

CANADIAN ACADEMY OF AUDIOLOGY

Financial Statements

May 31, 2018



CANADIAN ACADEMY OF AUDIOLOGY

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DIXON, GORDON & CO. LLP
Chartered Professional Accountants
Business Advisors

INDEPENDENT AUDITORS' REPORT

To the Members of Canadian Academy of Audiology

We have audited the accompanying financial statements of Canadian Academy of Audiology ("the Academy"), which comprise the statement of financial position as at May 31, 2018 and the statements of operations, changes in net assets and cash flows for the year then ended and 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, 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.

Auditors' 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 auditors' 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 auditors consider 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.

Basis for qualified opinion

In common with many not-for-profit organizations, the Academy derives revenue from certain sources, 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 Academy and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenues over expenses, assets and net assets.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Canadian Academy of Audiology as at May 31, 2018, and the results of its operations and its cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

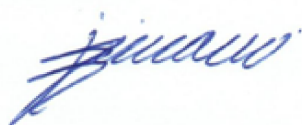
Dixon, Gordon & Co. LLP

CHARTERED PROFESSIONAL ACCOUNTANTS, Licensed Public Accountants
Toronto, Canada
August 22, 2018

CANADIAN ACADEMY OF AUDIOLOGY
Statement of Financial Position
May 31, 2018

	2018	2017
Assets		
Cash and cash equivalents	\$ 610,842	\$ 494,109
Investment - Friends of Canadian Academy of Audiology (note 3)	17,486	17,399
Receivable from MCI Group Canada Inc. (note 4)	-	9,251
Deposits and prepaid expenses (note 5)	36,610	11,110
Accounts receivable	9,570	11,322
Equipment (note 6)	441	794
	\$ 674,949	\$ 543,985
Liabilities		
Accounts payable and accrued liabilities (note 4)	\$ 32,095	\$ 56,684
Sales tax payable	8,945	6,186
Deferred revenue (note 7)	141,824	93,890
	182,864	156,760
Net assets (page 3)		
Internally restricted (note 3)	17,486	17,399
Unrestricted	474,599	369,826
	492,085	387,225
	\$ 674,949	\$ 543,985

APPROVED:



Dr. Salima Jiwani, President, Director



Jodi Habersack, Treasurer, Director

See accompanying notes

CANADIAN ACADEMY OF AUDIOLOGY**Statement of Changes in Net Assets****For the year ended May 31, 2018**

	2018			2017 Total
	Internally Restricted	Unrestric- ted	Total	
Net assets, beginning of year	\$ 17,399	\$ 369,826	\$ 387,225	\$ 318,188
Excess of revenues over expenses (page 4)		104,860	104,860	69,037
Transfer to internally restricted (note 3)	87	(87)	-	-
Net assets, end of year	\$ 17,486	\$ 474,599	\$ 492,085	\$ 387,225

See accompanying notes

CANADIAN ACADEMY OF AUDIOLOGY**Statement of Operations****For the year ended May 31, 2018**

	2018	2017
Revenues		
Conference (notes 4 and 9)	\$ 391,800	\$ 562,305
Membership fees	105,539	75,030
Job postings	30,690	30,500
Canadian Audiologist online publication - advertising	29,225	24,700
Interest income	963	779
	558,217	693,314
Expenses		
Conference (note 4)	245,626	418,905
Management fees	104,863	91,272
Website maintenance and member communications	22,593	31,343
Professional fees	30,570	31,160
Board meetings	16,851	28,828
Bank and credit card charges	6,874	5,955
Insurance	5,680	5,559
Scientific advisory award	5,000	-
Public relations and visibility	4,776	4,407
External partnerships	3,253	1,246
Office and general	2,462	1,055
Communications	1,263	1,663
Other projects	1,553	1,356
Past President	1,140	705
Amortization	353	510
Membership	288	217
Travel	212	96
	453,357	624,277
Excess of revenues over expenses	\$ 104,860	\$ 69,037

See accompanying notes

CANADIAN ACADEMY OF AUDIOLOGY**Statement of Cash Flows****For the year ended May 31, 2018**

