

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

FINANCIAL STATEMENTS

MARCH 31, 2011

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

MARCH 31, 2011

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AUDITOR'S REPORT

Board of Directors and Members

Canadian Hard of Hearing Association - Newfoundland and Labrador

I have audited the accompanying the statement of financial position of **Canadian Hard of Hearing Association - Newfoundland and Labrador** as of March 31, 2011, and the statements 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, these 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, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

September 13, 2011

St. John's, NL

CERTIFIED GENERAL ACCOUNTANT

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

**STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2011**

ASSETS

	2011	2010
CURRENT		
Cash	\$ 382,720	\$ 8,643
Investments (Note 6)	219,375	200,000
Accounts receivable (Note 3)	65,961	108,315
Land Inventory (Note 2)	155,064	232,596
Prepaid expenses	38,489	39,159
	861,609	588,713
CAPITAL ASSETS (Notes 2 & 4)	724,370	735,313
INVESTMENTS (Note 6)	367,689	563,737
	\$ 1,953,668	\$ 1,887,763

LIABILITIES

CURRENT		
Bank loan (Note 7)	\$ 200,000	\$ -
Accounts payable and accruals (Note 5)	28,406	74,152
Deferred revenue	-	16,893
	228,406	91,045

NET ASSETS

NET ASSETS	1,725,262	1,796,718
	\$ 1,953,668	\$ 1,887,763

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

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

**STATEMENT OF OPERATIONS AND NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2011**

	2011	2010
RECEIPTS		
Fundraising (Schedule 1)	\$ 2,195,545	\$ 2,089,027
Programs & Services (Schedule 2)	15,162	53,837
Administration (Schedule 3)	58,547	61,013
	2,269,253	2,203,877
EXPENDITURES		
Fundraising (Schedule 1)	1,481,558	1,468,174
Programs & Services (Schedule 2)	213,017	171,237
Administration (Schedule 3)	646,134	592,756
	2,340,709	2,232,167
EXCESS OF EXPENDITURES OVER RECEIPTS	(71,456)	(28,290)
NET ASSETS, beginning of year	1,796,718	1,825,008
NET ASSETS, end of year	\$ 1,725,262	\$ 1,796,718

See accompanying notes to financial statements

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2011**

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (71,456)	\$ (28,290)
Change in assets and liabilities:		
Decrease (increase) in investments	(19,375)	100,000
Decrease (increase) in accounts receivable	42,353	(20,418)
Decrease (increase) in inventories	77,532	(232,596)
Decrease (increase) in prepaid expenses	670	(22,983)
(Decrease) increase in accounts payable and accruals	(45,747)	45,633
(Decrease) increase in deferred revenue	(16,893)	16,893
Total adjustments	38,540	(113,471)
	(32,916)	(141,761)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in capital assets	10,945	3,834
Decrease (increase) in investments	196,048	(123,055)
Net cash used in investing activities	206,993	(119,221)
INCREASE (DECREASE) IN CASH	174,077	(260,982)
CASH, beginning of year	8,643	269,625
CASH, end of year	\$ 182,720	\$ 8,643
CASH IS COMPRISED OF:		
Cash in bank	382,720	8,643
Demand loan	(200,000)	-
	\$ 182,720	\$ 8,643

See accompanying notes to financial statements

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

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2011

2011

2010

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) Land inventory consists of three (2) building lots and is accounted for at the lower of cost or net realizable value. This land will be utilized as building sites for future ultimate dream homes.

(b) 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% - 45%
Listening equipment	20%
Signs	20%
Parking areas	08%
Software	100%
Land	N/A

(c) 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	\$ 1,249	\$ 44,475
Accrued interest on investments	24,625	24,804
HST receivable	<u>40,087</u>	<u>39,036</u>
	<u>\$ 65,961</u>	<u>\$ 108,315</u>

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

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2011

			2011	2010
4. CAPITAL ASSETS				
	Cost	Accumulated Amortization	Net 2011	Net 2010
Buildings	\$ 660,806	\$ 78,967	\$ 581,839	\$ 610,247
Furniture & equipment	110,168	50,968	59,200	49,357
Computer equipment	24,744	16,289	8,455	6,690
Listening equipment	23,889	13,617	10,272	3,732
Signs	1,459	618	841	1,050
Parking areas	14,830	1,732	13,098	14,237
Software	<u>5,667</u>	<u>5,002</u>	<u>665</u>	<u>-</u>
	841,563	167,193	674,370	685,313
Land	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
	<u>\$ 891,563</u>	<u>\$ 167,193</u>	<u>\$ 724,370</u>	<u>\$ 735,313</u>

5. ACCOUNTS PAYABLE AND ACCRUALS

Payables relating to operations	\$ 21,251	\$ 66,389
Payroll and (or) related withholdings	<u>7,155</u>	<u>7,763</u>
	<u>\$ 28,406</u>	<u>\$ 74,152</u>

6. INVESTMENTS

Short Term:

TRD at 4.5% maturing April 25, 2012	\$ 119,375	\$ 100,000
TRD at 4.5% maturing April 25, 2011	<u>100,000</u>	<u>100,000</u>
Short term investments	<u>219,375</u>	<u>200,000</u>

