The Canadian Hearing Society

Financial Statements
March 31, 2011

PricewaterhouseCoopers LLP
Chartered Accountants
North American Centre
5700 Yonge Street, Suite 1900
North York, Ontario
Canada M2M 4K7
Telephone +1 416 218 1500
Facsimile +1 416 218 1499

June 25, 2011

Independent Auditor's Report

To the Directors and Members of
The Canadian Hearing Society

We have audited the accompanying financial statements of The Canadian Hearing Society, which comprise the balance sheet as at March 31, 2011 and the statements of operations, changes in fund balances and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

"PricewaterhouseCoopers" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership, which is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.

PRICEWATERHOUSECOOPERS

Basis for qualified opinion
In common with many not-for-profit organizations, The Canadian Hearing Society derives revenue from donations and fundraising events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of The Canadian Hearing Society. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses for the years ended March 31, 2011 and 2010, current assets and fund balances as at March 31, 2011 and 2010 and fund balances as at April 1, 2009. Our audit opinion on the financial statements for the year ended March 31, 2011 was modified accordingly because of the possible effects of this limitation in scope.

In addition, note 2(f) describes the Society's decision, commencing in fiscal 1998, to expense certain purchases of property, plant and equipment in the year and the related financial reporting impact of this decision. This is a departure from Canadian generally accepted accounting principles.

Qualified opinion
In our opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The Canadian Hearing Society as at 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.

PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants

The Canadian Hearing Society

Balance Sheet

As at March 31, 2011

			2011	2010
	Operating fund $	**Designated funds $**	**Total $**	**Total $**
Assets				
Current assets				
Cash (note 6)	1,630,141	-	1,630,141	1,434,649
Grants receivable	346,793	-	346,793	113,524
Accounts receivable	1,346,921	-	1,346,921	1,416,465
Inventory	509,381	-	509,381	516,608
Other assets	123,074	-	123,074	106,199
	3,956,310	-	3,956,310	3,587,445
Investments	-	4,767,312	4,767,312	4,287,624
Interfund loan (note 4)	(304,342)	304,342	-	-
Property, plant and equipment (note 3)	3,830,216	-	3,830,216	3,818,963
	7,482,184	5,071,654	12,553,838	11,694,032
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	2,084,017	-	2,084,017	1,512,472
Amount repayable to funders (note 6)	683,252	-	683,252	792,385
Deferred revenue (note 7)	1,657,871	-	1,657,871	1,916,778
	4,425,140	-	4,425,140	4,221,635
Fund Balances				
Operating fund				
Property, plant and equipment	3,830,216	-	3,830,216	3,818,963
General	(773,172)	-	(773,172)	(745,587)
Designated funds (note 8)	-	5,071,654	5,071,654	4,399,021
	3,057,044	5,071,654	8,128,698	7,472,397
	7,482,184	5,071,654	12,553,838	11,694,032

Approved by the Board of Directors

_____ Director _____ Director

The Canadian Hearing Society

Statement of Operations

For the year ended March 31, 2011

			2011	2010
	Operating fund $	**Designated funds $**	**Total $**	**Total $**
Revenue				
Grants				
Province of Ontario (notes 7 and 9)	20,852,576	-	20,852,576	20,583,618
Federal and other (note 9)	455,522	-	455,522	382,919
Sales of goods and services (note 7)	11,694,813	-	11,694,813	11,324,225
Regional United Way contributions	1,790,820	-	1,790,820	1,815,778
Fundraising and gaming activities (note 7)	1,486,526	-	1,486,526	1,355,274
Interest and dividends	30	107,256	107,286	99,983
Gain on investments	-	272,431	272,431	627,134
	36,280,287	379,687	36,659,974	36,188,931
Expenses				
Salaries and benefits	23,422,582	-	23,422,582	22,894,770
Cost of sales	5,215,413	-	5,215,413	5,079,639
Office and program costs	1,804,787	-	1,804,787	1,957,424
Occupancy	2,530,169	-	2,530,169	2,108,872
Service costs	1,177,590	-	1,177,590	1,297,919
Professional development and travel	1,165,834	-	1,165,834	1,358,372
Promotion and gaming	420,469	-	420,469	381,726
Amortization of property, plant and equipment	24,353	-	24,353	23,670
Bad debts	16,694	-	16,694	13,015
Client assistance and other	225,782	-	225,782	312,735
	36,003,673	-	36,003,673	35,428,142
Excess of revenue over expenses for the year	276,614	379,687	656,301	760,789