	2018	2017
Cash from (used in) operating activities		
Excess of revenues over expenses	\$ 104,860	\$ 69,037
Adjustment to derive cash flows		
Amortization	353	510
	105,213	69,547
Change in non-cash working capital (note 10)	11,607	81,438
	116,820	150,985
Cash from (used in) investing activities		
Purchase of investment - Friends of Canadian Academy of Audiology	(17,486)	(17,399)
Redemption of investment - Friends of Canadian Academy of Audiology	17,399	17,312
Purchase of equipment	-	(1,058)
	(87)	(1,145)
Increase in cash and cash equivalents	116,733	149,840
Cash and cash equivalents, beginning of year	494,109	344,269
Cash and cash equivalents, end of year	\$ 610,842	\$ 494,109

See accompanying notes

CANADIAN ACADEMY OF AUDIOLOGY

Notes to Financial Statements

May 31, 2018

1. Purpose and legal form of the organization

The Canadian Academy of Audiology ("the Academy") is a non-profit professional organization dedicated to enhancing the role of audiologists as primary hearing health care providers through advocacy, education and research, and represents the profession of audiology in Canada as a primary source of information to its members, external groups and the public. The Academy was founded in 1996 and incorporated in 1998.

The Academy is incorporated without share capital by letters patent under the Canada Corporations Act and classified under the Income Tax Act as a not-for-profit organization and as such, it is not subject to income tax.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations using the following significant accounting policies:

(a) Revenue recognition

The Academy uses 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 they are 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 in the year.

Conference and other event related revenues are recognized in the period in which the events are held. The Academy's recognition of conference and event related revenues is subject to uncertainties as it cannot verify the completeness of the amounts receivable from the associated participants. Revenue from membership fees is recognized over the periods to which the membership term relates. Revenue from job postings is recognized in the initial month of posting. Revenue from advertising in online publications is recognized evenly over the months in which the particular publication volume relates. Other revenues are recognized in the period earned.

(b) Joint arrangement - World Congress of Audiology 2016 conference

Pursuant to a joint venture ("Joint Venture"), the Academy and Speech-Language & Audiology Canada (SAC) hosted the 33rd World Congress of Audiology 2016 ("WCA2016") in September 2016, in Vancouver, British Columbia. The Academy's usual annual conference hosting was represented through WCA2016 during the year ended May 31, 2017. The Academy recognizes its pro rata share of the joint venture assets, liabilities, revenues and expenses.

(c) Conference and event costs

The Academy recognizes conference and event costs as expense in the period in which the particular events are held. Costs pertaining to the selection of sites for conferences and events are charged to expense as incurred.

(d) Financial instruments

Measurement of financial instruments

Financial instruments are recorded at fair value on initial recognition. Financial instruments are subsequently stated at cost or amortized cost as applicable, unless management has elected to carry the instruments at fair value. The Academy has not elected to carry any such financial instruments at fair value.

Financial assets measured at cost or amortized cost include cash and cash equivalents, investment - friends of Canadian Academy of Audiology, receivable from MCI Group Canada Inc., deposits and accounts receivable. Financial liabilities measured at cost or amortized cost include accounts

payable and accrued liabilities and sales tax payable.

Transaction costs

Transaction costs related to financial instruments subsequently measured at amortized cost are applied against the original cost of the related asset or liability and are amortized using the effective interest rate method. Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in income in the period incurred.

Recoverability

Financial assets stated at cost or amortized cost are assessed for recoverability on an annual basis at the end of the fiscal year or if there are indicators of impairment. If there is an indicator of impairment, the Academy determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset, and if so, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Academy expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(e) Cash and cash equivalents

Cash equivalents are highly liquid investments which are readily convertible into a known amount of cash, are subject to an insignificant risk of changes in value and have a maturity date of three months or less from the date of purchase.

(f) Equipment

Equipment assets are recorded at acquisition cost with amortization provided over their estimated useful lives on a straight-line balance basis as follows:

<u>Asset</u>	<u>Period</u>
Computer equipment	3 years

(g) Impairment of long-lived assets

Long-lived assets subject to amortization are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the long-lived asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value. During 2018 and 2017, no impairment losses were incurred.

(h) Contributed services

Volunteers assist the Academy in carrying out its functions, sometimes receiving nominal reimbursement for their expenses. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements beyond the nominal amounts paid, if any.

