BALANCE FOR BLIND ADULTS

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of **BALANCE For Blind Adults**

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of BALANCE For Blind Adults ("BALANCE"), which comprise the balance sheet as at March 31, 2021, and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of BALANCE as at March 31, 2021, 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.

Basis for Qualified Opinion

In common with many similar organizations, the Organization derives revenues from fund-raising events and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether, as at and for the years ended March 31, 2021 and 2020, any adjustments might be necessary to revenues and excess of revenues over expenses reported in the statements of revenues and expenses, and assets and net assets reported in the balance sheet. This same matter caused us to qualify our opinion on the financial statements for the year ended March 31, 2020.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of BALANCE in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the ability of BALANCE to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Balance or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of BALANCE.

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 internal control of BALANCE.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of BALANCE to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause Balance to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Toronto, Ontario

Chartered Professional Accountants
Licensed Public Accountants

BALANCE FOR BLIND ADULTS

BALANCE SHEET

AS AT MARCH 31, 2021

		2021		2020
ASSETS				
Current assets				
Cash	**$**	**104,040**	$	75,493
Investments *(note 3)*		**368,265**		319,585
HST receivable		**6,827**		3,046
Accounts receivable		**2,825**		5,074
Prepaid expenses and deposits		**14,746**		2,928
		496,703		406,126
Long term assets				
Capital assets *(note 4)*		**15,944**		-
		15,944		-
		512,647		406,126
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities		**55,854**		27,828
Due to Ministry of Health LTC *(note 5)*		**62,959**		6,124
Deferred revenue		**24,132**		8,731
		142,945		42,683
Long term liabilities				
Deferred capital contributions *(note 6)*		**15,944**		-
		15,944		-
		158,889		42,683
NET ASSETS				
General Fund		**339,090**		348,086
Colin Haines Fund		**14,668**		15,357
		353,758		363,443
	$	**512,647**	$	406,126

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, 2021

		2021		2020
				note 9
Revenues				
Ministry of Health LTC - LHIN - Service	**$**	**479,909**	$	532,458
Ministry of Health LTC - LHIN - One-time funding *(note 6)*		**13,741**		-
Donations - unrestricted		**21,274**		13,715
Donation - training centre upgrades and other		**8,731**		7,200
Fundraising and event sponsorship		**-**		26,754
Summer student and other grants		**20,806**		58,567
Fees for services		**-**		765
Investment income *(note 3)*		**697**		4,319
Amortization of deferred capital contribution *(note 6)*		**5,315**		-
		550,473		643,778
Expenses				
Salaries		**351,037**		362,721
Employee benefits		**57,522**		54,806
Staff travel		**2,610**		6,019
Staff training and fees		**8,932**		4,665
Memberships and accreditation		**2,565**		3,043
Supplies		**3,036**		4,854
Internet and website		**13,842**		18,027
Rent		**33,489**		33,949
Maintenance - premises		**8,188**		6,154
Insurance		**3,146**		2,876
Telephone		**7,824**		9,629
Marketing and communications		**170**		3,852
Office expenses		**1,012**		3,752
Audit, accounting and professional fees		**15,087**		16,863
Bank charges		**738**		805
Fundraising		**153**		5,572
Amortization		**5,315**		-
Training centre and other funded expenses		**6,857**		7,160
Grant expenses		**20,806**		58,567
Consulting fees		**17,084**		-
Disbursements from Colin Haines Fund		**745**		731
		560,158		604,045
Excess (deficiency) of revenues over expenses for the year	**$**	**(9,685)**	$	39,733

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, 2021

2021	**General Fund**	**Colin Haines Fund**	**Total**
Balance at beginning of year	**$ 348,086**	**$ 15,357**	**$ 363,443**
Deficiency of revenues over expenses	**(9,685)**	**-**	**(9,685)**
Allocation of investment income			
Income distribution	**(56)**	**56**	**-**
Fund disbursements	**745**	**(745)**	**-**
	339,090	**14,668**	**353,758**

2020	General Fund	Colin Haines Fund	Total
Balance at beginning of year	307,749	15,961	323,710
Excess of revenues over expenses	39,733	-	39,733
Allocation of investment income			
Income distribution	(127)	127	-
Fund disbursements	731	(731)	-
	$ 348,086	$ 15,357	$ 363,443

The accompanying notes are an integral part of these financial statements

BALANCE FOR BLIND ADULTS

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2021

	2021	2020
Cash flows from operating activities		
Excess (deficiency) of revenues over expenses	$ **(9,685)**	$ 39,733
	(9,685)	39,733
Changes in non-cash working capital balances from operations:		
(Increase) decrease in accounts receivable	**2,249**	(1,934)
(Increase) decrease in HST receivable	**(3,781)**	316
Increase in prepaid expenses and deposits	**(11,818)**	-
Increase (decrease) in accounts payable and due to MOHLTC	**84,861**	(9,275)
Increase (decrease) in deferred revenue	**15,401**	(2,200)
	86,912	(13,093)
Cash flows from investing activities		
Proceeds on disposal of mutual funds and redemption of GIC	**82,522**	55,675
Cost of purchases and reinvestments in mutual funds and GIC	**(131,202)**	(84,271)
Purchase of capital assets	**(21,259)**	-
Capital grants received	**21,259**	-
	(48,680)	(28,596)
Change in cash during the year	**28,547**	(1,956)
Cash - at beginning of year	**75,493**	77,449
Cash - at end of year	$ **104,040**	$ 75,493

The accompanying notes are an integral part of these financial statements

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 are in accordance with Canadian generally accepted accounting principles. These financial statements have been prepared within the framework of the significant accounting policies summarized below:

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, 2019 with the LHIN. 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 and other 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 grants and donations are recognized in revenue when received. Restricted grants and donations are recognized in revenue as the related expenses incurred. Amounts unspent at the end of the reporting period are deferred to the following period.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

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

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.