Long Term:

TRD at .875% maturing February 26, 2015	-	50,000
TRD at .875% maturing February 26, 2015	-	50,000
TRD at .875% maturing February 26, 2015	-	50,000
TRD at 3.25% matures April 25, 2014	123,055	123,055
TRD at 4.5% maturing April 25, 2013	121,306	121,306
TRD at 4.5% maturing April 25, 2012	-	119,376
TRD at 3.0% maturing April 25, 2015	123,328	-
TRD at .875% maturing February 26, 2015	<u>-</u>	<u>50,000</u>
Long term investments	<u>367,689</u>	<u>563,737</u>

TOTAL INVESTMENTS	<u>\$ 587,064</u>	<u>\$ 763,737</u>
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7. BANK LINE OF CREDIT

Revolving line of credit at 3.5%.	<u>\$ 200,000</u>	<u>\$ -</u>
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**CANADIAN HARD OF HEARING ASSOCIATION
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MARCH 31, 2011

SCHEDULE 1

FUNDRAISING	2011			2010
	UDH 21	UDH 22	UDH Totals	
RECEIPTS	834,420	1,361,125	\$ 2,195,545	\$ 2,089,027
<u>EXPENDITURES</u>				
Administration costs (includes labour)	-	-	-	22,245
Advertising & promotion	108,352	121,306	229,658	221,117
Bad debts	-	-	-	20
Casual labour	115	137	252	1,477
Commissions	100,654	134,393	235,047	263,856
Consultants and professional fees	11,337	13,252	24,589	-
Courier & postage	316	817	1,133	3,815
Credit/debit card charges	9,836	17,397	27,233	21,270
Insurance	736	-	736	-
Interest & bank charges	280	241	521	456
Licences & fees	7,092	6,072	13,164	12,036
Maintenance	377	1,820	2,197	-
Miscellaneous	159	529	688	-
Printing charges	8,223	15,237	23,460	28,029
Prizes	439,412	474,070	913,482	883,169
Property taxes	253	518	771	-
Rent	3,389	1,685	5,074	4,209
Security	-	204	204	791
Supplies	510	230	740	4,596
Telephone	57	195	252	239
Travel	1,175	1,182	2,357	849
TOTAL EXPENDITURES	692,273	789,285	1,481,558	1,468,174
NET FUNDRAISING	<u>142,147</u>	<u>571,840</u>	<u>\$ 713,987</u>	<u>\$ 620,853</u>

**CANADIAN HARD OF HEARING ASSOCIATION
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MARCH 31, 2011

SCHEDULE 2

PROGRAMS & SERVICES	2011	2010
<u>RECEIPTS</u>		
Donations	\$ 823	\$ 19,170
Government Assistance	8,853	23,500
Fundraising - other	5,486	5,701
Other	-	5,466
TOTAL RECEIPTS	15,162	53,837
<u>EXPENDITURES</u>		
Advertising & promotion	15,043	16,195
Captioning fees	3,682	-
Casual labour	1,260	-
Consultants and professional fees	50	-
Courier & postage	2,459	1,097
Donations	21,623	49,539
Human resources	74,639	63,589
Information technology	10,279	-
Insurance	67	-
Interest and bank charges	20	10
Licences & fees	310	662
Miscellaneous	-	1,100
Printing charges	582	4,322
Rent	5,977	2,299
Special events and meeting costs	27,185	3,967
Supplies	3,862	6,331
Telephone	1,552	170
Travel	44,427	21,956
TOTAL EXPENDITURES	213,017	171,237
NET PROGRAMS & SERVICES	\$ <u>(197,855)</u>	\$ <u>(117,400)</u>

See ADDENDUM attached

**CANADIAN HARD OF HEARING ASSOCIATION
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MARCH 31, 2011

SCHEDULE 3

ADMINISTRATION	2011	2010
<u>RECEIPTS</u>		
Donations	\$ 4,317	\$ 3,140
Government assistance	18,100	18,100
Interest (includes accruals)	23,484	27,127
Memberships	150	495
Miscellaneous	477	-
Registration fees	-	196
Rental	7,725	7,726
Wage subsidies	4,294	4,229
TOTAL RECEIPTS	58,547	61,013
<u>EXPENDITURES</u>		
Advertising & promotion	34,274	24,877
Amortization	49,821	46,225
Captioning fees	11,237	16,283
Consultants	32,076	22,065
Courier & postage	6,419	6,947
Donations	6,050	4,693
Human resources	-	1,587
Information technology	2,935	-
Insurance	4,330	4,682
Interest & bank charges	5,710	4,913
Licences & fees	1,748	7,003
Meeting costs	3,749	4,325
Miscellaneous	825	-
Office	17,296	14,230
Professional fees	2,503	23,501
Property tax	6,780	4,298
Rent	-	48
Repairs and maintenance	26,928	18,917
Security	5,115	3,198
Telephone	19,180	22,042
Travel	2,700	2,306
Utilities	7,670	7,439
Wages and benefits	398,788	353,177
TOTAL EXPENDITURES	646,134	592,756
NET ADMINISTRATION	\$ <u>(587,587)</u>	\$ <u>(531,743)</u>