

**VISION LOSS
REHABILITATION**
CANADA

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CANADA

Financial Statements of
VISION LOSS REHABILITATION CANADA
Year ended March 31, 2024

VISION LOSS REHABILITATION CANADA

March 31, 2024

Contents

Independent Auditor’s Report 3

Statement of Financial Position..... 6

Statement of Operations 7

Statement of Changes in Net Assets 8

Statement of Cash Flows 9

Notes to Financial Statements 10

Independent auditor's report

To the Board of Directors and Member of
Vision Loss Rehabilitation Canada

Opinion

We have audited the financial statements of **Vision Loss Rehabilitation Canada** ("VLRC"), which comprise the statement of financial position as at March 31, 2024, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of VLRC as at March 31, 2024, 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of VLRC 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 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 VLRC'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 VLRC or to cease operations, or has no realistic alternative but to do so.

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

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 these 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 VLRC'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 VLRC'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 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 VLRC 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.

Ernst + Young LLP

Toronto, Canada
June 8, 2024

Chartered Professional Accountants
Licensed Public Accountant

VISION LOSS REHABILITATION CANADA

Statement of Financial Position

(in thousands of dollars)

As at March 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash	\$ 4,460	\$ 3,256
Accounts receivable	1,093	1,062
Prepaid expenses	449	489
Total current assets	6,002	4,807
Accrued pension assets (note 4)	1,001	848
Capital assets (note 3)	38	80
Total assets	\$ 7,041	\$ 5,735
Liabilities and net assets		
Current liabilities:		
Due to related organization (note 7)	\$ 533	\$ 120
Accounts payable and accrued liabilities	2,281	1,908
Total current liabilities	2,814	2,028
Deferred contributions		
Expenses of future periods (note 5)	1,851	1,819
Capital assets (note 6)	38	80
Total long-term liabilities	1,889	1,899
Total liabilities	4,703	3,927
Net assets:		
Unrestricted	2,338	1,808
Total net assets	2,338	1,808
Total liabilities and net assets	\$ 7,041	\$ 5,735

Subsequent event (note 4)

Commitments (note 11)

See accompanying notes to financial statements

On behalf of the Board of Directors:



Chair, Board of Directors



Chair, Finance Committee

VISION LOSS REHABILITATION CANADA

Statement of Operations

(in thousands of dollars)

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Revenue:		
Government funding towards programs and services	\$ 31,263	\$ 30,116
Contributions from CNIB (note 7)	500	500
Fees for services	511	672
Funding for assistive devices	140	133
Other	233	293
Total revenue	32,647	31,714
Expenses (notes 7 and 8):		
Rehabilitation services	27,685	26,786
Children and family services	1,105	1,394
Career development and employment services	2,620	2,441
Eye van	834	911
Total expenses	32,244	31,532
Excess of revenue over expenses,	\$ 403	\$ 182

See accompanying notes to financial statements

VISION LOSS REHABILITATION CANADA

Statement of Changes in Net Assets

(in thousands of dollars)

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Net assets, beginning of year	\$ 1,808	\$ 67
Excess of revenue over expenses	403	182
Pension plan remeasurement (note 4)	127	1,559
Net change	530	1,741
Net assets, end of year	\$ 2,338	\$ 1,808

See accompanying notes to financial statements

VISION LOSS REHABILITATION CANADA

Statement of Cash Flows

(in thousands of dollars)

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 403	\$ 182
Items not involving cash:		
Amortization of capital assets (note 3)	42	41
Recognition of deferred contributions related to capital assets (note 6)	(42)	(41)
Pension expense (note 4)	662	953
Pension employer contributions (note 4)	(688)	(861)
Net change in non-cash working capital (note 9)	827	(1,231)
Total operating activities	1,204	(957)
Net increase (decrease) in cash	1,204	(957)
Cash, beginning of year	3,256	4,213
Cash, end of year	\$ 4,460	\$ 3,256

See accompanying notes to financial statements

VISION LOSS REHABILITATION CANADA

Notes to Financial Statements
(in thousands of dollars except as noted)
Year ended March 31, 2024

1. Purpose of the organization:

Vision Loss Rehabilitation Canada ("VLRC") was incorporated on May 10, 2017 under the *Canada Not-for-profit Corporations Act* through the issuance of a Certificate of Incorporation by the federal government through Corporations Canada and commenced operations on April 1, 2018.