The Canadian Hearing Society

Statement of Changes in Fund Balances

For the year ended March 31, 2011

	Operating fund				2011	2010
	General	**Property, plant and equipment**	**Total**	**Designated funds**	**Total**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Balances - Beginning of year	(745,587)	3,818,963	3,073,376	4,399,021	7,472,397	6,711,608
Excess of revenue over expenses for the year	300,967	(24,353)	276,614	379,687	656,301	760,789
Appropriation (note 4)	(458,000)	-	(458,000)	458,000	-	-
Purchase of property, plant and equipment	(35,606)	35,606	-	-	-	-
	(938,226)	3,830,216	2,891,990	5,236,708	8,128,698	7,472,397
Interfund transfers (note 4)	165,054	-	165,054	(165,054)	-	-
Balances - End of year	(773,172)	3,830,216	3,057,044	5,071,654	8,128,698	7,472,397

The Canadian Hearing Society

Statement of Cash Flows

For the year ended March 31, 2011

	2011 $	2010 $
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	656,301	760,789
Adjustments for non-cash items		
Amortization of property, plant and equipment	24,353	23,670
Interest and dividends reinvested	(107,256)	(99,983)
Gain on investments	(272,431)	(627,106)
	300,967	57,370
Change in non-cash working capital balances		
Grants receivable	(233,269)	(9,327)
Accounts receivable	69,544	(163,442)
Inventory	7,227	(141,701)
Other assets	(16,875)	(62,900)
Accounts payable and accrued liabilities	571,545	(628,945)
Amount repayable to funders	(109,133)	247,970
Deferred revenue	(258,907)	588,529
	331,099	(112,446)
Investing activities		
Purchase of investments	(100,001)	-
Sale of investments	-	100,000
Purchase of property, plant and equipment	(35,606)	(35,626)
Loan payable	-	(2,044)
	(135,607)	62,330
Change in cash during the year	195,492	(50,116)
Cash - Beginning of year	1,434,649	1,484,765
Cash - End of year	1,630,141	1,434,649
Supplementary information		
Interest paid	2,769	4,265

1 The organization

The Canadian Hearing Society:

- has a vision where all people are respected, have full access to communication, and are able to participate without social, economic, or emotional barriers;
- has a mission to be the leading provider of services, products and information that:
  - remove barriers to communication;
  - advance hearing health; and
  - promote equity for people who are culturally deaf, oral deaf, deafened, and hard of hearing.

The Society is registered as a charity under the Income Tax Act and therefore is not subject to income taxes provided expenditures meet a certain threshold.

2 Summary of significant accounting policies

a) Financial statement presentation

These financial statements have been prepared in accordance with the accounting standards for not-for-profit organizations published by The Canadian Institute of Chartered Accountants (CICA), using the restricted fund method of reporting restricted contributions.

These financial statements include the operations of the head office of the Society, its 13 regional offices, and its 13 area offices. These financial statements include the following funds:

- Operating fund - Invested in property, plant and equipment - includes funds that have been used for the purpose of purchasing property, plant and equipment, net of accumulated amortization and financing costs.
- Operating fund - General - includes program surpluses that have been designated by the Board for the future use of that program and the cumulative net excess of operating expenses over revenue.
- Designated funds - include bequests and specific donations designated for a particular purpose by the donor and also include funds that have been internally designated by the Board.

b) Revenue and expense recognition

Revenue and expenses are recognized on the accrual basis of accounting, except for donation revenue.

c) Deferred revenue

Revenue is deferred in the operating fund when it relates to externally restricted operating funding received in the current period that is related to the subsequent period.

d) Inventory

Inventory is recorded at the lower of cost, calculated on a first-in, first-out basis, and net realizable value. Cost is determined on a specific item basis for HAP inventory, and a weighted average basis for CDP inventory. Included in the cost of inventory is the purchase cost, transportation, handling and other costs directly attributable to the acquisition of inventory. An inventory valuation provision is estimated by management based on historical and expected future sales and is included in the cost of goods sold for the year ended March 31, 2011. The Society recognized a writedown of approximately $nil (2010 - $nil).

e) Investments

Investments are held with Leith Wheeler Investment Counsel Ltd. and are carried at fair value.

f) Property, plant and equipment

Land and buildings acquired prior to 2003 are recorded at cost and no amortization is provided on the basis that the necessary financial information is not reasonably determinable.

