

Canadian Hearing Society

Financial Statements

March 31, 2016



June 28, 2016

Independent Auditor's Report

To the Directors and Members of Canadian Hearing Society

We have audited the accompanying financial statements of Canadian Hearing Society (the Society), which comprise the statement of financial position as at March 31, 2016 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 accounting standards for not-for-profit organizations (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.

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 LLP
400 Bradwick Drive, Suite 100, Concord, Ontario, Canada L4K 5V9
T: +1 905 326 6800, F: +1 905 326 5339*



Basis for qualified opinion

Commencing in fiscal 1998, the Society decided to expense certain purchases of property, plant and equipment in the year in accordance with instructions received from certain government agencies. ASNPO requires asset purchases to be capitalized and amortized on a continuing basis over their useful lives. In the current year, the Society expensed in the operating fund - occupancy and office and program costs, property, plant and equipment of \$860,662 (2015 - \$714,645), which should have been capitalized. Amortization expense for the year ended March 31, 2016 is understated by \$842,228 (2015 - \$866,621). The accumulated effect of this policy is to understate the net book value of property, plant and equipment as at March 31, 2016 by \$2,085,452 (2015 - \$2,067,019), and to understate the property plant and equipment fund balance as at March 31, 2016 by \$2,085,452 (2015 - \$2,067,019).

The Society has recorded its land and buildings acquired prior to 2003 in the amount of \$3,476,576 at cost. Since the information is not available to separate the cost of the land and buildings, the Society chooses not to amortize these amounts and we were unable to quantify the effect of this departure from ASNPO. Therefore, we were not able to determine the magnitude of adjustments to amortization of property, plant and equipment, excess (deficiency) of revenue over expenses for the years ended March 31, 2016 and 2015, property, plant and equipment and total assets as at March 31, 2016 and 2015, and fund balances as at the beginning and end of the years ended March 31, 2016 and 2015.

In common with many not-for-profit organizations, the Society derives revenue from fundraising and gaming activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these fundraising and gaming revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising and gaming revenue, deficiency of revenue over expenses and cash flows from operating activities for the years ended March 31, 2016 and 2015, current assets as at March 31, 2016 and 2015 and fund balances as at the beginning and end of the years ended March 31, 2016 and 2015.

Our audit opinion on the financial statements for the year ended March 31, 2015 was modified due to the above-noted matters.

Qualified opinion

In our opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Canadian Hearing Society

Statement of Financial Position

As at March 31, 2016

	2016			2015	
	Operating fund \$	Designated funds \$	Endowment funds \$	Total \$	Total \$ (restated - note 19)
Assets					
Current assets					
Cash (note 6)	1,169,318	-	-	1,169,318	901,984
Grants receivable	194,407	-	-	194,407	215,660
Accounts receivable	1,605,152	-	-	1,605,152	1,550,910
Inventory	503,120	-	-	503,120	503,929
Other assets	116,677	-	-	116,677	266,081
Inter-fund receivable (note 5)	-	240,302	-	240,302	570,367
	3,588,674	240,302	-	3,828,976	4,008,931
Investments (note 3)	-	3,607,020	488,733	4,095,753	4,799,235
Property, plant and equipment (note 4)	3,953,981	-	-	3,953,981	4,045,564
	7,542,655	3,847,322	488,733	11,878,710	12,853,730
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	1,876,691	-	-	1,876,691	1,771,648
Amount repayable to funders (note 7)	321,195	-	-	321,195	266,844
Deferred revenue (note 8)	1,565,967	-	-	1,565,967	1,269,059
Interfund payable (note 7)	240,302	-	-	240,302	570,367
	4,004,155	-	-	4,004,155	3,877,918
Sick leave benefit liability (note 9)	1,226,000	-	-	1,226,000	1,437,000
	5,230,155	-	-	5,230,155	5,314,918
Fund Balances					
Operating fund					
Property, plant and equipment	3,953,981	-	-	3,953,981	4,045,564
General	(1,641,481)	-	-	(1,641,481)	(1,876,354)
Designated funds (notes 5 and 10)	-	3,847,322	488,733	4,336,055	5,369,602
	2,312,500	3,847,322	488,733	6,648,555	7,538,812
	7,542,655	3,847,322	488,733	11,878,710	12,853,730

Commitments (note 14)

Approved by the Board of Directors

_____ Director _____ Director

The accompanying notes are an integral part of these financial statements.

