

Financial Statements of

**CANADIAN COUNCIL OF THE
BLIND**

Year ended December 31, 2015



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INDEPENDENT AUDITORS' REPORT

To the Directors of the Canadian Council of the Blind

We have audited the accompanying financial statements of the Canadian Council of the Blind, which comprise the statement of financial position as at December 31, 2015, the statements of operations, changes in fund balances and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Council of the Blind as at December 31, 2015, and its results of operations, changes in fund balances and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

April 28, 2016

Ottawa, Canada

CANADIAN COUNCIL OF THE BLIND

Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015	2014
Assets		
Current assets:		
Cash	\$ 305,336	\$ 244,677
Amounts receivable	35,022	199,690
Prepaid expenses	26,922	23,656
	<u>367,280</u>	<u>468,023</u>
Investments (note 2)	307,529	303,459
Tangible capital and intangible assets (note 3)	172,972	179,927
	<u>\$ 847,781</u>	<u>\$ 951,409</u>

Liabilities and Fund Balances

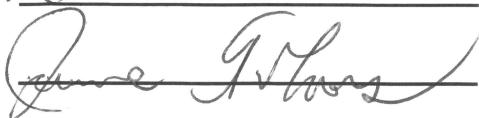
Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 137,755	\$ 175,759
Deferred revenue (note 5)	68,626	44,620
	<u>206,381</u>	<u>220,379</u>
Deferred capital contributions (note 6)	139,077	152,945
Lease inducement	14,667	16,133
Fund balances:		
Capital fund	33,895	26,982
Unrestricted - General fund	453,761	534,970
	<u>487,656</u>	<u>561,952</u>
Commitments and guarantee (note 8)		
	<u>\$ 847,781</u>	<u>\$ 951,409</u>

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

CANADIAN COUNCIL OF THE BLIND

Statement of Operations

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Revenue:		
Donations:		
Donations - Special Campaign	\$ 1,912,661	\$ 2,106,004
Donations - White Cane	105,042	111,863
Donations - Other	71,946	69,762
Projects, grants and contributions:		
Eye Health Program	96,400	68,079
Other grants	41,340	92,902
Government of Canada - Sustaining Grant	41,250	19,250
Fundraising	20,077	18,144
Membership fees	13,930	13,120
Investment	4,362	4,342
Rental income	11,256	17,260
Amortization of deferred capital contributions	13,868	13,868
Amortization of leasehold inducement	1,467	1,467
	2,333,599	2,536,061
Expenses:		
Project and program:		
Membership awareness campaign	926,090	888,836
Future vision and eye health	269,290	215,718
Chapter support	255,481	309,291
Special campaign - professional fees	203,781	388,934
Skills and training development	200,780	74,794
White Cane	99,714	113,519
Public education and awareness	42,860	40,821
Accessibility and advocacy	37,184	37,102
Sports, recreation and bonspiel	18,974	19,832
World Blind Union	10,261	5,368
	2,064,415	2,094,215
General operating:		
Salaries and benefits	143,797	127,769
Administration	109,785	123,997
Rent and parking	44,889	47,997
Legal and professional fees	23,123	24,388
Amortization of tangible capital and intangible assets	21,886	19,111
	343,480	343,262
	2,407,895	2,437,477
Excess (deficiency) of revenue over expenses	\$ (74,296)	\$ 98,584

See accompanying notes to financial statements.

CANADIAN COUNCIL OF THE BLIND

Statement of Changes in Fund Balances

Year ended December 31, 2015, with comparative information for 2014

		Capital fund		General fund		Total 2015		Total 2014
Fund balances, beginning of year	\$	26,982	\$	534,970	\$	561,952	\$	463,368
Excess (deficiency) of revenue over expenses		-		(74,296)		(74,296)		98,584
Purchase of tangible capital and intangible assets		14,931		(14,931)		-		-
Amortization of deferred capital contributions		13,868		(13,868)		-		-
Amortization of tangible capital and intangible assets		(21,886)		21,886		-		-
Fund balances, end of year	\$	33,895	\$	453,761	\$	487,656	\$	561,952

See accompanying notes to financial statements.

