Non-consolidated Financial Statements of

THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND

Year ended March 31, 2023

THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND

March 31, 2023

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Independent Auditor's Report

To the National Board of Directors and Members of
The Canadian National Institute for the Blind

Opinion
We have audited the non-consolidated financial statements of The Canadian National Institute for the Blind ("CNIB"), which comprise the non-consolidated statement of financial position as at March 31, 2023, and the non-consolidated statement of operations, non-consolidated statement of changes in net assets and non-consolidated statement of cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "non-consolidated financial statements").

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of CNIB as at March 31, 2023, and its non-consolidated results of operations and its non-consolidated 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 *Auditor's responsibilities for the audit of the non-consolidated financial Statements* section of our report. We are independent of CNIB in accordance with the ethical requirements that are relevant to our audit of the non-consolidated 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 audit opinion.

Responsibilities of management and those charged with governance for the non-consolidated financial statements
Management is responsible for the preparation and fair presentation of the non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing CNIB'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 CNIB or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the non-consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 these non-consolidated 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 non-consolidated 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 CNIB'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 CNIB's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated 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 CNIB to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of CNIB to express an opinion on the non-consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Ernst & Young LLP

Toronto, Canada
July 8, 2023

Chartered Professional Accountants
Licensed Public Accountants

THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND

Non-consolidated Statement of Financial Position
(In thousands of dollars)
As at March 31, 2023, with comparative information for 2022

	2023	2022
Assets		
Current assets:		
Cash	$ 7,578	$ 7,649
Accounts receivable	5,400	5,770
Prepaid expenses	1,648	979
Due from related organizations (notes 12 and 13)	120	676
Inventories and supplies	993	1,242
Total current assets	15,739	16,316
Investments - general (note 3)	46,784	45,493
Investments - endowments (note 3)	13,094	12,853
Capital assets (note 4)	28,118	25,974
Total assets	$ 103,735	$ 100,636

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Non-consolidated Statement of Financial Position (continued)
(In thousands of dollars)
As at March 31, 2023, with comparative information for 2022

	2023	2022
Liabilities and net assets		
Current liabilities		
Revolving term loan (note 5)	$ 2,835	$ 63
Accounts payable and accrued liabilities	8,520	7,073
Deferred gain on sale of capital assets (note 7)	1,086	1,086
Total current liabilities	12,441	8,222
Revolving term loan (note 5)	-	2,859
Accrued pension liability (note 6)	2,621	4,530
Deferred gain on sale of capital assets (note 7)	3,284	4,370
Deferred contributions:		
Expenses of future periods (note 8)	15,218	17,020
Capital assets (note 9)	7,194	8,363
Total long-term liabilities	28,317	37,142
Total liabilities	40,758	45,364
Net assets:		
Endowments (note 10)	13,163	11,282
Internally restricted reserve (note 11)	45,929	48,217
Unrestricted	3,885	(4,227)
Total net assets	62,977	55,272
Total liabilities and net assets	$ 103,735	$ 100,636

Commitments (note 18)

See accompanying notes to the non-consolidated financial statements.

On behalf of the Board of Directors:

Chair, Board of Directors

K. Montgomery
Chair, Audit Committee

THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND

Non-consolidated Statement of Operations
(In thousands of dollars)
Year ended March 31, 2023 with comparative information for 2022

	2023	2022
Revenue		
Support from the public (note 14)	$ 44,631	$ 36,325
Government funding towards programs and services	8,013	5,280
Retail lottery and gaming operation	9,802	7,537
Investment income (loss)	1,309	(620)
Rent	2,613	3,036
Fees for service	9,005	9,260
Consumer products and assistive technology sales	5,012	5,066
Recognition of deferred capital contributions	1,472	815
Other general revenue	67	348
Gain on sale of capital assets (note 7)	1,086	2,137
Total revenue	83,010	69,184
Expenses (note 15)		
Program:		
Community-based programs and services	45,935	40,247
Other:		
Fund development (note 19)	14,305	12,113
Retail lottery and gaming operations	7,777	6,506
Corporate services	5,681	5,510
Other	5,766	3,680
Total expenses	79,464	68,056
Excess of revenue over expenses	$ 3,546	$ 1,128

See accompanying notes to the non-consolidated financial statements.

THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND

Non-consolidated Statement of Changes in Net Assets
(In thousands of dollars)
Year ended March 31, 2023 with comparative information for 2022

	Unrestricted	Internally restricted reserves (note 11)	Endowments (note 10)	Total 2023	Total 2022
Net assets (deficit), beginning of the year	$ (4,227)	$ 48,217	$ 11,282	$ 55,272	$ 63,619
Excess of revenue over expenses	3,546	-	-	3,546	1,128
Interfund transfer (note 11)	2,258	(2,288)	30	-	-
Endowment contributions (note 10)	-	-	1,851	1,851	185
Pension plan remeasurement (note 6)	2,308	-	-	2,308	(9,660)
Net change	8,112	(2,288)	1,881	7,705	(8,347)
Net assets, end of the year	$ 3,885	$ 45,929	$ 13,163	$ 62,977	$ 55,272

See accompanying notes to the non-consolidated financial statements.

THE CANADIAN NATIONAL INSTITUTE FOR THE BLIND

Non-consolidated Statement of Cash Flows
(In thousands of dollars)
Year ended March 31, 2023 with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	$ 3,546	$ 1,128
Items not involving cash:		
Change in fair value of investments	(1,532)	(224)
Amortization of capital assets	2,237	2,321
Recognition of deferred contributions related to capital assets (note 9)	(1,472)	(815)
Gain on sale of capital assets (note 7)	(1,086)	(2,137)
Loss on disposal of capital assets	42	-
Pension expense (note 6)	1,261	564
Pension employer contributions (note 6)	(862)	(1,024)
Net change in non-cash working capital (note 16)	669	7,382
Total operating activities	2,803	7,195
Financing activities:		
Repayment of revolving term loan (note 5)	(87)	(2,062)
Deferred contributions related to capital assets (note 9)	-	15
Endowments (note 10)	1,636	174
Total financing activities	$ 1,549	$ (1,873)

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Non-consolidated Statement of Cash Flows (continued)
(In thousands of dollars)
Year ended March 31, 2023 with comparative information for 2022

	2023	2022
Investing activities:		
Proceeds from disposal of capital assets	$ -	$ 1,539
Proceeds from sale of investments	-	283
Purchase of capital assets	(4,423)	(2,203)
Total investing activities	(4,423)	(381)
Net increase (decrease) in cash	(71)	4,941
Cash, beginning of year	7,649	2,708
Cash, end of year	$ 7,578	$ 7,649

See accompanying notes to the non-consolidated financial statements.

1. Purpose of the organization:

The Canadian National Institute for the Blind ("CNIB") was incorporated on March 30, 1918 by Letters Patent under the Companies Amendment Act of 1917, and in September 2013 continued under the Canada Not-for-profit Corporations Act. CNIB's mission is to change what it is to be blind through innovative programs and powerful advocacy that enable Canadians impacted by blindness to live the lives they choose. CNIB is registered as a charitable organization under the *Income Tax Act* (Canada) and, accordingly, is exempt from income taxes, provided certain requirements of the *Income Tax Act* (Canada) are met.

Effective April 1, 2018 CNIB transferred certain operations, representing government funded rehabilitation and deafblind programs to two newly incorporated entities: Vision Loss Rehabilitation Canada (“VLRC”) and Deafblind Community Services (“DBCS”). Further information can be found in notes 12 and 13.

2. Significant accounting policies:

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

(a) Revenue recognition:

CNIB follows the deferral method of accounting for contributions, which include support from the public and government support.

Externally restricted contributions, other than endowments, are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and recognized as revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

Endowment contributions are recognized as direct increases in net assets in the year in which they are received.

2. Significant accounting policies (continued):

(a) Revenue recognition (continued):

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

Revenue from investments includes the realized gains or losses from the sale of units of CNIB's managed investment funds, as well as interest revenue and unrealized gains or losses for the year. Restricted investment revenue is recognized as revenue in the year in which the related expenses are recognized.

Unrestricted investment revenue, including realized and unrealized gains or losses, is recognized as revenue when earned and is transferred to the internally restricted reserve.

Realized and unrealized investment revenues from the endowment investment pool are recognized in deferred contributions – expenses in future periods as incurred and are drawn down as endowment restrictions are honoured. The change in unrealized investment revenue is presented separately as a single line in the deferred contributions – expenses of future periods continuity schedule, as observed in Note 8.

Incidental rent revenue and related operating costs associated with renting excess capacity in CNIB facilities is reported as rent revenue and other costs within unrestricted net assets.

Revenue from fees for service and sale of consumer products and assistive technology is recognized when the services are provided or the goods are sold.