Canadian Hearing Society

Statement of Operations

For the year ended March 31, 2016

				2016	2015
	Operating fund \$	Designated funds \$	Endowment fund \$	Total \$	Total \$ (restated - note 19)
Revenue					
Grants					
Province of Ontario (note 11)	20,978,117	-	-	20,978,117	20,613,418
Federal and other (notes 11 and 15)	514,323	-	-	514,323	516,138
Sales of goods and services (note 7)	10,237,740	-	-	10,237,740	9,546,224
Regional United Way contributions (note 16)	1,623,021	-	-	1,623,021	1,600,277
Fundraising and gaming activities (note 8)	1,382,058	-	-	1,382,058	2,029,709
Bequests	-	-	-	-	1,092,500
Gain on sale of equipment	1,000	-	-	1,000	39,760
Interest and dividends	-	108,980	9,967	118,947	125,871
	<u>34,736,259</u>	<u>108,980</u>	<u>9,967</u>	<u>34,855,206</u>	<u>35,563,897</u>
Expenses					
Salaries and benefits	24,009,805	299,079	-	24,308,884	23,593,370
Cost of sales	3,959,505	-	-	3,959,505	3,562,232
Office and program costs	1,721,288	7,700	-	1,728,988	2,212,609
Occupancy	1,970,560	458,274	-	2,428,834	2,124,345
Service costs	847,718	259,388	-	1,107,106	842,759
Professional development and travel	1,181,888	15,290	-	1,197,178	1,168,146
Promotion and gaming	665,181	252	-	665,433	612,929
Amortization of property, plant and equipment	91,583	-	-	91,583	98,708
Bad debts	64,428	-	-	64,428	65,093
Client assistance and other	103,514	48,082	-	151,596	121,270
	<u>34,615,470</u>	<u>1,088,065</u>	<u>-</u>	<u>35,703,535</u>	<u>34,401,461</u>
Excess (deficiency) of revenue over expenses from operations					
	120,789	(979,085)	9,967	(848,329)	1,250,436
Fair value change in investments					
	-	(203,791)	(18,638)	(222,429)	196,465
Excess (deficiency) of revenue over expenses for the year					
	<u>120,789</u>	<u>(1,182,876)</u>	<u>(8,671)</u>	<u>(1,070,758)</u>	<u>1,446,901</u>

The accompanying notes are an integral part of these financial statements.

Canadian Hearing Society
Statement of Changes in Fund Balances
For the year ended March 31, 2016

	2016					
	Operating fund					
	General \$	Property, plant and equipment \$	Total \$	Designated funds \$	Endowment fund \$	Total \$
Balances - Beginning of year	(1,876,354)	4,045,564	2,169,210	4,872,198	497,404	7,538,812
Excess (deficiency) of revenue over expenses for the year	212,372	(91,583)	120,789	(1,182,876)	(8,671)	(1,070,758)
Remeasurement of sick leave benefit liability (note 9)	180,501	-	180,501	-	-	180,501
Appropriations (note 5)	(158,000)	-	(158,000)	158,000	-	-
Balances - End of year	(1,641,481)	3,953,981	2,312,500	3,847,322	488,733	6,648,555
	2015					
	Operating fund					
	General \$	Property, plant and equipment \$	Total \$	Designated funds \$	Endowment fund \$	Total \$
Balances - Beginning of year	(2,144,801)	4,144,272	1,999,471	3,904,580	342,660	6,246,711
Excess (deficiency) of revenue over expenses for the year	1,153,647	(98,708)	1,054,939	72,218	319,744	1,446,901
Remeasurement of sick leave benefit liability (note 9)	(154,800)	-	(154,800)	-	-	(154,800)
Appropriations (note 5)	(730,400)	-	(730,400)	730,400	-	-
Transfers (note 5)	-	-	-	165,000	(165,000)	-
Balances - End of year	(1,876,354)	4,045,564	2,169,210	4,872,198	497,404	7,538,812

The accompanying notes are an integral part of these financial statements.

Canadian Hearing Society

Statement of Cash Flows

For the year ended March 31, 2016

	2016 \$	2015 \$ (restated - note 19)
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenses for the year	(1,070,758)	1,142,469
Adjustments for non-cash items		
Amortization of property, plant and equipment	91,583	98,708
Interest and dividends reinvested	(118,947)	(125,871)
Fair value change in investments	222,429	(196,465)
Increase (decrease) in sick leave benefit liability	(30,499)	72,160
	(906,192)	991,001
Changes in non-cash working capital balances		
Grants receivable	21,253	75,422
Accounts receivable	(54,242)	74,123
Inventory	809	14,734
Other assets	149,404	(169,749)
Accounts payable and accrued liabilities	105,043	536,286
Amount repayable to funders	54,351	65,365
Deferred revenue	296,908	(17,385)
	(332,666)	1,569,797
Investing activities		
Net proceeds from sale of investments	600,000	396,927
Financing activities		
Endowment contributions	-	304,432
Change in cash during the year	267,334	2,271,156
Cash (bank indebtedness) - Beginning of year	901,984	(1,369,172)
Cash - End of year	1,169,318	901,984

The accompanying notes are an integral part of these financial statements.

