

**VISIONS OF INDEPENDENCE
INC.**

Financial Statements
For the year ended March 31, 2021

VISIONS OF INDEPENDENCE INC.

Financial Statements

For the year ended March 31, 2021

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Independent Auditor's Report

To the Board of Directors of Visions of Independence Inc.

Opinion

We have audited the financial statements of Visions of Independence Inc. (the "Organization") which comprise the statement of financial position as at March 31, 2021, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2021 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for 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 the Organization 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.

Other Matters

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the schedules on pages 16 through 19 of Visions of Independence Inc.'s financial statements.

Responsibilities of Management and Those Charged with Governance 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.

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

Those charged with governance are responsible for overseeing the Organization'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 the Organization'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 Organization'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 the Organization 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.

BDO Canada LLP

Chartered Professional Accountants

Winnipeg, Manitoba
September 16, 2021



VISIONS OF INDEPENDENCE INC.
Statement of Financial Position

March 31	2021	2020
Assets		
Current Assets		
Cash and bank	\$ 703,595	\$ 1,034,233
Accounts receivable (Note 2)	736,787	302,833
Prepaid expenses	60,935	55,069
	1,501,317	1,392,135
Capital assets (Notes 3, 8)	4,373,981	4,076,425
	\$ 5,875,298	\$ 5,468,560

Liabilities and Net Assets

Current Liabilities		
Accounts payable and accrued liabilities	\$ 85,224	\$ 64,149
Wages and vacation payable	646,765	526,438
Current portion of obligation under capital lease (Note 8)	35,147	34,564
Current portion of long-term debt (Note 5)	150,219	128,655
	917,355	753,806
Obligation under capital lease (Note 8)	93,887	124,279
Long-term debt (Note 5)	2,338,263	2,102,531
Deferred contributions (Note 7)	826,362	802,523
	4,175,867	3,783,139
Commitments (Note 8)		
Net Assets		
Invested in capital assets	930,102	883,874
Unrestricted	769,329	801,547
	1,699,431	1,685,421
	\$ 5,875,298	\$ 5,468,560

Approved on behalf of the Board of Directors:

		
		Director
		
		Director

VISIONS OF INDEPENDENCE INC.
Statement of Operations

For the year ended March 31	2021	2020
Revenue		
Province of Manitoba - Department of Families (Note 6)	\$ 8,949,186	\$ 8,806,220
Program revenue	25,900	98,773
Amortization of deferred contributions (Note 7)	31,135	30,034
Rental revenue	21,629	27,980
Fundraising, donations and miscellaneous	49,350	7,754
Interest	1,129	2,772
Grants	40,744	13
	9,119,073	8,973,546
Expenditures		
Advertising	3,584	2,670
Amortization of capital assets	216,110	190,982
Board expenses	-	8,461
Consulting and IT support	65,766	76,443
Employee benefits	743,527	704,626
Food	246,476	223,757
Furniture and equipment	23,700	21,218
Housewares	69,690	50,568
Insurance	48,388	36,757
Interest and bank charges	2,825	3,761
Interest on long-term debt	77,229	69,153
Membership and dues	16,205	7,843
Office supplies and equipment	122,878	26,809
Payroll tax and other payroll costs	163,379	169,976
Professional fees	18,263	25,405
Program supplies	10,579	80,307
Property taxes	51,902	49,462
Recreation and leisure	55,983	45,958
Rent	243,483	223,428
Repairs and maintenance	120,479	114,212
Salaries	6,519,790	6,695,425
Sundry	5,164	4,705
Telecommunications	109,949	92,071
Training	26,986	25,763
Transportation	42,633	123,191
Utilities	100,095	85,850
	9,105,063	9,158,801
Excess (deficiency) of revenue over expenditures	\$ 14,010	\$ (185,255)

The accompanying notes are an integral part of these financial statements.

