This agreement extends to March 31, 2018. This financial support is provided on the basis of an approved detailed operating budget for the year. These financial statements reflect approved funding arrangements with the LHIN, together with estimated adjustments, if any, on year end settlement.

General Fund

The general fund is an unrestricted fund and reflects the day to day operations of the Organization.

Colin Haines Fund

Colin Haines Fund is an internally restricted fund and established to enable the Organization to provide its client with a small amount of financial assistance to support them in participating in community activities or purchasing items they otherwise could not afford. This fund is administered and overseen by the Executive Director of BALANCE. The monies restricted for the Colin Haines Fund are invested in mutual funds in a segregated investment account.

Revenue Recognition

The Organization follows the deferral method of accounting for contributions which include government grants, donations and other contributions.

Operating grants are recorded in the year to which they relate. Grants subject to externally imposed restrictions are initially recorded as deferred revenue and are subsequently recognized as revenue in the period in which the related expenses are incurred or other grant requirements are satisfied. Grants approved but not received at the end of an accounting period are accrued.

Unrestricted contributions are recorded when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Revenues from general fundraising events are recognized in the period in which the event takes place. Funds received from the fundraising events for specific purposes are recognized as revenue when the funds are used for the purposes specified during the fundraising event.

Fees for services are recognized as revenue when the services are performed and collection of the fees is reasonably assured.

BALANCE FOR BLIND ADULTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Investment income includes distributions from mutual funds, interest and realized and unrealized gains and losses from investments. Mutual fund distributions are recognized when declared. Interest is recognized as earned. Realized gains and losses on disposals of investments are recognized when the transactions occur. Unrealized gains and losses which reflect the changes in fair value during the period are recognized at each reporting date and are included in the statement of revenues and expenses in the current year.

Investments

Investments comprise of guaranteed investment certificates ("GIC"), which are measured at amortized cost, and mutual funds, which are measured at fair value.

Financial Instruments

The Organization initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its assets and liabilities at amortized cost except for investments in mutual funds, which are measured at fair value.

Financial assets and liabilities measured at amortized cost include cash, investments in GIC, accounts receivable and accounts payable and accrued liabilities.

Contributed Goods and Services

Donated goods and services are not recorded in the accounts of the Organization, except when fair value of such goods and services can reasonably be estimated and when the goods and services would otherwise have been purchased by the Organization.

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from these and other estimates, the impact of which could be recorded in future affected periods.

BALANCE FOR BLIND ADULTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018

2. INVESTMENTS AND INVESTMENT INCOME

Details of investments held at year end are as follows:

	<i>2018</i>	<i>2017</i>
Cash at broker	\$ -	\$ 9
Bank GIC at amortized cost, 0.45% per annum, due December 8, 2018 (0.10% per annum, December 7, 2017 - 2017)	5,675	5,667
Mutual funds at fair value	244,561	241,113
	\$ 250,236	\$ 246,789

Details of investment income are as follows:

	<i>2018</i>	<i>2017</i>
Distributions from mutual fund and interest income	\$ 9,699	\$ 8,352
Realized losses	(55)	-
Unrealized gains (losses)	(3,716)	6,950
	\$ 5,928	\$ 15,302

3. LEASE COMMITMENTS

The organization has signed a premise lease agreement which expires June 30, 2021. The annual lease payments, which include basic rent and operating costs, over the remaining lease term are as follows:

Fiscal year	2019	\$ 33,638
	2020	34,287
	2021	34,937
	2022	8,775

4. FINANCIAL INSTRUMENTS AND RISK EXPOSURE

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure at the balance sheet date.

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 Organization's main credit risks relate to cash, accounts receivable and investments in GIC.

The Organization mitigates its exposure to credit risk of cash and investments in GIC by maintaining its cash accounts and investments in GIC with a Canadian chartered bank. Accounts receivable are primarily property tax rebate and grants receivable. The Organization is not exposed to significant credit risk on its accounts receivable.

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 and accrued liabilities and lease commitments. The Organization expects to meet these obligations as they come due using the operating grants it receives from LHIN and other funders and from cash flows from operations.

BALANCE FOR BLIND ADULTS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2018

4. FINANCIAL INSTRUMENTS AND RISK EXPOSURE (continued)

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Organization is not exposed to currency risk. The Organization is exposed to interest rate risk and other price risk.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will cause fluctuations to the fair values and cash flows of the Organization's investments in interest bearing financial instruments. The Organization holds investments in GIC. Details of the investments are disclosed in note 2.

Other price risk

Other price risk is the risk that changes in market prices of equity securities will cause fluctuations to the fair values and cash flows of the Organization's financial instrument holdings. The Organization invests in mutual funds. Details of the investments are disclosed in note 2.

5. COMPARATIVE FIGURES

Certain comparative figures in the balance sheet and the statements of revenue and expenses, changes in net assets and cash flows are reclassified in conformity with the presentation adopted during the year.