

**CANADIAN HARD OF HEARING ASSOCIATION
NEWFOUNDLAND AND LABRADOR CHAPTER INC.**

FINANCIAL STATEMENTS

MARCH 31, 2015

**CANADIAN HARD OF HEARING ASSOCIATION
NEWFOUNDLAND AND LABRADOR CHAPTER INC.**

MARCH 31, 2015

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Deborah A. Muir
Chartered Professional Accountant
Certified General Accountant

AUDITOR'S REPORT

Board of Directors and Members
Canadian Hard of Hearing Association - Newfoundland and Labrador

I have audited the accompanying statement of financial position of **Canadian Hard of Hearing Association - Newfoundland and Labrador** as of March 31, 2015, and the statement of operations and net assets and the statement of cash flows for the year then ended. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Canadian Hard of Hearing Association - Newfoundland and Labrador as of March 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting standards.

September 8, 2015

St. John's, NL

CHARTERED PROFESSIONAL ACCOUNTANT

P.O. Box 1102 Goulds, NL A1S 1H2

Phone: 709-745-2499 Fax: 745-2402 E-mail: dmuir@nf.sympatico.ca

**CANADIAN HARD OF HEARING ASSOCIATION
NEWFOUNDLAND AND LABRADOR CHAPTER INC.**

**STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2015**

ASSETS

	2015	2014
CURRENT		
Cash	\$ 150,788	\$ 500
Investments (Note 6)	288,872	246,383
Accounts receivable (Note 3)	60,865	127,396
Prepaid expenses	31,142	129,276
	531,667	503,555
CAPITAL ASSETS (Notes 2 & 4)	617,313	644,726
INVESTMENTS (Note 6)	382,177	544,320
	\$ 1,531,157	\$ 1,692,601

LIABILITIES

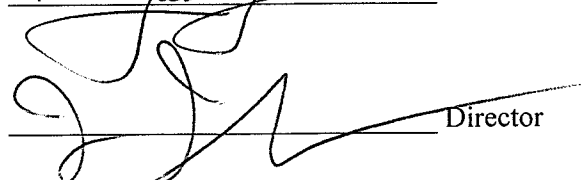
CURRENT		
Bank overdraft	\$ -	\$ 34,235
Bank loan (Note 7)	184	-
Accounts payable and accruals (Note 5)	51,977	122,467
	52,161	156,702
DEFERRED REVENUE (Note 8)	-	18,350
	52,161	175,052

NET ASSETS

NET ASSETS	1,478,996	1,517,549
	\$ 1,531,157	\$ 1,692,601

APPROVED ON BEHALF OF THE BOARD:

 Director

 Director

See accompanying notes to financial statements

**CANADIAN HARD OF HEARING ASSOCIATION
NEWFOUNDLAND AND LABRADOR CHAPTER INC.**

**STATEMENT OF OPERATIONS AND NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2015**

	2015	2014
RECEIPTS		
Fundraising (Schedule 1)	\$ 2,834,575	\$ 2,521,964
Programs & Services (Schedule 2)	28,637	20,946
Administration (Schedule 3)	39,013	38,188
	2,902,225	2,581,098
EXPENDITURES		
Fundraising (Schedule 1)	2,167,272	1,993,126
Programs & Services (Schedule 2)	458,671	387,329
Administration (Schedule 3)	314,835	315,683
	2,940,778	2,696,138
EXCESS OF EXPENDITURES OVER RECEIPTS	(38,553)	(115,040)
NET ASSETS, beginning of year	1,517,549	1,637,201
	1,478,996	1,522,161
PRIOR PERIOD ADJUSTMENT (Note 9)	-	4,612
NET ASSETS AS RESTATED, end of year	\$ 1,478,996	\$ 1,517,549

See accompanying notes to financial statements

**CANADIAN HARD OF HEARING ASSOCIATION
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2015**

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (38,553)	\$ (115,040)
Prior period adjustment	-	(4,612)
	(38,553)	(119,652)
Change in assets and liabilities:		
Decrease (increase) in investments	(42,489)	(123,327)
Decrease (increase) in accounts receivable	66,532	(48,899)
Decrease (increase) in prepaid expenses	98,133	(116,217)
(Decrease) increase in accounts payable and accruals	(70,488)	107,479
Total adjustments	51,688	(180,964)
Net cash provided by operating activities	13,135	(300,616)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in deferred revenue	(18,350)	16,350
	(18,350)	16,350
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in capital assets	27,410	4,105
Decrease in investments	162,144	48,938
Net cash used in investing activities	189,554	53,043
INCREASE (DECREASE) IN CASH	184,339	(231,223)
CASH, beginning of year	(33,735)	197,488
CASH, end of year	\$ 150,604	\$ (33,735)
CASH IS COMPRISED OF:		
Cash on hand	\$ 500	\$ 500
Cash in bank (Bank overdraft)	150,288	(34,235)
Demand loan	(184)	-
	\$ 150,604	\$ (33,735)

See accompanying notes to financial statements

**CANADIAN HARD OF HEARING ASSOCIATION
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NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

2015

2014

1. GENERAL

The Association, incorporated under the laws of the province of Newfoundland and Labrador, provides support to the hard of hearing community and promotes awareness to government and the general public. The Association is a registered charity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Amortization of capital assets is recorded on a declining balance basis at the undernoted rates except in the year of acquisition when one half such rates are applied to the cost of additions. No amortization is recorded in the year of disposition.