VLRC is the leading national provider of rehabilitation services; children and family services; and career and employment services for people who are blind or who have experienced a significant vision loss. Low vision and blindness can limit a child's incidental learning and development. VLRC's early interventionists work with children, families, and community partners to address concerns and support success throughout childhood. VLRC also provides a wide range of programs to help clients gain the skills they need to prepare for the workforce and VLRC's rehabilitation services enable Canadians to develop or acquire the skills they need to achieve their goals.

The mission of VLRC is to provide high-quality, integrated and accessible rehabilitation, and health care services that enable Canadians impacted by vision loss to live the lives they choose.

VLRC is a registered charity under the *Income Tax Act (Canada)* and is exempt from income taxes, provided certain requirements of the *Income Tax Act (Canada)* are met.

2. Significant accounting policies:

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

(a) Revenue recognition:

VLRC follows the deferral method of accounting for contributions, which include government support.

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

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

VISION LOSS REHABILITATION CANADA

Notes to Financial Statements
(in thousands of dollars except as noted)
Year ended March 31, 2024

(b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition and are subsequently measured at cost or amortized cost, net of any provisions for impairment. VLRC has not elected to carry financial instruments at fair value.

(c) Capital assets

Purchased capital assets are recorded at cost less accumulated amortization. Assets are amortized over their estimated useful lives. If a capital asset no longer contributes to VLRC'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.

Equipment	4 years
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(d) Employee future benefits:

Canadian National Institute for the Blind ("CNIB") administers the Pension Plan for Employees of VLRC under a Pension Participation Agreement. 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. VLRC does not provide any non-pension, post-retirement benefits.

VLRC uses the immediate recognition approach to account for its defined benefit provision. VLRC 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. The accrued benefit obligation is determined using a roll-forward technique to estimate the accrued benefit provision from the most recent actuarial valuation.

VISION LOSS REHABILITATION CANADA

Notes to Financial Statements
(in thousands of dollars except as noted)
Year ended March 31, 2024

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 defined benefit provision assets, the plan 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 portion is based on a percentage of the employee's pensionable earnings.

(e) Allocation of expenses:

VLRC classifies expenses on the statement of operations by function. General support expenses are allocated based on the specific terms as per the funding agreements.

(f) Use of estimates:

The preparation of 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 financial statements, and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include accrued liabilities and obligations related to employee future benefits. Actual results could differ from these estimates.

3. Capital assets:

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Equipment	\$ 166	\$ 128	\$ 38	\$ 80
Total	\$ 166	\$ 128	\$ 38	\$ 80

4. Accrued pension assets:

The accrued pension assets represent the fair value of the defined benefit provision assets in excess of the accrued pension obligation.

	2024	2023
Accrued pension obligation	\$ 5,657	\$ 4,539
Fair value of plan assets	6,658	5,387
Accrued benefit asset	\$ 1,001	\$ 848

VISION LOSS REHABILITATION CANADA

Notes to Financial Statements
(in thousands of dollars except as noted)
Year ended March 31, 2024

Plan assets consist of investments in pooled funds.

The change in the accrued benefit asset during the year is as follows:

	2024	2023
Balance, beginning of year	\$ 848	\$ (619)
Employer contributions	688	861
Remeasurement recorded in the statement of changes in net assets	127	1,559
Defined benefit provision expense for the current year was as follows:		
Current service cost	(662)	(953)
Balance, end of year	\$ 1,001	\$ 848

The significant actuarial assumptions adopted in measuring the accrued pension assets are as follows:

	2024	2023
Accrued benefit obligation:		
Discount rate	6.70%	6.70%
Rate of compensation increase	2.25%	2.25%
Benefits cost:		
Discount rate	6.70%	5.55%
Rate of compensation increase	2.25%	2.25%

VLRC's defined contribution provision expense for the current year was \$415 (2023 - \$365).