Capital Assets

Capital assets are recorded at cost and depreciated over their estimated useful lives on the straight line basis at the following annual rates:

Computer equipment	- 25%

The above rates are reviewed annually to assess ongoing appropriateness. Any changes are adjusted on a prospective basis. If there is an indication that the assets may be impaired, an impairment test is performed that compares carrying amount to net recoverable amount. There were no impairment indicators in 2021.

Deferred Capital Contributions

Externally restricted contributions for the acquisition of capital assets that will be depreciated or amortized are deferred and amortized over the life of the related capital assets. Externally restricted contributions that have not been expended are recorded as part of deferred capital contributions on the balance sheet.

Financial Assets and Liabilities

The Organization initially measures financial assets and liabilities at fair value. The Organization subsequently measures all financial assets and financial 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, accounts payable and accrued liabilities and due to Ministry of Health LTC.

Amortized cost is the amount at which a financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

At the end of each year, the Organization assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that comes to the attention of the Organization, including but not limited to the following events: significant financial difficulty of the issuer; a breach of contract, such as a default or delinquency in interest or principal payments; and bankruptcy or other financial reorganization proceedings.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Assets and Liabilities (continued)

When there is an indication of impairment, the Organization determines whether a significant adverse change has occurred during the year in the expected timing or amount of future cash flows from the financial asset.

When the Organization identifies a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it reduces the carrying amount of the financial asset to the greater of the following:

- the present value of the cash flows expected to be generated by holding the financial asset discounted using a current market rate of interest appropriate to the financial asset, and

- the amount that could be realized by selling the financial asset at the statement of financial position date.

Any impairment of the financial asset is recognized in income in the year in which the impairment occurs.

When the extent of impairment of a previously written-down financial asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent of the improvement, but not in excess of the impairment loss. The amount of the reversal is recognized in income in the year the reversal occurs.

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.

2. 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. Financial instruments subject to credit risk include cash, accounts receivable and investments in GIC. Credit risk with respect to cash and investments in GIC is minimized 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.

2. FINANCIAL INSTRUMENTS AND RISK EXPOSURE (continued)

Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, due to Ministry of Health LTC 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.

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 the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk with respect to its interest bearing financial instruments being cash held in the bank and investments in interest bearing financial instruments. The Organization holds investments in GIC. Details of the investments are disclosed in note 3.

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 3.

Changes in Risk

There have been no significant changes in the risk profile of the financial instruments of the Organization from that of the prior year.

3. INVESTMENTS AND INVESTMENT INCOME

Details of investments held at year end are as follows:

	2021	2020
Cash at broker	**$ 1,142**	$ 1,086
Bank GICs at amortized cost, 0.100% to 0.750% per annum, due June 28, 2021, November 8, 2021, December 8, 2021 and December 15, 2021 (0.375% to 1.517% per annum, due April 21, 2020, November 8, 2020 and December 8, 2020 - 2020)	**130,635**	80,635
Mutual funds at fair value	**236,488**	237,864
	$ 368,265	$ 319,585

Details of investment income are as follows:

	2021	2020
Distributions from mutual fund and interest income	**$ 697**	$ 4,319

4. PROPERTY AND EQUIPMENT

2021	Cost	Accumulated Depreciation	Net Book Value
Computer equipment	**$ 21,259**	**$ 5,315**	**$ 15,944**

Total depreciation of $5,315 ($NIL - 2020) has been included in the Statement of Operations.

5. DUE TO MINISTRY OF HEALTH LTC

Details of due to Ministry of Health LTC are as follows:

	2021	2020
Surplus from 2019 fiscal year	**$ 1,839**	$ 1,839
Surplus from 2020 fiscal year	**4,285**	4,285
Surplus from 2021 fiscal year	**56,835**	-
	$ 62,959	$ 6,124

6. DEFERRED CAPITAL CONTRIBUTION

During the year, the Organization received $35,000 of one-time funding from Ministry of Health LTC and spent $21,259 on purchases of capital assets and $13,731 on other expenses.

Deferred capital contributions represent the unamortized amount of contributions received for the purchase of capital assets. The changes in deferred capital contributions are as follows:

	2021	***2020***
Balance - beginning of year	**-**	**-**
Grant received and spent during the year	**21,259**	**-**
Amortization of deferred capital contribution during the year	**(5,315)**	**-**
Balance - end of year	**$ 15,944**	**$ -**

7. 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	
2022	9,121

8. IMPACT OF GLOBAL PANDEMIC

The global pandemic of the virus known as COVID-19 led the Canadian Federal government, as well as provincial and local governments, to impose measures, such as restricting foreign travel, mandating self-isolations and physical distancing and closing non-essential businesses. As a result, certain events and projects have been delayed or postponed. Because of the high level of uncertainty related to the outcome of this pandemic, it is difficult to estimate the financial effect on the Organization.

9. COMPARATIVE FIGURES

Certain comparative figures in the statement of revenues and expenses have been restated to be in conformity with the presentation adopted in the current year.