Canadian Hearing Society

Notes to Financial Statements

March 31, 2016

1 The organization

The Canadian Hearing Society (the 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; and
- 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 (Canada) and therefore is not subject to income taxes provided expenditures meet a certain threshold.

2 Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant policies:

Fund accounting

These financial statements include the operations of the head office of the Society and its 26 locations. The Society uses the restricted fund method of reporting restricted contributions. 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 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; and
- Endowment funds - include donations that are required to be maintained by the Society on a permanent basis, and also include investment income earned on those funds.

Canadian Hearing Society

Notes to Financial Statements

March 31, 2016

Revenue recognition

Federal and provincial grant revenue and regional United Way contributions are recognized using the restricted fund method of accounting. Restricted grant revenue contributions for which no corresponding restricted fund is presented are recognized in the operating fund in accordance with the deferral method. Goods and services revenue is recognized when the goods are sold or the service is rendered by the Society. Fundraising and gaming activities revenue is recognized when the donations are received.

All contributions are generally considered unrestricted contributions to the Society unless a donor specifies otherwise and would be reflected as revenue of the operating fund. If a donor specifies the contribution is for an existing endowed fund or specifies it is to be retained permanently, it is recognized as revenue of an endowment fund.

Interest and dividend income is recognized when earned.

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 Hearing Aid Program inventory, and a weighted average basis for Communicative Device Program inventory. Included in the cost of inventory are 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 sales for the year ended March 31, 2016. Inventory expensed during the year amounts to \$3,485,819 (2015 - \$3,158,455). This is included in cost of sales. The Society recognized a writedown of \$nil (2015 - \$nil).

Investments

The Society classifies its investments based on intention of use rather than the composition and maturity dates of the underlying investments. Although the Society has the ability to liquidate its long-term investments at any given time, in substance the Society intends to hold the long-term investments for a period greater than one year, to provide sufficient investment income to enable the Society to carry out its mission and related activities, effectively, in the long term as well as to preserve capital by closely managing the risk of significant investment loss in line with the investment policy. Investments are managed by a third party investment manager reporting directly to the Finance Committee established by the Board of Directors. The investments consist of a mix of publicly traded long-term fixed income investments.

The change in fair value of investments comprises realized and unrealized gains and losses from investments and is recorded in the statement of operations.

Canadian Hearing Society

Notes to Financial Statements

March 31, 2016

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 basis 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
Telephone equipment	6 years
Video conferencing equipment	6 years

Impairment of long-lived assets

The Society reviews its long-lived assets for impairment. An impairment charge is recognized for long-lived assets whenever events or changes in circumstances indicate a tangible capital asset no longer contributes to the Society's ability to provide services. The impairment loss is calculated as the difference between the carrying amount and the residual value, if any. The amount of the writedown is recognized as an impairment loss in excess (deficiency) of revenue over expenses.

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.

Employee future benefits

The Society provides a sick day post-employment benefit to its unionized and non-unionized employees pursuant to their employment contracts. Employees receive a maximum of 18 sick days per annum and unused days accumulate. Employees are entitled to a cash payment equal to 50% of the value of the unused sick days on retirement at 65 years of age or older, or death. The Society accrues its obligation under employee future benefit plans. The benefit cost is actuarially determined for accounting purposes using management's assumptions on mortality, retention or termination rates, salary scale and sick day accumulation. The discount rate used to measure obligations is based on the cost of borrowing. The cumulative unrecognized actuarial gains and losses are recorded in the statement of operations each year. The most recent valuation of the obligation was performed as at March 31, 2016.

Canadian Hearing Society

Notes to Financial Statements

March 31, 2016

Expenditures

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

Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all of its financial assets and liabilities at amortized cost, except for investments in equity investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, grants receivable, accounts receivable, interfund receivable and guaranteed investment certificates.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, amount repayable to funders and interfund payable.

Financial assets, other than those measured at fair value, are tested for impairment at the end of each reporting period when there are indicators the asset may be impaired.

Transaction costs are capitalized and amortized on a straight-line basis over the useful life of the related financial instrument.