(b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. All other financial instruments are subsequently measured at cost or amortized cost unless management has elected to carry the instruments at fair value. CNIB has elected to carry its investments at fair value. Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

2. Significant accounting policies (continued):

(b) Financial instruments (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, CNIB 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 CNIB 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 carrying value.

(c) Inventories and supplies:

Inventories and supplies are recorded at the lower of cost on a first-in, first-out basis, and net realizable value.

(d) Capital assets:

Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Assets are amortized over the estimated life of the assets. If a capital asset no longer contributes to CNIB's ability to provide services, its carrying amount is written down to its fair value or replacement cost, and an impairment is recognized as an expense in the statement of operations.

Capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	40 years
Computer equipment and software	3 to 7 years
Vehicles	3 to 4 years
Furniture and office equipment	4 years
Leasehold improvements	Over term of lease

2. Significant accounting policies (continued):

(e) Contributed services:

CNIB benefits from substantial services in the form of volunteer time to fulfill its mission. Because of the difficulty of determining the fair value, the cost of contributed services are not recognized in the non-consolidated financial statements.

(f) Employee future benefits:

CNIB administers the pension plan for employees of CNIB, VLRC and DBCS. The plan has a defined benefit provision and a defined contribution provision. Employees with greater than three months of service are eligible to join the defined contribution provision, while the defined benefit provision was closed to new entrants effective June 2010. The benefits of the defined benefit provision are based on years of service, years of contributions and final average earnings. The defined benefit provision includes the basic plan and excess benefits plans.

CNIB does not provide any significant non-pension, post-retirement benefits.

CNIB uses the immediate recognition approach to account for its defined benefit provision. CNIB accrues its obligations under the defined benefit provision as employees render the services necessary to earn the pension benefits.

The actuarial determination of the accrued benefit obligation for pensions uses the projected benefit method prorated on service, which incorporates management's best estimate of future salary levels, other cost escalation, retirement ages of employees, and other actuarial factors.

The most recent actuarial valuation of the benefit provision for funding purposes was as of December 31, 2022, and the next required valuation will be December 31, 2025, and once completed will be filed in the normal course. The accrued benefit obligation is determined using a roll-forward technique to estimate the accrued benefit provision from the most recent actuarial valuation.

2. Significant accounting policies (continued):

(f) Employee future benefits (continued):

Actuarial gains (losses) on plan assets arise from the difference between the actual return on plan assets for a period and the expected return on plan assets for that period. For the purpose of calculating the expected return on plan assets, the assets are valued at fair value. Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience, and from changes in the actuarial assumptions used to determine the accrued benefit obligation.

The cost of the defined contribution provision is based on a percentage of the employee's pensionable earnings.

(g) Allocation of expenses:

CNIB classifies expenses on the statement of operations by function. General support expenses are allocated by identifying the appropriate drivers such as operational activities and square footage and applying these bases consistently (note 15).

(h) Use of estimates:

The preparation of non-consolidated financial statements in accordance 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 and disclosure of contingent assets and liabilities at the date of the non-consolidated financial statements, and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount and useful lives of capital assets, accrued liabilities and obligations related to employee future benefits. Actual results could differ from these estimates.

(In thousands of dollars except as noted)

3. Investments:

General	2023	2022
Canadian fixed income securities and cash	$ 13,127	$ 14,725
Canadian equities	260	250
U.S. and global equities	29,805	26,896
Alternatives	3,592	3,622
Total	$ 46,784	$ 45,493

Endowments	2023	2022
Canadian fixed income securities and cash	$ 3,648	$ 4,277
U.S. and global equities	8,332	7,568
Alternatives	1,114	1,008
Total	$ 13,094	$ 12,853

Included in general investments are $45,929 held to fund the internally restricted reserve (Note 11).

(In thousands of dollars except as noted)

4. Capital assets:

	Cost	Accumulated amortization	Net book value 2023	Net book value 2022
Land	$ 10,240	$ -	$ 10,240	$ 7,643
Buildings and leasehold improvements	32,349	16,457	15,892	15,993
Computer equipment and software	7,089	5,321	1,768	1,924
Vehicles	1,171	1,086	85	65
Furniture and office equipment	2,970	2,837	133	349
Total	$ 53,819	$ 25,701	$ 28,118	$ 25,974

5. Long-term debt:

The revolving term loan, authorized to a maximum of $10 million, is secured by a first fixed charge over properties located in Muskoka, Ontario; Winnipeg, Manitoba; Ottawa, Ontario; and Kingston, Ontario. The line of credit is available by way of non-revolving loans at the bank's prime rate plus 0.25% and/or bankers' acceptances at a rate of 2.00%.