On May 16, 2024, subsequent to year end, VLRC entered into an agreement to purchase an annuity buy-out contract, which will transfer certain pension liabilities to a third party. This transaction aims to reduce VLRC's pension liabilities for retired employees and future financial statement volatility associated with pension funding requirements. The cost of the annuity contract is \$758 and was paid on May 30, 2024. The effects of the annuity buy-out will be recognized in the financial statements for the period ending March 31, 2025.

5. Deferred contributions - expenses of future periods:

Deferred contributions are related to the funding of expenses of future periods and represent unspent, externally restricted contributions.

VISION LOSS REHABILITATION CANADA

Notes to Financial Statements
(in thousands of dollars except as noted)
Year ended March 31, 2024

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

	2024	2023
Balance, beginning of year	\$ 1,819	\$ 2,879
Add: Amounts received in the year	11,391	3,417
Less: Amounts recognized as revenue in the year	(11,359)	(4,477)
Balance, end of year	\$ 1,851	\$ 1,819

6. 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:

	2024	2023
Balance, beginning of year	\$ 80	\$ 121
Add: Amounts received in the year	-	-
Less: Amounts recognized in the year	(42)	(41)
Balance, end of year	\$ 38	\$ 80

7. Related party transactions:

A summary of the related party transactions and balances is as follows:

	2024	2023
(a) Transactions with CNIB:		
Revenue:		
Contributions from CNIB	\$ 500	\$ 500
Fee for services rendered on behalf of CNIB	4	21
Total revenue	\$ 504	\$ 521
Expenses:		
Purchased services	\$ 1,296	\$ 1,364
Support services	\$ 2,200	\$ 2,709
Services rendered on behalf of CNIB	\$ 504	\$ 521
(b) Due to related organization:	\$ 533	\$ 120

VISION LOSS REHABILITATION CANADA

Notes to Financial Statements
(in thousands of dollars except as noted)
Year ended March 31, 2024

All intercompany transactions are within the normal course of operations and measured at the exchange amount in accordance with an agreement effective April 1, 2018, between CNIB, Deafblind Community Services (“DBCS”) and VLRC, whereby CNIB, as the sole member of VLRC, agreed to provide certain services to VLRC.

Contributions from CNIB and fee for services rendered on behalf of CNIB are shown as revenue in the statement of operations; purchased and support services, and services rendered on behalf of CNIB, are included in all expense categories in the statement of operations.

8. Allocation of expenses:

General support expenses have been allocated as follows:

	2024	2023
Rehabilitation services	\$ 488	\$ 435
Children and family services	25	22
Career development and employment services	31	42
Eye van	14	13
Total	\$ 558	\$ 512

9. Net change in non-cash working capital:

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

	2024	2023
Decrease (increase) in accounts receivable	\$ (31)	\$ 239
Decrease (increase) in prepaid expenses	40	(171)
Increase in accounts payable and accrued liabilities	373	281
Increase (decrease) in due to related organization	413	(520)
Increase (decrease) in deferred contributions related to expenses of future periods	32	(1,060)
Total	\$ 827	\$ (1,231)

10. Credit facility:

VLRC has a credit facility available to fund operations and capital expenditures, totalling \$750 that bears interest at the bank’s prime rate plus 0.25%. This amount is due upon demand and is secured by a general security agreement covering all assets. No amounts were drawn on the credit facility at March 31, 2024 (2023 - \$nil).

VISION LOSS REHABILITATION CANADA

Notes to Financial Statements
(in thousands of dollars except as noted)
Year ended March 31, 2024

11. Commitments:

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

2025	\$ 1,316
2026	1,102
2027	953
2028	696
2029	512
Thereafter	231
Total	\$ 4,810