The property, plant and equipment purchased from operating funds are recorded at cost, less accumulated amortization. Amortization is computed on the straight-line method based on the estimated useful lives of the particular assets over the following periods:

Buildings	40 years
Building improvements	5 years
Furniture and equipment	5 years
Automobiles	5 years
Computer equipment	3 years
Computer equipment under capital lease	term of lease

The Society, in accordance with instructions received from certain government agencies, expensed all property, plant and equipment purchased from government funding, effective fiscal 1998. Canadian generally accepted accounting principles require these asset purchases to be capitalized and amortization provided on a continuing basis in accordance with current amortization accounting policies. In the current year, the Society would have recorded in the operating fund, property, plant and equipment, an amount totalling $799,217 (2010 - $783,497) along with the related amortization of approximately $90,131 (2010 - $89,133). The current year's amortization expense of property, plant and equipment previously expensed in prior years would have been an additional amount of approximately $515,140 (2010 - $480,374). The accumulated effect of this policy is to understate the net book value of property, plant and equipment and the property, plant and equipment fund balance by approximately $1,548,285 (2010 - $1,354,340).

g) Fair value of financial instruments

The fair value of financial instruments is determined by reference to various market data and other valuation techniques, as appropriate. The fair values of financial instruments approximate their recorded values, except as disclosed elsewhere in the financial statements.

h) Donated materials and services

Contributions, to the extent recognized in the fund accounts, are recorded at an approximation of fair value. Due to system restrictions, the Society is not able to provide the fair value of the recorded contributions. The Society is dependent on the ongoing support of volunteers, the value of which has not been quantified in these financial statements.

i) Use of estimates

The preparation of these financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. For all estimates, actual results could differ from those estimates.

j) Expenditures

Direct expenditures have been charged to programs and services, fundraising and administration according to the activity to which they relate or benefit.

k) Financial instruments

The Society utilizes various financial instruments. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments and the carrying amounts approximate fair values.

Under the new standards, financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. The classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Society's designation of such instruments. The standards require that all financial assets be classified as held-for-trading (HFT), available-for-sale (AFS), held-to-maturity (HTM) or loans and receivables. Financial liabilities should be classified as held-for-trading or as other liabilities.

The following is a summary of the accounting model the Society has elected to apply to each of its significant categories of financial instruments outstanding as of January 1, 2007:

Cash	held-for-trading
Grants receivable	loans and receivables
Accounts receivable	loans and receivables
Investments	held-for-trading

Accounts payable and accrued liabilities	other liabilities
Amount repayable to funders	other liabilities

- Held-for-trading

  This category is comprised of certain investments in equity and debt instruments. These investments are carried in the balance sheet at fair value with changes in fair value recognized in the statement of operations. Transaction costs related to instruments classified as held-for-trading are expensed as incurred.

- Loans and receivables

  These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They arise principally through the provision of services to customers (accounts payable), but also incorporate other types of contractual monetary assets. These assets are initially recognized at fair value and subsequently carried at amortized cost, using the effective interest rate method, less any provision for impairment. Transaction costs related to loans and receivables are expensed as incurred.

- Other financial liabilities

  Other financial liabilities include all financial liabilities other than those classified as held-for-trading and comprise trade payables and other short-term monetary liabilities. These liabilities are initially recognized at fair value and subsequently carried at amortized cost using the effective interest rate method.

The fair values of cash, grants receivable, accounts receivable, accounts payable and accrued liabilities, and loan payable approximate their carrying values due to the short-term maturity of these instruments; therefore these new standards had no impact on the current or prior amounts.

l) Future accounting changes

- Accounting standards for not-for-profit organizations

  In December 2010, The Canadian Accounting Standards Board issued a comprehensive set of accounting standards applicable to not-for-profit organizations. The standards are effective for fiscal years beginning on or after January 1, 2012 and require retrospective application, except for certain exemptions and exceptions contained within the standards. Early adoption of the standards is permitted. The Society is currently considering the impact of the adoption of these standards.