CANADIAN COUNCIL OF THE BLIND

Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash flows from operating activities:		
Excess (deficiency) of revenue over expenses	\$ (74,296)	\$ 98,584
Items not involving cash:		
Amortization of tangible capital and intangible assets	21,886	19,111
Amortization of deferred capital contributions	(13,868)	(13,868)
Change in non-cash operating working capital:		
Amounts receivable	164,668	(66,457)
Prepaid expenses	(3,266)	9,202
Accounts payable and accrued liabilities	(38,004)	(3,217)
Deferred revenue	24,006	(12,570)
Lease inducement	(1,466)	(1,467)
	79,660	29,318
Cash flows from financing activities:		
Net additions to investments	(4,070)	(4,058)
Cash flows from investing activities:		
Purchase of tangible capital and intangible assets	(14,931)	(7,587)
Increase in cash	60,659	17,673
Cash, beginning of year	244,677	227,004
Cash, end of year	\$ 305,336	\$ 244,677

See accompanying notes to financial statements.

CANADIAN COUNCIL OF THE BLIND

Notes to Financial Statements

Year ended December 31, 2015

The Canadian Council of the Blind (the "Council") is a registered charitable organization and was inaugurated in 1944 as an organization of clubs of blind persons across Canada.

The Council was incorporated under the Canada Corporations Act, without share capital, in May 1950. Effective November 29, 2013, the Council continued their articles of incorporation from the Canada Corporations Act to the Canada Not-for-profit Corporations Act. The Council is a registered charity and is exempt from tax pursuant to paragraph 149(1)(f) of the Income Tax Act (Canada).

1. Significant accounting policies:

(a) Basis of presentation:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

The Council follows the deferral fund method of accounting for contributions for not-for-profit organizations.

These financial statements reflect the operations of the Canadian Council of the Blind only and do not include the revenue, expenses, assets and liabilities of Provincial Divisions or other Chapters of the Council.

(b) Fund accounting:

The General Fund accounts for the Council's program delivery and administrative activities.

The Capital Fund accounts for the Council's investment in tangible capital and intangible assets.

(c) Revenue recognition:

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue in the year received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest revenue and realized gains and losses on investments are recognized in the year earned. Unrealized gains and losses on investments are recorded in the year in which they occur.

CANADIAN COUNCIL OF THE BLIND

Notes to Financial Statements (continued)

Year ended December 31, 2015

1. Significant accounting policies (continued):

(c) Revenue recognition (continued):

Membership fees and miscellaneous income are recognized as revenue in the year to which they relate.

(d) Tangible capital and intangible assets:

Tangible capital and intangible assets are carried at cost less accumulated amortization. Amortization is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Asset	Useful life
Tangible capital assets:	
Computer hardware	5 years
Leasehold improvements	Term of the lease plus first renewal
Intangible assets:	
Computer software	5 years

When a tangible capital or intangible asset no longer contributes to the Council's ability to provide services, its carrying amount is written down to its residual value.

(e) Deferred capital contributions:

Contributions restricted for the purchase of tangible capital assets are deferred and amortized into revenue on a straight-line basis, at rates corresponding with the amortization rates for the related tangible capital assets.

(f) Expenses:

In the statement of operations, the Council presents its expenses in two functions: Project and Program and General Operating.

Expenses are recognized in the year incurred and are recorded in the function to which they are directly related. The Council does not allocate expenses between functions after initial recognition.

CANADIAN COUNCIL OF THE BLIND

Notes to Financial Statements (continued)

Year ended December 31, 2015

1. Significant accounting policies (continued):

(g) Donated goods and services:

Donations of goods and services are recorded at fair market value, if determinable, when received.

(h) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Council has elected to carry investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using straight-line rate method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year. Where an indicator of impairment is present, the Council determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Council expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment charge.