The principal may be drawn, repaid, and redrawn at any time. Drawdown advances are repayable in monthly installments based on an amortization of 20 years with the remaining balance due at the end of the term, which is up to three years from the draw. The interest expense on the term loan for the year was $154 (2022 - $134).

Future principal repayment required on the revolving term loan is as follows:

2024	$ 2,835

The revolving term loan contains two financial covenants. As at March 31, 2023, CNIB was in compliance with these covenants.

(In thousands of dollars except as noted)

6. Accrued pension liability:

The accrued pension liability represents the accrued provision obligation in excess of the fair value of the plan assets.

	2023	2022
Accrued pension obligation	$ 112,738	$ 125,387
Fair value of plan assets	110,117	120,857
Accrued benefit liability	$ 2,621	$ 4,530

Plan assets consist of investments in pooled funds.

The change in the accrued benefit liability (asset) during the year is calculated as follows:

	2023	2022
Balance, beginning of year	$ 4,530	$ (4,670)
Employer contributions	(862)	(1,024)
Remeasurements recorded in the statement of changes in net assets	(2,308)	9,660
Defined benefit provision expense for the current year was as follows:		
Current service cost	1,029	854
Interest expense	232	(290)
Net pension service cost	1,261	564
Balance, end of year	$ 2,621	$ 4530

(In thousands of dollars except as noted)

6. Accrued pension liability (continued):

The significant actuarial assumptions adopted in measuring CNIB's accrued pension liability are as follows:

	Basic 2023	SERP 2023	Basic 2022	SERP 2022
Accrued benefit obligation:				
Discount rate	6.70%	5.03%	5.55%	4.26%
Rate of compensation increase	2.25%	2.25%	2.25%	2.25%
Benefits cost:				
Discount rate	5.55%	4.26%	5.67%	3.22%
Rate of compensation increase	2.25%	2.25%	2.25%	2.25%

CNIB's defined contribution provision expense for the current year was $740 (2022 - $662).

7. Deferred gain on sale of capital assets:

Concurrently with the sale of the CNIB Centre in April 2017, CNIB entered into a 10-year leaseback agreement with the purchaser for 72,344 square feet of the CNIB Centre resulting in a deferral of $10.9 million of the gain to be recognized on a straight-line basis over the term of the lease. $1.1 million (2022 - $1.1 million) of the deferred gain was recognized and included in gain on sale of capital assets resulting in an unamortized gain of $4,370 (2022 - $5,455).

(In thousands of dollars except as noted)

8. Deferred contributions – expenses of future periods:

Deferred contributions are related to the funding of expenses of future periods and represent unspent externally restricted contributions, including funding related to endowments of $1,180 (2022 - $1,571).

Changes in the deferred contributions – expenses of future periods balance are as follows:

	2023	2022
Balance, beginning of year	$ 17,020	$ 9,250
Add:		
Amounts received in the year	16,485	24,139
Less:		
Amounts recognized as revenue in the year	(17,843)	(15,155)
Amounts transferred to deferred contributions - capital assets (note 9)	(303)	(466)
Amounts transferred to endowments	(215)	(11)
Investment market fluctuation	74	(737)
Balance, end of year	$ 15,218	$ 17,020

(In thousands of dollars except as noted)

9. Deferred contributions - capital assets:

Deferred contributions related to capital assets represent the unamortized amount of restricted contributions received for the purchase of capital assets.

Changes in the deferred contributions – capital assets balance are as follows:

	2023	2022
Balance, beginning of year	$ 8,363	$ 8,697
Add:		
Amounts received in the year	-	15
Amounts transferred from deferred contributions - expenses of future periods (note 8)	303	466
Less:		
Amounts recognized as revenue in the year	(1,472)	(815)
Balance, end of year	$ 7,194	$ 8,363

10. Endowments:

CNIB has received a number of externally restricted contributions established as endowments whereby the principal amounts are preserved and only net investment returns are available to be used for the intended purposes.