Buildings	04%
Furniture & equipment	20%
Computer equipment	30% - 55%
Listening equipment	20%
Signs	20%
Parking areas	08%
Software	100%
Land	N/A

(b) The association prepares its financial statements using the accrual basis of accounting.

(d) Volunteers commit to providing essential services in assisting the Association in carrying out its activities. These contributed services are not reflected in the financial statements due to the difficulty in determining their fair market value.

(e) Financial Instruments: the organization's financial instruments consist of cash, receivables, accounts payable and accruals. It is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments, and that the carrying values of these financial instruments approximate their fair values.

3. ACCOUNTS RECEIVABLE

Receivables related to operations	\$ 6,243	\$ 45,915
Accrued interest on investments	16,363	20,036
HST receivable	<u>38,259</u>	<u>61,445</u>
	<u>\$ 60,865</u>	<u>\$ 127,396</u>

**CANADIAN HARD OF HEARING ASSOCIATION
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NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

			2015	2014
4. CAPITAL ASSETS	Cost	Accumulated Amortization	Net 2015	Net 2014
Buildings	\$ 666,141	\$ 187,447	\$ 478,694	\$ 503,889
Furniture & equipment	168,363	100,451	67,912	66,310
Computer equipment	39,857	35,952	3,905	5,990
Listening equipment	25,548	20,576	4,972	6,215
Signs	3,338	1,641	1,697	2,122
Parking areas	14,830	5,447	9,383	10,199
Software	<u>7,167</u>	<u>6,417</u>	<u>750</u>	<u>-</u>
	925,244	357,931	567,313	594,725
Land	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
	<u>\$ 975,244</u>	<u>\$ 357,931</u>	<u>\$ 617,313</u>	<u>\$ 644,725</u>
5. ACCOUNTS PAYABLE AND ACCRUALS				
Payables relating to operations			\$ 52,941	\$ 122,153
Payroll and (or) related withholdings			<u>(964)</u>	<u>314</u>
			<u>\$ 51,977</u>	<u>\$ 122,467</u>
6. INVESTMENTS				
Short Term:				
TRD at 3.25% maturing April 25, 2016			\$ 123,029	\$ -
TRD at 3% matured April 25, 2015			123,328	123,328
TRD at 3.25% matured April 25, 2014			-	123,055
TRD at 3.25% maturing May 4, 2016			<u>42,515</u>	<u>-</u>
Short term investments			<u>288,872</u>	<u>246,383</u>
Long Term:				
TRD at 2.35% matures April 29, 2018			53,486	53,485
TRD at 2.375% matures April 25, 2018			145,611	142,211
TRD at 3.25% maturing April 25, 2016			-	123,029
TRD at 3.25% maturing May 4, 2016			-	42,515
TRD at 2.125% maturing February 27, 2017			41,115	41,115
TRD at 2.625% maturing April 25, 2017			<u>141,965</u>	<u>141,965</u>
Long term investments			<u>382,177</u>	<u>544,320</u>
TOTAL INVESTMENTS			<u>\$ 671,049</u>	<u>\$ 790,703</u>

Management Note: the Association depends almost exclusively on the income it receives from the bi-annual lotteries to fund its daily operations. To mitigate the risk associated with a failed lottery, the board of directors have implemented a policy to create a reserve fund approximately equal to one year of operating expenditures. This fund can only be accessed by management with the written permission of the board of directors. The fund consists of a number of five year laddered guaranteed investment certificates as noted above.

**CANADIAN HARD OF HEARING ASSOCIATION
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NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

	<u>2015</u>	<u>2014</u>
7. BANK LINE OF CREDIT		
Revolving line of credit at Prime plus .5%.	\$ <u>184</u>	\$ <u>-</u>
8. DEFERRED REVENUE		
Funding received or receivable for subsequent year projects.	\$ <u>-</u>	\$ <u>18,350</u>
9. PRIOR PERIOD ADJUSTMENT		
Workplace Health and Safety Commission has ruled commissions paid to ticket sellers are assessable. The adjustment reflects 2009, 2010 and 2011 assessable commissions.		