3 Property, plant and equipment

			2011
	Cost	**Accumulated amortization**	**Net**
	$	**$**	**$**
Land and buildings (prior to 2003)	3,476,574	-	3,476,574
Land (post 2002)	100,000	-	100,000
Buildings (post 2002)	241,429	53,316	188,113
Building improvements (post 2002)	48,597	47,976	621
Furniture and equipment	290,132	254,524	35,608
Automobiles	59,618	30,318	29,300
Computer equipment	17,783	17,783	-
	4,234,133	403,917	3,830,216

			2010
	Cost	**Accumulated amortization**	**Net**
	$	**$**	**$**
Land and buildings (prior to 2003)	3,476,574	-	3,476,574
Land (post 2002)	100,000	-	100,000
Buildings (post 2002)	241,429	47,281	194,148
Building improvements (post 2002)	48,597	45,492	3,105
Furniture and equipment	254,526	250,613	3,913
Automobiles	59,618	18,395	41,223
Computer equipment	17,783	17,783	-
	4,198,527	379,564	3,818,963

4 Interfund loan and transfers

The interfund loan amount represents an amount owing between the operating and designated funds. The amount is non-interest bearing and payable on demand.

In fiscal 2011, the Society's Board of Directors approved the transfer of internally restricted funds amounting to $165,054 (2010 - $310,496). Transfers of these amounts were made from the designated funds to cover certain costs expensed in the operating fund. These internally restricted funds are not available for other purposes without the approval of the Board of Directors.

In addition, subsequent to fiscal 2011, the Society's Board approved an appropriation of $330,000 (2010 - $130,000) to regional funds and $128,000 (2010 - $128,000) to building funds from the operating fund to the internally restricted fund for various building costs.

5 Bank indebtedness

The Society has a line of credit with a chartered bank of up to $2,030,000 bearing interest at prime plus 0.35% per annum, which is secured by a collateral first mortgage on 271 Spadina Road, Toronto, Ontario. As at March 31, 2011, $nil (2010 - $nil) of the line of credit had been utilized.

6 Amount repayable to funders

The amount repayable to funders represents funds received that were not spent prior to the year-end. Under the terms of the contract, the funder has the right to ask for any unspent funds to be repaid.

7 Deferred revenue

Deferred revenue reported in the operating fund relates to funding received in the current period that is related to specific programs in the subsequent period.

Changes in the deferred revenue balance in the operating fund are as follows:

	2011 $	2010 $
Balance - Beginning of year	1,916,778	1,328,249
Less: Amounts recognized as revenue in the year	(1,008,034)	(1,098,472)
Add: Amounts received related to subsequent years	749,127	1,687,001
Balance - End of year	1,657,871	1,916,778

8 Designated funds

	2011 $	2010 $
Externally restricted by donor		
Allison Cochlear Implant Fund	28,401	26,819
CHS Children's Fund	82,017	90,505
Donald & Anne C. McLean Fund*	306,259	281,775
Dorothy O'Neill Research Fund	48,122	44,275
Durham Area Fund	20,798	19,135
Hamilton Steele Children's Fund	339,152	312,039
IMO Monica Price Bursary	4,295	3,952
London Regional Fund	129,613	100,808
Niagara Area Fund	186,039	171,166
Nicole Majorose Fund	5,402	4,970
Peel Regional Fund	110,698	101,848
Waterloo Building Occupancy Fund	34,060	44,441
Waterloo Children's Fund	7,687	7,072
	1,302,543	1,208,805

	2011 $	2010 $
Board restricted - unrestricted by donor		
Award Fund	15,588	14,342
Chatham Area Fund	19,003	17,483
Eugene Fowler Volunteer Award	292	269
Hamilton Access Fund	11,525	10,604
Hamilton Building Fund	107,165	98,598
Kortwright Fund	17,002	15,643
Ottawa Regional Fund	317,672	304,216
Peterborough Regional Fund	143,527	151,274
Sault Ste. Marie Regional Fund	40,000	-
Head Office Building Fund	1,114,650	902,908
Strategic Initiatives Fund	1,119,821	1,012,523
Sudbury Audiology Loan Reserve	-	4,845
Sudbury Regional Fund	217,561	100,311
Thunder Bay Regional Fund	22,360	20,573
Toronto Regional Fund	50,672	46,621
Training and Development Fund	423,394	390,947
Waterloo Regional Fund	27,469	25,273
Waterloo Stork Family Fund	53,647	57,561
Windsor Regional Fund	67,763	16,225
	3,769,111	3,190,216
	5,071,654	4,399,021

* This fund is a restricted fund and only the investment income earned on the fund balance can be used by the Society.