(In thousands of dollars except as noted)

11. Internally restricted reserve:

The following schedule summarizes the activity within the internally restricted reserve:

	2023	2022
Balance, beginning of year:	$ 48,217	$ 51,629
Transfers:		
Investment revenue	1,027	175
Inter-fund transfer to unrestricted	(3,315)	(4,629)
Inter-fund transfer from unrestricted – property sale proceeds	-	1,042
	(2,288)	(3,412)
Balance, end of year	$ 45,929	$ 48,217

The Board of Directors has designated certain net assets as an internally restricted reserve.

The internally restricted reserve is increased annually by an amount equal to the investment revenue earned by CNIB on the investments specifically restricted to fund the reserve. Approval of the Board of Directors is required for any use of the internally restricted reserve.

12. Related party transactions:

Under corporate services agreements with VLRC and DBCS effective April 1, 2018, CNIB agrees to perform financial management and administrative functions on behalf of the entities. The agreement is for a five-year term but may be terminated by either party providing 90 days or more notice to the other organization. The administration costs are estimates based on actual costs of finance, information technology, human resources and other costs required to operate the entity in a cost-efficient manner.

(In thousands of dollars except as noted)

12. Related party transactions (continued):

All intercompany transactions are measured at the exchange amount of consideration established and agreed to by the related organizations and are within the normal course of operations. The amounts due from VLRC and DBCS are non-interest bearing and have no specified terms of repayment.

These non-consolidated statements of CNIB include the following amounts with respect to the controlled not-for-profit entities.

Rehabilitation and deaf-blind services	2023	2022
Revenue earned by CNIB:		
Support from the public	$ 21	$ -
Government support	242	-
Rent	1,298	1,780
Fee for service	3,815	3,710
Total revenue	5,376	5,490
Expenses incurred by CNIB:		
Professional fees	1,265	911
Occupancy	1,298	1,780
Support services	3,413	3,399
Total expenses	5,976	6,090
Deficiency of revenue over expenses	$ (600)	$ (600)

13. Controlled and related not-for-profit entities:

VLRC and DBCS operate with an independent Board of Directors. CNIB monitors the activities of the entities as the sole member and remains contingently liable for certain obligations of VLRC and DBCS. These entities deliver government funded programs as an agent of CNIB and for the government programs they receive funding from directly.

(In thousands of dollars except as noted)

13. Controlled and related not-for-profit entities (continued):

(a) VLRC:

VLRC was incorporated on May 10, 2017 under the Canada Not-for-profit Corporations Act by the issuance of a Certificate of Incorporation by the federal government through Corporations Canada, specializing in health services training that enables people who are blind or partially sighted to develop or restore key daily living skills, helping to enhance their independence, safety and mobility. VLRC's certified specialists work closely with ophthalmologists, optometrists, and other health care professionals, providing essential care on a referral basis in homes and communities across Canada. VLRC is a registered charity under the *Income Tax Act* and, accordingly, is exempt from income taxes, provided certain requirements of the *Income Tax Act* are met.

The following is a summary of the financial statements of VLRC:

	2023	2022
Statement of financial position		
Assets	$ 5,735	$ 5,953
Liabilities	3,927	5,886
Fund balance	$ 1,808	$ 67
Statement of operations		
Revenue	$ 31,714	$ 28,996
Expenses	31,532	28,408
Excess of revenue over expenses	$ 182	$ 588
Cash flows		
Cash used in operating activities	$ (957)	$ (787)
Net cash position	$ 3,256	$ 4,213

13. Controlled and related not-for-profit entities (continued):

(a) VLRC (continued):

CNIB charged administrative services to VLRC amounting to $2,709 (2022 - $2,708) in accordance with the corporate services agreement.

CNIB charged occupancy costs to VLRC amounting to $1,244 (2022 - $1,623) in accordance with the leasing agreements.

At the end of the fiscal year, CNIB was owed $120 (2022 - $640) from VLRC.

(b) DBCS:

DBCS was incorporated on July 27, 2017 under the Canadian Not-for-profit Corporations Act. DBCS is one of the leading providers of specialized support and emergency services for people who are deafblind, focused primarily in Ontario. DBCS is committed to promoting health by providing intervener services to enable deafblind persons to live as independently as possible; to operate educational programs in literacy, life skills and technology training for deafblind persons; and to provide support services, communication, assistance, and referral to other community services to deafblind persons as well as their caregivers and family members. DBCS is a registered charity under the *Income Tax Act* and, accordingly, is exempt from income taxes, provided certain requirements of the *Income Tax Act* are met.