VISIONS OF INDEPENDENCE INC.
Statement of Changes in Net Assets

For the year ended March 31	2021			2020
	Invested in Capital Assets	Unrestricted	Total	Total
Net assets, beginning of year	\$ 883,874	\$ 801,547	\$ 1,685,421	\$ 1,870,676
Excess (deficiency) of revenue over expenses	(184,975)	198,985	14,010	(185,255)
Purchase of capital assets	513,664	(513,664)	-	-
Contributions for purchase of capital assets	(54,975)	54,975	-	-
Long-term debt advanced	(389,000)	389,000	-	-
Repayment of long-term debt	131,704	(131,704)	-	-
Capital lease repayments	29,810	(29,810)	-	-
Net assets, end of year	\$ 930,102	\$ 769,329	\$ 1,699,431	\$ 1,685,421

VISIONS OF INDEPENDENCE INC.
Statement of Cash Flows

For the year ended March 31	2021	2020
Cash Flows From Operating Activities		
Excess (deficiency) of revenue over expenditures for the year	\$ 14,010	\$ (185,255)
Adjustments for		
Amortization of capital assets	216,110	190,982
Contributions relating to capital assets	54,975	-
Amortization of deferred contributions	(31,135)	(30,034)
Obligation under capital lease	-	117,730
	<u>253,960</u>	<u>93,423</u>
Changes in non-cash working capital:		
Accounts receivable	(433,954)	81,648
Prepaid expenses	(5,866)	(29,221)
Accounts payable and accrued liabilities	141,400	(76,003)
	<u>(298,420)</u>	<u>(23,576)</u>
	<u>(44,460)</u>	<u>69,847</u>
Cash Flows From Financing Activities		
Repayment of long-term debt	(131,704)	(118,441)
Proceeds from long-term debt	389,000	275,686
Repayment of obligation under capital lease	(29,810)	(25,497)
	<u>227,486</u>	<u>131,748</u>
Cash Flows Used in Investing Activities		
Purchase of capital assets	(513,664)	(486,164)
Net decrease in cash and bank	(330,638)	(284,569)
Cash and bank, beginning of year	1,034,233	1,318,802
Cash and bank, end of year	\$ 703,595	\$ 1,034,233

The accompanying notes are an integral part of these financial statements.

VISIONS OF INDEPENDENCE INC.

Notes to Financial Statements

For the year ended March 31, 2021

1. Nature of Operations and Summary of Significant Accounting Policies

Nature and Purpose of Corporation

Visions of Independence Inc. (the "Organization") was incorporated under the laws of the Province of Manitoba as a non-profit corporation with registered charity status for income tax purposes. The purpose of the Organization is to provide housing and other support to individuals with intellectual disabilities.

Basis of Accounting

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

Revenue Recognition

The Organization follows the deferral method of accounting for contributions which include donations and government grants.

The Organization is funded primarily by the Department of Families of the Province of Manitoba in accordance with budget arrangements established by the Province. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period. These financial statements reflect agreed funding arrangements approved by the Province with respect to the year ended March 31, 2021.

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.

Restricted contributions for the purchase of property and equipment are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired property and equipment.

Rental income is recognized in accordance with the terms established between the Organization and the tenant.

Program, fundraising, donation and miscellaneous revenues are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest revenue is recognized when earned.

VISIONS OF INDEPENDENCE INC.

Notes to Financial Statements

For the year ended March 31, 2021

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets in actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

Capital Assets

Purchased capital assets are recorded at historical cost less accumulated amortization.

Contributed tangible capital assets are recorded at fair value at the date of contribution and are amortized, unless fair value is not determinable in which case contributed tangible capital assets are recorded at nominal value at the date of contribution.

Capital assets are amortized using the following rates and methods:

Buildings	4% straight-line (25 years)
Leasehold improvements	20% straight-line (5 years)
Computer software	20% straight-line (5 years)
Furnishings and equipment	20% straight-line (5 years)
Vehicles	20% straight-line (5 years)

Use of Estimates

Financial statements prepared in conformity with Canadian accounting standards for not-for-profit organizations require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

VISIONS OF INDEPENDENCE INC. Notes to Financial Statements

For the year ended March 31, 2021

2. Accounts Receivable

	2021	2020
Province of Manitoba	\$ 494,391	\$ 93,053
Goods and Services Tax	17,603	26,301
Wage enhancement	79,919	126,822
Other	144,874	56,657
	\$ 736,787	\$ 302,833

