

**VOICE FOR HEARING IMPAIRED CHILDREN**

**Financial Statements**

**Year Ended May 31, 2023**

**VOICE FOR HEARING IMPAIRED CHILDREN**

**Index to Financial Statements**

**Year Ended May 31, 2023**

---

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Revenues and Expenditures	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 8

---

## 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, 2023, 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, 2023, 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 charitable organizations, the organization derives revenue from fundraising activities the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets. Our audit opinion on the financial statements for the year ended May 31, 2022 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.

### *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.

(continues)

*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.

Oakville, Ontario  
November 2, 2023

*S+A Partners*

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, 2023**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 154,869	\$ 164,779
Accounts receivable	-	500
Harmonized sales tax recoverable	386	882
Prepaid expenses	4,483	794
	<u>\$ 159,738</u>	<u>\$ 166,955</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 9,364	\$ 5,281
Employee deductions payable	728	-
	<u>10,092</u>	5,281
DEFERRED CONTRIBUTIONS <i>(Note 3)</i>	<u>131,894</u>	131,634
	<u>141,986</u>	136,915
NET ASSETS	<u>17,752</u>	30,040
	<u>\$ 159,738</u>	<u>\$ 166,955</u>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ *Director*

\_\_\_\_\_ *Director*

**VOICE FOR HEARING IMPAIRED CHILDREN**

**Statement of Changes in Net Assets**

**Year Ended May 31, 2023**

	<b>2023</b>	2022
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 30,040</b>	\$ 25,486
DEFICIENCY OF REVENUES OVER EXPENSES	<u>(12,288)</u>	4,554
<b>NET ASSETS - END OF YEAR</b>	<b><u>\$ 17,752</u></b>	<b><u>\$ 30,040</u></b>

**VOICE FOR HEARING IMPAIRED CHILDREN**

**Statement of Revenues and Expenditures**

**Year Ended May 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>REVENUES</b>		
Contributions	\$ 30,989	\$ 36,502
Donations	3,226	1,438
Membership fees	1,486	5,070
Conference	45	193
Fundraising & special events	-	50
	<u>35,746</u>	<u>43,253</u>
<b>PROGRAM EXPENSES</b>		
Conference	-	2,421
	<u>35,746</u>	<u>40,832</u>
<b>EXPENSES</b>		
General and administrative	11,862	4,354
Fundraising & Special Events	11,364	6,613
Professional fees	10,892	11,236
Advertising and promotion	5,020	5,654
Computer Related Expenses	4,457	2,415
Insurance	1,810	1,769
Interest and bank charges	1,040	504
Consulting fees	1,000	3,000
Bad debts	500	-
Rental	89	733
	<u>48,034</u>	<u>36,278</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ (12,288)</b>	<b>\$ 4,554</b>

**VOICE FOR HEARING IMPAIRED CHILDREN**

**Statement of Cash Flows**

**Year Ended May 31, 2023**

	<u>2023</u>	<u>2022</u>
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ (12,288)	\$ 4,554
Changes in non-cash working capital:		
Accounts receivable	500	1,000
Accounts payable	4,083	1,963
Prepaid expenses	(3,689)	(216)
Harmonized sales tax payable	496	(578)
Deferred income	260	3,347
Employee deductions payable	728	-
	<u>2,378</u>	<u>5,516</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(9,910)</b>	<b>10,070</b>
Cash - beginning of year	<u>164,779</u>	<u>154,709</u>
<b>CASH - END OF YEAR</b>	<b>\$ 154,869</b>	<b>\$ 164,779</b>
<b>CASH CONSISTS OF:</b>		
Unrestricted	\$ 47,757	\$ 48,022
Restricted	<u>107,112</u>	<u>116,757</u>
	<b>\$ 154,869</b>	<b>\$ 164,779</b>



# VOICE FOR HEARING IMPAIRED CHILDREN

## Notes to Financial Statements

Year Ended May 31, 2023

---

### 1. PURPOSE OF THE ORGANIZATION

Voice For Hearing Impaired Children (the "organization") is a not-for-profit organization of Ontario. 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 learn to 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) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

#### 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.

Donated material and services are not recorded in the accounts.

Special event and conference fee revenue is recognized in the period in which the event is held.

Contracted service revenue and audio verbal therapy fees are recognized in the period in which the services are performed

Membership fees are recognized as revenue in the year to which they apply. Membership fees received for future periods are deferred in the accounts.

Interest income is recognized as revenue when earned.

#### Allocation of expenses

Program costs include the costs of personnel, administrative and other expenses that are directly related to providing the programs. Non-direct expenses required for delivery of programs are allocated to the programs on an equitable basis and applied consistently each year. The organization allocates personnel costs based on the time spent.

#### Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives.

---

### 3. DEFERRED CONTRIBUTIONS

Deferred contribution represents the amounts received by the organization for program activities that have not yet taken place or for special events that will be held in the future. Prior year deferred contributions of \$3,575.16 were included in revenue in the current year.

---

# VOICE FOR HEARING IMPAIRED CHILDREN

## Notes to Financial Statements

Year Ended May 31, 2023

---

#### 4. CONTRIBUTED SHARES OF CNSX MARKETS INC.

In 2002, 30,000 common shares of CNSX Markets Inc (CNSX) were donated to the organization. CNSX is a private corporation. Subsequent to the year-end, all shares were sold to parties that are unrelated to the organization for \$180,000. Being a private corporation, the value of the shares at the time of donation cannot be determined and therefore, Statement of Net Assets and Statement of Financial position for period ended May 31, 2023 and May 31, 2022 have not been adjusted to reflect this ownership.

---

#### 5. 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, 2023.

##### Fair Value

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.

---

#### 6. COMPARATIVE FIGURES

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

---