

VOICE FOR HEARING IMPAIRED CHILDREN

Financial Statements

Year Ended May 31, 2022

VOICE FOR HEARING IMPAIRED CHILDREN

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Year Ended May 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Members of Voice For Hearing Impaired Children

Qualified Opinion

We have audited the financial statements of Voice For Hearing Impaired Children (the organization), which comprise the statement of financial position as at May 31, 2022, and the statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at May 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended May 31, 2022, current assets and net assets as at May 31, 2022. The predecessor auditor's opinion on the financial statements for the year ended May 31, 2021 was modified accordingly because of the possible effects of this limitation of scope.

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 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 qualified audit opinion.

Other Matter

The financial statements for the year ended May 31, 2021 were audited by another auditor who expressed a qualified opinion on those financial statements on for the reasons described in the *Basis for Qualified Opinion* section.

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 ASNPO, 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.

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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.

S+A Partners

Oakville, Ontario
November 28, 2022

S&A Partners Professional Corporation
Chartered Professional Accountants
*Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario*

VOICE FOR HEARING IMPAIRED CHILDREN

Statement of Financial Position

May 31, 2022

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT		
Cash	\$ 164,779	\$ 154,712
Accounts receivable	500	1,500
Harmonized sales tax recoverable	882	304
Prepaid expenses	794	578
	<u>\$ 166,955</u>	<u>\$ 157,094</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 5,281	\$ 3,321
Deferred income	131,634	128,287
	<u>136,915</u>	<u>131,608</u>
NET ASSETS	<u>30,040</u>	<u>25,486</u>
	<u>\$ 166,955</u>	<u>\$ 157,094</u>

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

VOICE FOR HEARING IMPAIRED CHILDREN

Statement of Changes in Net Assets

Year Ended May 31, 2022

	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 25,486	\$ 8,928
EXCESS OF RECEIPTS OVER EXPENSES	4,554	16,558
NET ASSETS - END OF YEAR	\$ 30,040	\$ 25,486

VOICE FOR HEARING IMPAIRED CHILDREN**Statement of Revenues and Expenditures****Year Ended May 31, 2022**

	2022	2021
RECEIPTS		
Contributions	\$ 36,502	\$ 34,994
Fees	5,070	3,865
Donations	1,438	1,360
Membership Fees	193	645
Fundraising & special events	50	767
	<u>43,253</u>	41,631
PROGRAM EXPENSES		
Conference	<u>2,421</u>	645
GROSS PROFIT	<u>40,832</u>	40,986
EXPENSES		
Professional fees	11,236	5,717
Fundraising & Special Events	6,613	7,134
Advertising and promotion	5,654	350
Office	4,354	4,632
Grant Writer Fees	3,000	-
Computer Related Expenses	2,415	828
Insurance	1,769	2,183
Rental	733	1,525
Bank Charges	504	1,464
Utilities	-	595
	<u>36,278</u>	24,428
EXCESS OF RECEIPTS OVER EXPENSES	<u>\$ 4,554</u>	<u>\$ 16,558</u>

VOICE FOR HEARING IMPAIRED CHILDREN**Statement of Cash Flows****Year Ended May 31, 2022**

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Excess of receipts over expenses	<u>\$ 4,554</u>	<u>\$ 16,558</u>
Changes in non-cash working capital:		
Accounts receivable	1,000	(1,500)
Deferred Charges	3,347	10,694
Accounts payable	1,960	3,108
Prepaid expenses	(216)	3,332
Harmonized sales tax payable	<u>(578)</u>	<u>721</u>
	<u>5,513</u>	<u>16,355</u>
INCREASE IN CASH FLOW	10,067	32,913
Cash - beginning of year	<u>154,712</u>	<u>121,799</u>
CASH - END OF YEAR	<u>\$ 164,779</u>	<u>\$ 154,712</u>

VOICE FOR HEARING IMPAIRED CHILDREN

Notes to Financial Statements

Year Ended May 31, 2022

1. PURPOSE OF THE ORGANIZATION

Voice For Hearing Impaired Children (the "organization") is incorporated in the province of Ontario without share capital. As a registered charity the organization is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The organization is a Canadian pediatric hearing association for children with hearing loss whose parents have chosen to help them hear, listen and speak. The organization's mission is to ensure that all children with hearing loss have their rights upheld with access to services for developing their abilities to hear, listen and speak.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) in Part III of CICA Handbook using deferral method of accounting.

These financial statements show only the assets and liabilities under control of management and changes therein. All revenues and expenses are recorded on accrual basis.

Revenue recognition

Voice For Hearing Impaired Children follows the deferral method of accounting for contributions.

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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Seminar fees are recognized as revenue when the seminars are held.

Expense Allocation

Program costs include the cost of personnel, premises, administrative and other expenses that are directly related to providing the programs.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Goods and services tax

Contributed materials and services are recoverable at 50% as a rebate. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable.

3. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of May 31, 2022.

Fair Value

(continues)

VOICE FOR HEARING IMPAIRED CHILDREN

Notes to Financial Statements

Year Ended May 31, 2022

3. FINANCIAL INSTRUMENTS *(continued)*

Cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are short-term financial instruments whose fair values approximate their carrying values due to the short-term maturities of those instruments.

Market Values

Market value of marketable securities is determined based on the trade price at the end of the year. The determination of the market values is dependent upon many assumptions. The calculation of estimated market value is based on market conditions at a specific point in time and in the respective geographic locations and may not be reflective of future market values. The associated market values and investment returns will therefore be subject to a variety of risk factors, both specific to the individual investments and arising from general economic conditions. The actual amounts ultimately realized could differ from the amounts reported in these financial statements.

Risk management

The organization is exposed to various risks in relation to its investment portfolio, consisting of investment assets. The main types of risks are market risk, credit risk, and liquidity risk.

(i) Market Risk

The organization is exposed to market risk through its use of financial instruments and specifically interest rate risk, which result from its investing activities.

(ii) Interest Rate Risk

Interest rate risk refers to the effect on the market value of the organization's assets and liabilities due to fluctuations in interest rates. The value of the organization's assets is affected by short-term changes in nominal and real interest rates. To properly manage the organization's interest rate risk, appropriate guidelines on the weighting and duration for the fixed income investments are set and monitored.

(iii) Credit Risk

Credit risk is the risk of loss should the counter-party to a transaction default or otherwise fail to perform under the terms of the contract. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness and the respective concentration risk.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

4. SUBSEQUENT EVENTS

The following events occurred subsequent to the fiscal year end:

COVID-19

During the fiscal year and subsequently, there was a global health crisis that resulted in wide spread lockdowns across the world. Lockdown requirements included that all gatherings be stopped until further notice.

COVID-19 has impacted the organization's future plans to hold their camp & conference events and offer support to hard of hearing children. The board members have held their meetings virtually during the course of this pandemic.

5. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.