9 Grants

The Society has received the following grants:

	2011 $	2010 $
Provincial		
Ministry of Health and Long-Term Care	9,660,542	9,424,512
Ministry of Community and Social Services (note 10)	7,759,231	7,458,249
Ministry of Training, Colleges and Universities	2,326,139	2,381,911
Ministry of Community and Social Services - Ontario Disability Support Program (note 10)	644,354	589,297
Other	418,810	532,449
Ontario Trillium Foundation	43,500	197,200
	20,852,576	20,583,618

	2011 $	2010 $
Federal and other		
Human Resources and Social Development Canada	213,944	135,673
Citizenship Immigration Canada	191,935	199,641
Other	49,643	47,605
	455,522	382,919
	21,308,098	20,966,537

10 Grants from the Ministry of Community and Social Services

The Society has a number of contracts with the Ministry of Community and Social Services. One requirement of the contracts is the production by management of a transfer payment annual report, which shows a summary of all revenue and expenditures and any resulting surplus or deficit that relates to that contract. Surplus amounts, if any, are reflected in amounts repayable to funders. The deficit amounts below include the cost of property, plant and equipment purchased during the year, and exclude amortization, in accordance with the contracts:

Region	Detail code	TPBE	Service name	Grant $	Other revenues $	Expenses $	Surplus (deficit) $	Repayable based on targets $
Provincial Ontario Interpreting Services								
Provincial	8783	109702	BPS - Other Adult Social Services	208,089	-	208,089	-	-
	8756	109702	Interpreter Services	632,333	369,405	1,031,989	(30,251)	-
	8756	1000162	Interpreter Services	709,461	170,236	891,141	(11,444)	-
	8756	1000163	Interpreter Services	667,253	245,849	906,633	6,469	-
	8756	1000164	Interpreter Services	436,050	123,437	577,919	(18,432)	-
	8756	1000165	Interpreter Services	682,928	202,180	910,544	(25,436)	-
	8756	1000166	Interpreter Services	553,618	127,412	636,590	44,440	-
	8756	1000167	Interpreter Services	513,094	157,924	701,413	(30,395)	-
	8756	1000168	Interpreter Services	321,552	34,351	304,602	51,301	-
	8756	1000169	Interpreter Services	514,963	70,750	530,455	55,258	-
	8754	109702	Interpreter Internship Program	838,637	-	838,934	603	-
	8753	109702	Langue de Québecoise (LSQ) Interpreter Services	279,808	54,019	312,619	21,208	-
	8752	1000684	After-Hours Health Related Interpreting Services	692,833	64,172	794,027	(37,022)	
	8915	109702	Partner Facility Renewal - Capital	234,634	-	233,303	1,331	-
	8915	1000168	Partner Facility Renewal - Capital	80,000	-	80,233	(233)	-
	8915	1000166	Partner Facility Renewal - Capital	2,000	-	909	1,091	-
				7,367,253	1,619,735	8,958,500	28,488	N/A
Broader Public Sector and Intervenors Service Funding								
Hamilton	8783	052675	BPS - Other Adult Social Services	4,319	-	4,319	-	-
Kingston	8783	074473	BPS - Other Adult Social Services	3,221	-	3,221	-	-
London	8876	052255	BPS - Other Adult Social Services	2,890	-	2,890	-	-
Ottawa	8783	052702	BPS - Other Adult Social Services	7,647	-	7,647	-	-
Peel/Waterloo	8783	118649	BPS - Other Adult Social Services	5,304	-	5,304	-	-
	8783	052697	BPS - Other Adult Social Services	5,336	-	5,336	-	-
Peterborough	8783	052507	BPS - Other Adult Social Services	3,750	-	3,750	-	-
Sault Ste. Marie	8783	409687	BPS - Other Adult Social Services	4,683	-	4,683	-	-
Sudbury	8757	052686	Intervenors Services	364,437	-	366,189	(1,752)	-
	8783	052686	BPS - Other Adult Social Services	4,197	-	4,197	-	-
Thunder Bay	8783	052671	BPS - Other Adult Social Services	6,544	-	6,544	-	-
Windsor	8783	052651	BPS - Other Adult Social Services	8,370	-	8,370	-	-
				7,787,951	1,619,735	9,380,950	26,736	N/A
Less: Repayables for 2010 - 2011				(28,720)				
Total grants from Ministry of Community and Social Services				7,759,231				