Use of estimates

The preparation of financial statements in accordance with ASNPO 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 revenue and expenses during the reporting period. For all estimates, actual results could differ from those estimates.

3 Investments

	2016 \$	2015 \$
Equity instruments held in pooled funds with Leith Wheeler Investment Counsel Ltd. quoted in an active market	4,095,753	4,799,235

Canadian Hearing Society

Notes to Financial Statements

March 31, 2016

4 Property, plant and equipment

			2016	2015
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Land and buildings (prior to 2003)	3,476,574	-	3,476,574	3,476,574
Land (post 2002)	100,000	-	100,000	100,000
Buildings (post 2002)	241,429	83,495	157,934	163,970
Building improvements (post 2002)	48,597	48,597	-	-
Furniture and equipment	290,132	254,526	35,606	35,606
Automobiles	35,626	35,626	-	-
Computer equipment	32,117	32,117	-	4,380
Telephone equipment	100,212	33,802	66,410	83,510
Video conferencing equipment	384,404	266,947	117,457	181,524
	4,709,091	755,110	3,953,981	4,045,564

5 Inter-fund receivables and payables

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

The Society's Board approved an appropriation relating to fiscal 2016 of \$30,000 (2015 - \$602,400) to regional funds and \$128,000 (2015 - \$128,000) to building funds from the operating fund to the internally restricted fund for various uses and building costs. The Society's Board also approved a transfer of interest earned on endowment funds of \$nil (2015 - \$165,000) to the designated funds.

6 Line of credit

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, 2016, \$nil (2015 - \$nil) of the line of credit had been utilized.

7 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.

8 Deferred revenue

Deferred revenue reported in the operating fund relates to amounts received that is related to specific uses for which the related expenditures have not been incurred.

Canadian Hearing Society

Notes to Financial Statements

March 31, 2016

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

	2016 \$	2015 \$
Balance - Beginning of year	1,269,059	1,286,444
Less: Amounts recognized as revenue in the year	497,941	790,857
Add: Amounts received	794,849	773,472
	<hr/>	<hr/>
Balance - End of year	1,565,967	1,269,059

9 Sick leave benefit

In accordance with the Society's sick leave defined benefit plan, the liability consists of the accumulated sick leave benefit and represents management's best estimate as to the Society's future liability pertaining to all employees. In 2016, the Society undertook an actuarial valuation of the sick leave benefit and based on the results of the actuarial report, decreased the liability by \$211,000 to \$1,226,000 (2015 - \$1,437,000).

Reconciliation of accrued sick leave benefit obligation

	2016 \$	2015 \$
Accrued sick leave benefit obligation - Beginning of year	1,437,000	1,210,040
Service cost	56,150	65,500
Interest cost	19,123	22,500
Benefit payments	(105,772)	(15,840)
Actuarial loss (gain)	(180,501)	154,800
	<hr/>	<hr/>
Accrued sick leave benefit obligation - End of year	1,226,000	1,437,000

The significant actuarial assumptions adopted for measuring the Society's accrued sick leave benefit obligations are:

	2016 %	2015 %
March 31		
Discount rate	3.25	3.25
Salary scale	2.00	2.00

Canadian Hearing Society

Notes to Financial Statements

March 31, 2016

10 Designated funds

	2016 \$	2015 \$
Externally restricted by donor		
Allison Cochlear Implant Fund	32,619	33,197
CHS Children's Fund	45,017	62,763
Dorothy O'Neill Research Fund	29,846	30,376
Durham Area Fund	24,972	25,415
Hamilton Steele Children's Fund	355,151	367,290
IMO Monica Price Bursary	3,087	3,142
London Regional Fund	143,527	155,244
London Anne Sanderson Fund	78,866	80,265
Niagara Area Fund	233,990	238,141
Nicole Majorose Fund	6,794	6,914
Peel Regional Fund	32,418	32,993
Thunder Bay Sharon Bjorklund Fund	27,612	28,102
Waterloo Building Occupancy Fund	38,900	39,590
Waterloo Children's Fund	8,083	8,226
Waterloo Sertoma/LaSetoma Fund	221,426	225,355
	<hr/> 1,282,308	<hr/> 1,337,013
Board restricted - unrestricted by donor		
Hamilton Access Fund	4,007	4,078
Hamilton Building Fund	73,189	74,487
Ottawa Regional Fund	274,922	304,327
Peterborough Regional Fund	161,929	187,349
Sault Ste. Marie Regional Fund	45,717	46,528
Head Office Building Fund	820,616	1,290,146
Strategic Initiatives Fund	903,049	1,288,316
Sudbury Regional Fund	-	23,993
Thunder Bay Regional Fund	28,123	28,622
Toronto Regional Fund	49,685	50,566
Training and Development Fund	183,895	206,541
Waterloo Regional Fund	19,645	29,990
Waterloo Stork Family Fund	237	242
	<hr/> 2,565,014	<hr/> 3,535,185
	<hr/> 3,847,322	<hr/> 4,872,198
Endowment funds*		
Donald & Anne C. McLean Fund*	190,726	194,110
Hamilton McCormick Fund	298,007	303,294
	<hr/> 488,733	<hr/> 497,404