3. Capital Assets

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 835,105	\$ -	\$ 835,105	\$ -
Buildings	4,155,308	1,043,488	3,644,430	879,478
Leasehold improvements	7,790	7,790	7,790	7,790
Computer software	54,664	52,706	54,664	41,773
Furnishings and equipment	475,963	196,077	473,308	195,134
Vehicles	334,515	189,303	334,515	149,212
	\$ 5,863,345	\$ 1,489,364	\$ 5,349,812	\$ 1,273,387
Net book value		\$ 4,373,981		\$ 4,076,425

4. Credit Facilities

The Organization has an operating line of credit to a maximum of \$300,000 bearing interest at prime plus 1.75% (4.20% effective rate). The Organization has provided a General Security Agreement providing for a first fixed and floating charge over all assets. The line of credit was unutilized as at March 31, 2021.

VISIONS OF INDEPENDENCE INC. Notes to Financial Statements

For the year ended March 31, 2021

5. Long-term Debt

	2021	2020
<u>Assiniboine Credit Union</u>		
79 Ambassador - mortgage repayable in monthly payments of \$2,595, including interest at 2.84%, maturing April 1, 2038.	\$ 430,357	\$ 439,749
59 Tamworth - mortgage repayable in monthly payments of \$2,110, including interest at 2.49%, maturing June 30, 2040.	385,110	-
232 Sutton Ave. - mortgage repayable in monthly payments of \$1,275, including interest at 2.79%, maturing November 30, 2044.	264,666	272,415
270 Seneca St. - mortgage repayable in monthly payments of \$1,225, including interest at 3.49%, maturing October 1, 2043.	232,838	236,087
57 Rupertsland - mortgage repayable in monthly payments of \$1,444, including interest at 3.49%, maturing October 30, 2023.	166,881	187,154
545 Royal Road - mortgage repayable in monthly payments of \$1,205, including interest at 3.34%, maturing January 15, 2035.	155,175	168,923
171 Barrington - mortgage repayable in monthly payments of \$1,010, including interest at 2.99%, maturing October 1, 2037.	157,829	165,057
7th St. NW - mortgage repayable in monthly payments of \$960, including interest at 2.79%, maturing January 18, 2035.	128,560	136,196
20 Saskatchewan - mortgage repayable in monthly payments of \$1,556, including interest at 4.94%, maturing January 25, 2029.	121,230	133,449
17 Barrington - mortgage repayable in monthly payments of \$765 including interest at 2.54%, maturing May 30, 2037.	117,600	123,692
2nd Ave NW - mortgage repayable in monthly payments of \$990, including interest at 3.49%, maturing April 1, 2028.	74,112	83,169
423 Kildare - mortgage repayable in monthly payment of \$922, including interest at 3.49%, maturing July 16, 2028.	71,061	79,406
755 3rd St. NE - mortgage repayable in monthly payments of \$410, including interest at 2.45%, maturing June 30, 2037.	64,414	67,644

VISIONS OF INDEPENDENCE INC. Notes to Financial Statements

For the year ended March 31, 2021

5. Long-term Debt (continued)

	2021	2020
<u>Assiniboine Credit Union</u>		
71 Emerald - mortgage repayable in monthly payments of \$704, including interest at 3.34%, maturing January 25, 2028.	50,814	57,924
90 12th St. - mortgage repayable in monthly payments of \$704, including interest at 3.34%, maturing January 26, 2028.	51,894	57,924
95 Gemini - mortgage repayable in monthly payments of \$573, including interest at 2.74%, maturing July 1, 2023.	15,941	22,397
	2,488,482	2,231,186
Current portion of long-term debt required within 12 months	150,219	128,655
	\$ 2,338,263	\$ 2,102,531

The mortgages are secured by a first charge mortgage against their respective property. The Organization has a revolving term facility in the amount of \$5,000,000 to finance future purchases of residential group homes. The net book value of the properties securing these mortgages was \$3,388,654 at March 31, 2021. Principal repayments for the next five years and thereafter are as follows:

2022	\$ 150,219
2023	152,199
2024	152,373
2025	155,279
2026	160,642
Thereafter	1,717,770
	\$ 2,488,482

6. Province of Manitoba - Department of Families

	2021	2020
Residential services	\$ 7,083,285	\$ 7,051,549
Benefits funding	254,454	220,050
Transportation carrier	2,955	6,576
Day program	933,045	853,559
Payroll tax reimbursed	168,155	142,095
Wage enhancement	507,292	507,291
Crisis funding	-	25,100
	\$ 8,949,186	\$ 8,806,220

VISIONS OF INDEPENDENCE INC. Notes to Financial Statements

For the year ended March 31, 2021

7. Deferred Contributions

The balance represents the unamortized amount of contributions received for the purchase or acquisition of property and equipment. The amortization of contributions is recorded as revenue in the statement of operations.

	2021	2020
Balance, beginning of year	\$ 802,523	\$ 832,557
Add: Contributions received in the year	54,974	-
Less: Amounts amortized to revenue	(31,135)	(30,034)
	\$ 826,362	\$ 802,523

8. Commitments

Operating Lease

The Organization has future rental and operating lease commitments on properties totalling \$115,134 over the next fiscal year.

Capital Lease

The Organization leases its vehicles for 5 years which have a net carrying amount of \$129,034 (\$172,020 in 2020) which is classified as capital leases as the rental period amounts to the estimated useful economic life of the assets concerned and often has the right to purchase the assets outright at the end of the minimum lease term by paying a nominal amount or at guaranteed residual amount. Capital lease obligations are secured by the assets under lease. The obligations bear interest at ranges from 3.48% to 5.69% and the Organization recognized \$2,782 of interest expense related to the lease obligations.

Future lease payments are due as follows:

2022	\$	35,147
2023		33,387
2024		18,070
2025		37,675
2026		

VISIONS OF INDEPENDENCE INC. Notes to Financial Statements

For the year ended March 31, 2021

9. Pension Plan

The Organization has a defined contribution registered retirement savings plan for full-time employees. The contributions are held in trust by Assiniboine Credit Union Limited and are not recorded in these financial statements. The Organization matches employee contributions at a rate of 3% of the employee salary to a maximum of \$500 per year. The expense and payments for the year ended March 31, 2021 was \$48,168 (\$51,819 in 2020). As a defined contribution registered retirement savings plan, the Organization has no further liability or obligation for future contributions to fund future benefits to plan members.

10. Financial Instrument Risk

In the normal course of operations the Organization is exposed to various financial risks. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Organization does not meaningfully participate in the use of financial instruments to control these risks. The Organization has no designated hedging transactions. The financial risks and management's risk management objectives and policies are as follows:

Credit Risk and Market Risk

Credit risk is the risk that the Organization will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist primarily of cash and accounts receivable. Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment or factors affecting all securities traded in the market. The Organization is not exposed to significant credit risk as the majority of accounts receivable is from the Province of Manitoba and cash is kept in low risk investment vehicles such as chequing and savings accounts. The risks have not changed from the previous period.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate price risk to the extent that its long-term debt is at floating rates of interest. The risk has not changed from the previous period.

Liquidity Risk

Liquidity risk is the risk that the Organization will not be able to meet its obligations as they fall due. Management monitors the Organization's liquidity and is of the opinion that it is unlikely that the Organization will encounter difficulty in raising funds to meet commitments associated with financial instruments. The risk has not changed from the previous period.

VISIONS OF INDEPENDENCE INC. Notes to Financial Statements

For the year ended March 31, 2021

11. Economic Dependence

The Organization receives a major portion of its revenues pursuant to a funding arrangement with the Province of Manitoba.

12. Uncertainty Due to COVID-19

On March 11, 2020, the World Health Organization classified the COVID-19 outbreak as a global pandemic. The global pandemic has disrupted economic activities and supply chains. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time. The entity's ability to continue to service debt and meet lease and other obligations as they come due is dependent on the continued ability to generate earnings and cash flows.