(i) Use of estimates

The preparation of financial statements in accordance 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 and disclosure of contingent assets, liabilities and commitments at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically and adjustments will be made to income as appropriate in the year they become known. Actual results could differ from these estimates.

CANADIAN ACADEMY OF AUDIOLOGY**Notes to Financial Statements (continued)****May 31, 2018****3. Investment - Friends of Canadian Academy of Audiology**

As at May 31, 2018, the Academy held a guaranteed investment certificate with a stated value of \$17,486 bearing interest at 0.50% per annum maturing on December 8, 2018. As at May 31, 2017, the Academy held a guaranteed investment certificate with a stated value of \$17,399 bearing interest at 0.50% per annum maturing on December 8, 2017. This investment has an internal restriction on its use.

4. Joint Venture - WCA2016

Pursuant to the terms of the Joint Venture agreement, the share of the excess of revenue over expenses is determined based on an equal 50% allocation of all revenue and expenses except sponsorship revenue, with the latter calculated on a formula weighted on prior years' history of sponsorship revenue earned by the individual venturers. The Academy's pro rata share of the WCA2016 revenues and expenses during the fiscal year ended May 31, 2017 is summarized as follows:

	2017
Revenue - Conference	\$ 562,305
Expense - Conference	371,174

The WCA2016 joint venture terminated in May 2017. As at May 31, 2017, the Academy's statement of financial position included a receivable of \$9,251 from MCI Group Canada Inc., event manager for WCA2016 and a payable of \$28,304 among accounts payable and accrued liabilities of \$56,684, representing the Academy's assigned pro-rata share of the remaining assets and liabilities of the Joint's Venture's operations. The amount receivable from MCI Group Canada Inc. was collected in June 2017.

5. Deposits and prepaid expenses

	2018	2017
Conference - October 2017	\$ -	\$ 8,610
Conference - October 2018	36,610	2,500
	\$ 36,610	\$ 11,110

6. Equipment

	2018			2017
	Cost	Accumulated Amortization	Net book value	Net book value
Computer equipment	\$ 2,040	\$ 1,599	\$ 441	\$ 794

7. Deferred revenue

	2018	2017
Membership fees	\$ 68,954	\$ 45,875
Conference - October 2018	60,000	-
Conference - October 2017	-	37,785
Canadian Audiologist online publication - advertising	12,870	10,230
	\$ 141,824	\$ 93,890

8. Financial instruments

The Academy is exposed to various risks through its financial instruments, without being exposed to concentrations of risk as at May 31, 2018 described as follows:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Academy's financial instruments that are exposed to credit risk consist primarily of cash and cash equivalents, guaranteed investment certificates and accounts receivable. The Academy places its cash and cash equivalents and guaranteed investment certificates with high credit quality financial institutions. Generally, such investments will be in excess of the Canada Deposit Insurance Corporation insurable limit. In addition, the Academy deals with creditworthy members and generally requires conference participants to place deposits in advance of the associated event.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk. The Academy is minimally exposed to interest rate risk, as its guaranteed investment certificate bears interest at a fixed rate and accordingly, experiences changes in fair value with fluctuations in interest rates.

(c) Liquidity risk

Liquidity risk is the risk that an entity will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Academy manages its liquidity risk by regularly monitoring forecasted and actual cash flows and financial liability maturities and by holding assets that can be readily converted into cash.

There has been no significant change to the risk exposures described above from 2017.

9. Conference revenue

	2018	2017
Registration fees	\$ 180,754	\$ 340,009
Exhibitor space	176,715	82,826
Sponsorships	31,500	116,757
Workshops and other	2,831	22,713
	\$ 391,800	\$ 562,305

10. Change in non-cash working capital

	2018	2017
Decrease (increase) in current assets		
Receivable from MCI Group Canada Inc.	\$ 9,251	\$ 379,138
Deposits and prepaid expenses	(25,500)	24,725
Accounts receivable	1,752	1,280
Increase (decrease) in current liabilities		
Accounts payable and accrued liabilities	(24,589)	34,052
Sales tax payable	2,759	6,056
Deferred revenue	47,934	(363,813)
	\$ 11,607	\$ 81,438