* These are restricted funds and only the investment income earned on the fund balance can be used by the Society.

Canadian Hearing Society

Notes to Financial Statements

March 31, 2016

11 Grants

The Society has received the following grants:

	2016 \$	2015 \$
Provincial		
Ministry of Health and Long-Term Care	9,948,964	9,852,938
Ministry of Community and Social Services (note 12)	8,096,638	7,766,502
Ministry of Training, Colleges and Universities	2,230,241	2,233,886
Ministry of Community and Social Services - Ontario Disability Support Program	500,460	537,045
Other	201,814	223,047
	<u>20,978,117</u>	<u>20,613,418</u>
Federal and Other		
Human Resources and Social Development Canada	46,443	40,753
Citizenship Immigration Canada	419,620	427,480
Other	48,260	47,905
	<u>514,323</u>	<u>516,138</u>
	<u>21,492,440</u>	<u>21,129,556</u>

Canadian Hearing Society

Notes to Financial Statements

March 31, 2016

12 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) \$
Provincial Ontario Interpreting Services							
Provincial	8783	109702	BPS - Other Adult Social Services	260,153	-	260,153	-
	9295	109702	ASL Interpreter Services	1,068,357	466,104	1,493,029	41,432
	9295	1000162	ASL Interpreter Services	1,098,607	474,026	1,625,066	(52,433)
	9295	1000165	ASL Interpreter Services	1,112,307	398,181	1,621,798	(111,310)
	9295	1000167	ASL Interpreter Services	1,479,137	446,099	1,875,313	49,923
	9295	1000168	ASL Interpreter Services	714,884	151,688	788,292	78,280
	8754	109702	Interpreter Internship Program	858,637	-	868,747	(10,110)
	8753	109702	Langue de Québécoise (LSQ) Interpreter Services	279,808	60,967	323,047	17,728
	8752	109702	After-Hours Health Related Interpreting Services	692,833	90,590	780,594	2,829
				7,564,723	2,087,655	9,636,039	16,339
Intervenors Service Funding Sudbury							
	8746	052686	Intervenors Services for Community Participation	544,057	-	544,057	-
	8783	052686	BPS - Other Adult Social Services	4,197	-	4,197	-
				8,112,977	2,087,655	10,184,293	16,339
Less: Repayables for 2015 - 2016				16,339			
Total grants from Ministry of Community and Social Services				8,096,638			

Canadian Hearing Society

Notes to Financial Statements

March 31, 2016

13 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:

	2016 \$	2015 \$
Revenue	278,100	287,475
Expenses		
Cost of tickets sold and promotion fees - retail	38,327	39,282
Promotion fees - agent	87,332	89,802
Licence fees and other	61,175	64,948
	186,834	194,032
Excess of revenue over expenses for the year	91,266	93,443

14 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:

	\$
2017	1,038,596
2018	751,979
2019	571,191
2020	439,345
2021	211,701
Thereafter	114,234
	3,127,046

15 Community service grant

The Society received a community service grant of \$17,060 (2015 - \$16,705) from the City of Toronto.

16 United Way contribution

The Society received a contribution of \$29,776 (2015 - \$33,404) from the United Way of Burlington and Greater Hamilton.

17 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, liquidity risk and cash flow risk.

Canadian Hearing Society

Notes to Financial Statements

March 31, 2016

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.

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.

18 Contingencies

From time to time, 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 statements of financial position and operations of the Society.

19 Restated

During the year, the Society adjusted the values of the sick leave benefit liability amounts to reflect a revised actuarial report, which resulted in an increase of sick leave benefit liability in the amount of \$163,000 as at March 31, 2015, an increase of salaries and benefits expense in the amount of \$68,200 for the year ended March 31, 2015, and a corresponding increase in the remeasurement of sick leave benefit liability of \$154,800 and a decrease in the general fund of the operating fund of \$163,000 as at March 31, 2015.

20 Comparative figures

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