(In thousands of dollars except as noted)

13. Controlled and related not-for-profit entities (continued):

(b) DBCS (continued):

The following is a summary of the financial statements of DBCS:

	2023	2022
Statement of financial position		
Assets	$ 1,170	$ 968
Liabilities	810	1,023
Fund balance	$ 360	$ (55)
Statement of operations		
Revenue	$ 7,893	$ 7,098
Expenses	7,786	7,016
Surplus	$ 107	$ 82
Cash flows		
Cash provided by (used in) operating activities	$ 24	$ (326)
Net cash position	$ 924	$ 900

CNIB charged administrative services to DBCS amounting to $704 (2022 - $691) in accordance with the corporate services agreement.

CNIB charged occupancy costs to DBCS amounting to $54 in fiscal 2023 (2022 - $157) in accordance with the leasing agreements.

At the end of the fiscal year, CNIB was owed $nil (2022 - $37) from DBCS.

(In thousands of dollars except as noted)

14. Endowment trust funds:

The Vancouver Foundation is a not-for-profit organization that receives and invests funds, and from these funds provides investment income to other not-for-profit organizations under the terms of the agreements with them or their donors. CNIB receives annual earnings recorded as support from the public from an endowment held for its benefit by the Vancouver Foundation. The capital of the fund is not available to CNIB and as such is not recorded in the non-consolidated financial statements.

During the year, CNIB received $125 (2022 - $1,076) from the Vancouver Foundation CNIB, B.C. - Yukon Division, Endowment Fund which had a market value of $2,832 (2022 - $2,955).

15. Allocation of expenses:

Corporate services expenses have been allocated as follows:

	2023	2022
Community-based programs and services	$ 4,355	$ 4,092

Fund development expenses are not allocated.

(In thousands of dollars except as noted)

16. Net change in non-cash working capital :

The net change in non-cash working capital related to operations consists of the following:

	2023	2022
Accounts receivable	$ 370	$ (769)
Prepaid expenses	(669)	781
Due from/to related organizations	556	1,251
Inventories and supplies	249	152
Accounts payable and accrued liabilities	1,447	(2,280)
Deferred contributions – expenses of future periods (note 8)	(1,284)	8,247
Total	$ 669	$ 7,382

17. Credit facility:

(a) CNIB has a credit facility of up to $4 million, available to fund operations and capital expenditures. The amount drawn is due upon demand and is secured by a general security agreement covering assets. No amounts were drawn on the credit facility at March 31, 2023 (2022- $nil).

(b) Letters of credit:

CNIB has various standby letters of credit with a financial institution totalling $246 (2022 - $246) for operations.

CNIB has a standby letter of credit with a financial institution totalling $376 (2022 - $376) to fund special contributions for its deferred benefit pension plan.

(In thousands of dollars except as noted)

18. Commitments:

Lease obligations:

CNIB has commitments with respect to operating leases for premises, vehicles, and equipment. The future minimum annual commitments under these leases are approximately as follows:

2024	$	3,684
2025		2,531
2026		2,412
2027		2,352
2028		799
Thereafter		796
Total	$	12,574

19. Alberta reporting requirements:

The Alberta Charitable Fund-raising Act requires charitable organizations to disclose the remuneration paid to their Alberta employees whose principal duties involve fundraising. CNIB paid $87 (2022 - $113) to its Alberta fundraising employees which is included in the fund development costs.

20. Financial risks:

(a) Interest rate risk:

CNIB is exposed to interest rate risk on its fixed rate financial instruments. Further details about the fixed rate investments are included in note 3 and CNIB has formal policies and procedures that establish target asset mix, minimum credit ratings and varying terms of the securities held. CNIB's bank indebtedness has a variable interest rate based on the bank’s prime plus a margin. As a result, CNIB is exposed to interest rate risk due to fluctuations in the bank’s prime rate.

(b) Market risk:

Market risk arises as a result of trading in equity securities and fixed income securities. Fluctuations in the market expose CNIB to a risk of loss. CNIB mitigates this risk through controls to monitor concentration levels.

(c) Currency risk:

CNIB is exposed to currency risk arising from gains and losses due to fluctuations in foreign currency exchange rates on CNIB’s non-Canadian securities. Foreign currency risk is managed through construction of a diversified portfolio of instruments in various currencies.

(d) Credit risk:

CNIB is exposed to credit-related losses in the event of non-performance by counterparties to the financial instruments. Credit exposure is minimized by dealing only with creditworthy counterparties.

21. Comparative figures:

Certain comparative figures have been reclassified to conform to the non-consolidated financial statement presentation adopted in the current year.