Region	Detail code	TPBE	Service name	Grant $	Other revenues $	Expenses $	Surplus (deficit) $	Repayable based on targets $
Ontario Disability Support Program Funding								
Toronto	8611	109702	Job placement	71,000	85,972	241,281	(24,309)	2,000
	9275	109702	Job retention	60,000	-	-	-	22,115
	9276	109702	Exceptional work related supports	35,000	-	43,330	(8,330)	(8,330)
				166,000	85,972	284,611	(32,639)	15,785
Kingston	8611	074473	Job placement	21,000	-	11,170	11,830	6,000
	9275	074473	Job retention	2,000	-	-	-	1,000
	9276	074473	Exceptional work related supports	8,000	-	6,585	1,415	1,415
				31,000	-	17,755	13,245	8,415
North Bay	8611	083842	Job placement	7,000	-	20,176	(2,676)	5,000
	9275	083842	Job retention	10,500	-	-	-	(332)
	9276	083842	Exceptional work related supports	1,500	-	1,417	83	83
				19,000	-	21,593	(2,593)	4,751
Peterborough	9275	1000523	Job retention	21,750	-	43,133	(21,383)	6,750
	9276	1000523	Exceptional work related supports*	135,000	-	68,559	66,441	66,441
				156,750*	-	111,692	45,058	73,191*
Sault Ste. Marie	8611	0409687	Job placement	44,000	-	53,366	29,634	-
	9275	0409687	Job retention	39,000	-	-	-	492
	9276	0409687	Exceptional work related supports	40,000	-	39,189	811	811
				123,000	-	92,555	30,445	1,303
Sudbury	8611	052686	Job placement	110,000	1,163	109,474	101,689	20,000
	9275	052686	Job retention	100,000	-	-	-	8,751
	9276	052686	Exceptional work related supports	50,000	-	61,197	(11,197)	(11,197)
				260,000	1,163	170,671	90,492	17,554
				755,750	87,135	698,877	144,008	120,999
Less: Repayables for 2010 - 2011				(120,999)				
Prior years' adjustments re advances and payables				9,603				
Total grants from Ministry of Community and Social Services - ODSP				644,354				

*The Ministry has recovered $32,187 from 9276-1000523.

11 Break-open ticket sales

As required by government regulation, the following summarizes revenue and expenses with respect to the sale of Nevada break-open ticket lotteries under provincial licence:

	2011 $	2010 $
Revenue	148,317	151,077
Expenses		
Cost of tickets sold and promotion fees - retail	20,706	21,323
Promotion fees - agent	46,320	47,172
Licence fees and other	32,985	31,574
	100,011	100,069
Excess of revenue over expenses for the year	48,306	51,008

12 Lease commitments

The Society is committed under operating leases for office space and office equipment over the next five fiscal years and thereafter as follows:

	$
2012	1,098,032
2013	926,909
2014	895,401
2015	796,423
2016	437,621
Thereafter	194,648
	4,349,034

13 Community service grant

The Society received a community service grant of $15,715 (2010 - $15,405) from the City of Toronto.

14 United Way contribution

The Society received a contribution of $42,084 (2010 - $42,084) from the United Way of Burlington and Greater Hamilton.

15 Capital management

The Society defines its capital as the amounts included in its fund balances.

The Society's objective when managing its capital is to safeguard the Society's ability to continue as a going concern so that it can continue to provide the appropriate level of benefits and services to its beneficiaries and its stakeholders.

A portion of the Society's capital is restricted in that the Society is required to meet certain requirements in order to utilize its externally restricted fund balance, as described in notes 4 and 8. The Society has internal control processes to ensure the restrictions are met prior to the utilization of these resources and has been in compliance with these restrictions throughout the year.

The Society sets the amount of fund balances in proportion to risk, manages the fund structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

16 Financial instruments

The main risks to which the Society's financial instruments are exposed are interest rate risk, market risk and credit risk. It is management's opinion that the Society is not exposed to significant foreign exchange risk and cash flow risk.

Interest rate risk

The bonds and guaranteed investment certificates bear interest at fixed rates and as such the risk resulting from fluctuations in interest rates is low.

Market risk

Market risk arises from the possibility that changes in market prices will affect the value of the financial instruments of the Society. The Society manages its risk by investing only in high quality bonds. In addition, the Finance Committee reviews any significant changes to the investment mix.

Credit risk

Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Society to credit risk consist principally of cash and short-term investments. The Society places its cash and short-term investments with high quality institutions to mitigate this risk.

The Society is exposed to credit risk on accounts receivable from the public. The Society's accounts receivable risk is considered to be low as receivables are recognized only if it is certain the monies will be received.

17 Contingencies

In the normal course of operations, various lawsuits and claims have been brought against the Society. The Society vigorously contests such lawsuits and claims, and management believes any resulting outcome would not have a material effect on the financial position or the statement of operations of the Society.