(i) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period they become known.

CANADIAN COUNCIL OF THE BLIND

Notes to Financial Statements (continued)

Year ended December 31, 2015

2. Investments:

Investments consist of money market funds of \$307,529 (2014 - \$303,459).

The Council's investment policy restricts investments to low-risk, fixed-term investments and guaranteed investment certificates.

3. Tangible capital and intangible assets:

					2015	2014			
			Accumulated		Net book	Net book			
Cost			amortization		value	value			
Tangible capital assets:									
Computer hardware	\$	139,905	\$	124,560	\$	15,345	\$	5,298	
Leasehold improvements		210,576		56,833		153,743		169,078	
Intangible assets:									
Computer software		8,334		4,450		3,884		5,551	
		\$	358,815	\$	185,843	\$	172,972	\$	179,927

Cost and accumulated amortization as at December 31, 2014 amounted to \$343,884 and \$163,957, respectively.

4. Accounts payable and accrued liabilities:

There are no amounts payable for government remittances such as harmonized sales tax or payroll-related taxes included in accounts payable and accrued liabilities.

CANADIAN COUNCIL OF THE BLIND

Notes to Financial Statements (continued)

Year ended December 31, 2015

5. Deferred revenue:

	2015	2014
Membership fees	\$ 12,130	\$ 10,920
Bonspiel registration fees	16,600	16,000
Bonspiel sponsorships	3,800	3,550
Other	36,096	14,150
	<u>\$ 68,626</u>	<u>\$ 44,620</u>

6. Deferred capital contributions:

Deferred capital contributions consist of:

	2015	2014
Enabling Accessibility Grant	\$ 139,077	\$ 152,945

7. Fund balances:

The Council considers its capital to consist of its fund balances. The Council's objectives when managing capital is to safeguard its ability to continue as a going concern so that it can promote its mandate while addressing the concerns and interests of its membership and stakeholders. Management continually monitors the impact of changes in economic conditions on its commitments.

The Council is not subject to externally imposed capital requirements and its overall strategy with respect to capital remains unchanged from the year ended December 31, 2014.

CANADIAN COUNCIL OF THE BLIND

Notes to Financial Statements (continued)

Year ended December 31, 2015

8. Commitments and guarantee:

(a) Donor recruitment and retention campaign:

The Canadian Council of the Blind has engaged the services of a professional marketing company (the "Company") to conduct a donor recruitment and retention campaign.

In the agreement, the Canadian Council of the Blind and the Company agreed that should the Company's billings be greater than the gross proceeds of all phases of the campaign, then the Company will discount its billings to an amount equal to the gross proceeds, thereby assuring the Canadian Council of the Blind of no possible loss from the campaign.

(b) Leases:

The Council is committed under the terms of certain leases for equipment and premises. Minimum payments under these leases for the next four years and thereafter are as follows:

2016	\$	44,179
2017		48,130
2018		44,062
2019		42,028
Thereafter		42,028
	\$	220,427

(c) Guarantee:

In the normal course of business, the Council has entered into a lease agreement for premises. It is common in such commercial lease transactions for the Council as the lessee, to agree to indemnify the lessor for liabilities that may arise from the use of the leased assets. The maximum amount potentially payable under the foregoing indemnities cannot be reasonably estimated. The Council has liability insurance that relates to the indemnifications described above.

9. Financial risk management:

(a) Market risk:

The Council believes it is not exposed to significant market risk from its financial instruments.

CANADIAN COUNCIL OF THE BLIND

Notes to Financial Statements (continued)

Year ended December 31, 2015

9. Financial risk management (continued):

(b) Liquidity risk:

Liquidity risk is the risk that the Council will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Council manages its liquidity risk by monitoring its operating requirements. The Council prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(c) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Council is exposed to credit risk with respect to the amounts receivable. The Council assesses, on an annual basis, amounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. At year end, there were no amounts allowed for in amounts receivable.

There has been no change in the risk exposures from 2014.