**CANADIAN HARD OF HEARING ASSOCIATION
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MARCH 31, 2015

SCHEDULE 1

FUNDRAISING	2015			2014
	US\$1	UDH 29	Totals	
RECEIPTS	503,350	1,813,925	\$ 2,317,275	\$ 2,224,375
50/50 draw	104,230	413,070	517,300	297,589
	607,580	2,226,995	2,834,575	2,521,964
EXPENDITURES				
Advertising & promotion	153,983	164,304	318,287	299,550
Commissions	32,810	116,983	149,793	166,777
Consultants and professional fees	32,586	70,499	103,085	29,874
Courier & postage	5,696	16,422	22,118	11,032
Credit/debit card charges	5,657	49,974	55,631	66,758
Information technology	63	199	262	593
Interest & bank charges	273	340	613	481
Licences & fees	7,793	13,350	21,143	18,884
Maintenance	716	1,419	2,135	4,370
Messaging services	3,270	35,407	38,677	-
Miscellaneous	11	1,108	1,119	416
Printing charges	11,860	22,737	34,597	33,403
Prizes - 50/50 draw	52,115	206,535	258,650	148,795
Prizes	327,500	649,899	977,399	1,058,309
Rent	1,908	1,871	3,779	2,732
Supplies	1,553	1,871	3,424	1,284
Telephone	869	2,853	3,722	3,594
Travel	383	402	785	1,973
Wages and salaries	44,375	127,678	172,053	144,301
TOTAL EXPENDITURES	683,421	1,483,851	2,167,272	1,993,126
NET FUNDRAISING	<u>(75,841)</u>	<u>743,144</u>	<u>\$ 667,303</u>	<u>\$ 528,838</u>

**CANADIAN HARD OF HEARING ASSOCIATION
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MARCH 31, 2015

SCHEDULE 2

PROGRAMS & SERVICES	2015	2014
<u>RECEIPTS</u>		
Donations	\$ 570	\$ 4,361
Fundraising - other	-	-
Wage subsidies	9,637	-
Other	80	6,585
Projects and grants	18,350	10,000
TOTAL RECEIPTS	28,637	20,946
<u>EXPENDITURES</u>		
Advertising & promotion	20,246	39,414
Captioning fees	3,733	-
Consultants and professional fees	72,763	24,094
Courier & postage	5,813	1,404
Human resources	16,392	15,381
Information technology	1,080	519
Interest and bank charges	165	-
Licences & fees	5,267	3,282
Maintenance	645	23,974
Meeting costs	2,869	3,588
Printing charges	1,868	7,885
Rent	-	3,303
Scholarships and donations	29,811	3,986
Special events	13,403	15,275
Supplies	1,643	6,593
Telephone	835	7,673
Travel	48,822	30,866
Wages and salaries	223,294	200,092
Web design and maintenance	10,022	-
TOTAL EXPENDITURES	458,671	387,329
NET PROGRAMS & SERVICES	\$ <u>(430,034)</u>	\$ <u>(366,383)</u>

See ADDENDUM attached

**CANADIAN HARD OF HEARING ASSOCIATION
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MARCH 31, 2015

SCHEDULE 3

ADMINISTRATION	2015	2014
<u>RECEIPTS</u>		
Donations	\$ 4,438	\$ -
Government assistance	15,800	15,800
Interest (includes accruals)	18,775	19,157
Miscellaneous	-	2,564
Wage subsidies	-	667
TOTAL RECEIPTS	39,013	38,188
<u>EXPENDITURES</u>		
Advertising & promotion	-	7,405
Amortization	46,736	46,175
Captioning fees	4,170	4,523
Communications plan	-	-
Courier & postage	3,158	3,638
Donations	10,100	10,100
Honorarium	200	-
Information technology	2,620	1,732
Insurance	4,783	4,450
Interest & bank charges	14,742	6,847
Licences & fees	1,000	4,081
Meeting costs	2,814	1,592
Miscellaneous	-	-
Office	8,641	11,357
Professional fees	6,218	3,764
Property tax	7,316	7,316
Rent	1,122	-
Repairs and maintenance	26,852	26,049
Telephone	7,283	8,103
Travel	631	1,258
Utilities	9,008	8,684
Wages and benefits	157,441	158,609
TOTAL EXPENDITURES	314,835	315,683
NET ADMINISTRATION	\$ <u>(275,822)</u>	\$ <u>(277,495)</u>

**CANADIAN HARD OF HEARING ASSOCIATION
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March 31, 2015

Addendum

<u>Programs & Services expenditures include:</u>	<u>2015</u>	<u>2014</u>
Adopt-a-classroom	\$ 489	\$ 19
Assistive Listening Devices - Loans	5,940	5,674
Branch Development	20,189	19,001
Cochlear Implant Support Group	233	750
Direct Service Fund - ALDS	-	573
Families Group	1,034	1,359
Hearing Awareness Campaign	87	24,404
Hearing Helpers Project II	126	477
Lifestyle Programs for HOH Youth	500	2,900
Living with Hearing Aids Program	1,316	7,231
Living with Hearing Loss - Aural Rehabilitation	-	44
May Month	5,222	7,136
Meniere's/Tinnitus Group	789	778
Opportunities Fund - Easter Seals Funding	2,573	-
Program/Services - General	222,762	227,492
Program/Services - Rural	5,039	4,039
Program/Services - Education, scholarships	39,641	-
Resource Library/Accessibilty/Speech Reading	2,103	1,277
Summer Camp - HOH Youth	5,202	2,280
Volunteer Program	945	1,250
Youth Group	3,990	5,001
Youth Toastmasters	2,653	3,257
Youth Vibrations Workshop	29,251	-
	<u>\$ 350,084</u>	<u>\$ 314,942</u>