Financial Statements of

CANADIAN COUNCIL OF THE BLIND

And Independent Auditors' Report thereon

Year ended December 31, 2019

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INDEPENDENT AUDITORS' REPORT

To the Directors of the Canadian Council of the Blind

Opinion

We have audited the financial statements of the Canadian Council of the Blind (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of operations for the year then ended
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at December 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian Accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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 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 Entity's ability 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 the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' 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 auditors' 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 Entity's internal control.
- 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

September 23, 2020

CANADIAN COUNCIL OF THE BLIND

Statement of Financial Position

December 31, 2019, with comparative information for 2018

		2019		2018
Assets				
Current assets:				
Cash	$	248,257	$	308,699
Amounts receivable		88,595		43,753
Prepaid expenses		19,828		15,051
		356,680		367,503
Investments (note 2)		316,277		312,373
Tangible capital and intangible assets (note 3)		51,049		60,262
Assets under capital leases (note 3)		16,582		-
	$	740,588	$	740,138
Liabilities and Fund Balances				
Current liabilities:				
Accounts payable and accrued liabilities (note 4)	$	164,481	$	169,980
Deferred revenue (note 5)		91,555		147,863
		256,036		317,843
Deferred capital contributions (note 6)		41,056		49,191
Obligations under capital leases		17,681		-
Fund balances:				
Capital fund		26,575		11,071
Unrestricted - General fund		399,240		362,033
		425,815		373,104
Commitments and guarantee (note 8)				
Subsequent event (note 10)				
	$	740,588	$	740,138

See accompanying notes to financial statements.

On behalf of the Board:

Louise Gillis ______ Director ______ Director

CANADIAN COUNCIL OF THE BLIND

Statement of Operations

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Revenue:		
Donations - Special Campaign	$ 2,122,823	$ 2,160,796
Donations - White Cane	186,518	109,346
Donations - Other	121,239	91,905
Eye Health Program	105,750	147,792
Other grants	100,449	69,169
Membership fees	15,720	15,325
Government of Canada - Sustaining Grant	10,313	30,938
Amortization of deferred capital contributions	8,136	8,136
Rental income	6,960	6,000
Investment	4,048	3,393
Fundraising	2,530	11,154
	2,684,486	2,653,954
Expenses:		
Project and program:		
Membership awareness campaign	940,156	1,009,412
Special campaign - professional fees	323,778	305,512
Skills and training development	257,316	257,565
Chapter support	242,517	281,945
Future vision and eye health	226,713	273,930
White Cane	194,362	114,102
Accessibility and advocacy	51,822	55,532
Public education and awareness	40,351	38,034
World Blind Union	13,394	20,224
Sports, recreation and bonspiel	8,805	33,104
	2,299,214	2,389,360
General operating:		
Salaries and benefits	128,089	142,644
Administration	117,686	102,113
Rent and parking	47,564	43,591
Legal and professional fees	20,481	21,451
Amortization of tangible capital and intangible assets	18,741	15,364
	332,561	325,163
	2,631,775	2,714,523
Excess (deficiency) of revenue over expenses before the undernoted	52,711	(60,569)
Insurance recovery	-	25,000
Excess (deficiency) of revenue over expenses	$ 52,711	$ (35,569)

See accompanying notes to financial statements.

CANADIAN COUNCIL OF THE BLIND

Statement of Changes in Fund Balances

Year ended December 31, 2019, with comparative information for 2018

	Capital fund	General fund	Total 2019	Total 2018
Fund balances, beginning of year	$ 11,071	$ 362,033	$ 373,104	$ 408,673
Excess (deficiency) of revenue over expenses	-	52,711	52,711	(35,569)
Amortization of deferred capital contributions	8,136	(8,136)	-	-
Purchase of tangible capital and intangible assets	26,109	(26,109)	-	-
Amortization of tangible capital and intangible assets	(18,741)	18,741	-	-
Fund balances, end of year	$ 26,575	$ 399,240	$ 425,815	$ 373,104

See accompanying notes to financial statements.

CANADIAN COUNCIL OF THE BLIND

Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash flows from operating activities:		
Excess (deficiency) of revenue over expenses	$ 52,711	$ (35,569)
Items not involving cash:		
Amortization of tangible capital and intangible assets	18,741	15,364
Amortization of deferred capital contributions	(8,135)	(8,136)
Change in non-cash operating working capital:		
Amounts receivable	(44,842)	(3,184)
Prepaid expenses	(4,777)	4,182
Accounts payable and accrued liabilities	(5,499)	7,585
Deferred revenue	(56,308)	87,248
	(48,109)	67,490
Cash flows from financing activities:		
Net additions to investments	(3,904)	(2,914)
Repayment of obligations under capital lease	(3,046)	-
	(6,950)	(2,914)
Cash flows from investing activities:		
Purchase of tangible capital and intangible assets	(5,383)	(4,341)
Increase (decrease) in cash	(60,442)	60,235
Cash, beginning of year	308,699	248,464
Cash, end of year	$ 248,257	$ 308,699

See accompanying notes to financial statements.

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.

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 using the following methods over the estimated useful lives of the assets as follows:

Asset		Useful life
Tangible capital assets:		
Computer hardware	Straight-line	5 years
Office equipment	Straight-line	5 years
Leasehold improvements	Straight-line	Term of the lease plus first renewal
Intangible assets:		
Assets under capital leases	Declining balance	20%

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.

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.

2. Investments:

Investments consist entirely of guaranteed investment certificates with interest rates from 0.65% to 0.75% (2018 - 0.65% to 2.4%) and mature July 2022 (2018 - June 2019 and July 2021).

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

3. Tangible capital and intangible assets:

			2019	2018
	Cost	Accumulated amortization	Net book value	Net book value
Tangible capital assets:				
Computer hardware	$ 167,236	$ 153,914	$ 13,322	$ 16,065
Leasehold improvements	60,644	23,467	37,177	43,373
Office equipment	1,374	824	550	824
Intangible assets:				
Computer software	8,334	8,334	-	-
	237,588	186,539	51,049	60,262
Property under capital leases:				
Assets under capital leases	20,727	4,145	16,582	-
	$ 258,315	$ 190,684	$ 67,631	$ 60,262

Cost and accumulated amortization as at December 31, 2018 amounted to $232,205 and $171,943, 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.

5. Deferred revenue:

	2019	2018
Membership fees	$ 13,510	$ 13,570
Bonspiel registration fees	33,335	26,000
Bonspiel sponsorships	-	2,500
Other	44,710	105,793
	$ 91,555	$ 147,863

6. Deferred capital contributions:

Deferred capital contributions consist of:

	2019	2018
Enabling Accessibility Grant - ramp	$ 7,318	$ 8,537
Deferred insurance recovery - leasehold improvements	29,859	34,835
Insurance recovery - capital asset office and computer equipment	3,879	5,819
	$ 41,056	$ 49,191

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, 2018.

8. Commitments and guarantee:

(a) Donor recruitment and retention campaign:

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

In the agreement, the Council 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 Council 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 are as follows:

2020	$	50,792
2021		42,488
2022		7,361
2023		6,096
	$	106,737

(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) 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.

(b) 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 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.

(c) 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 Council believes it is not exposed to significant currency or other price risk from its financial instruments.

(d) 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 Council believes it is not subject to significant interest rate risk arising from its financial instruments as this risk is limited to its guaranteed investment certificates

10. Subsequent event:

Subsequent to December 31, 2019 the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian federal and provincial governments, enacting emergency measures to combat the spread of the virus. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on our business is not known at this time. These impacts could include future declines in revenue, and the use of accumulated reserves to sustain operations.