

CANADIAN ACADEMY OF AUDIOLOGY

Financial Statements

May 31, 2019



canadianaudiology.ca

CANADIAN ACADEMY OF AUDIOLOGY

Contents

May 31, 2019

Independent Auditor's Report	1 - 2
---	--------------

Financial Statements

Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10



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

INDEPENDENT AUDITOR'S REPORT

To the Members of Canadian Academy of Audiology

Report on the Audit of the Financial Statements

Qualified opinion

We have audited the financial statements of the Canadian Academy of Audiology ("the Academy"), which comprise the statement of financial position as at May 31, 2019, and the statement of revenue and expenses, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Academy as at May 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for qualified opinion

In common with many non-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 revenue over expenses, assets and net assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

In preparing the financial statements, management is responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Academy or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Academy's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the Appendix, the description of which forms part of our auditor's report.

Dixon, Gordon & Co. LLP

CHARTERED PROFESSIONAL ACCOUNTANTS, Licensed Public Accountants
Toronto, Canada
August 21, 2019



APPENDIX TO AUDIT REPORT

Further description of the auditor's responsibilities for the audit of the financial statements

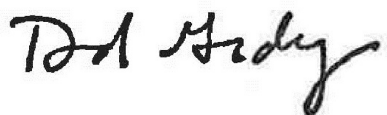
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

CANADIAN ACADEMY OF AUDIOLOGY**Statement of Financial Position****May 31, 2019**

	2019	2018
Assets		
Cash and cash equivalents	\$ 666,014	\$ 610,842
Investment - Friends of Canadian Academy of Audiology (note 3)	17,573	17,486
Deposits and prepaid expenses (note 4)	50,600	36,610
Accounts receivable	23,021	9,570
Sales tax receivable	542	-
Equipment (note 5)	3,800	441
	\$ 761,550	\$ 674,949
Liabilities		
Accounts payable and accrued liabilities	\$ 50,130	\$ 32,095
Sales tax payable	-	8,945
Deferred revenue (note 6)	145,588	141,824
	195,718	182,864
Net assets (page 4)		
Internally restricted (note 3)	17,573	17,486
Unrestricted	548,259	474,599
	565,832	492,085
	\$ 761,550	\$ 674,949

APPROVED:



Dr. David Gordey, 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, 2019**

	2019			2018 Total
	Internally Restricted	Unrestric- ted	Total	
Net assets, beginning of year	\$ 17,486	\$ 474,599	\$ 492,085	\$ 387,225
Excess of revenues over expenses (page 5)		73,747	73,747	104,860
Transfer to internally restricted (note 3)	87	(87)	-	-
Net assets, end of year	\$ 17,573	\$ 548,259	\$ 565,832	\$ 492,085

See accompanying notes

CANADIAN ACADEMY OF AUDIOLOGY**Statement of Operations****For the year ended May 31, 2019**

	2019	2018
Revenues		
Conference (note 8)	\$ 408,063	\$ 391,800
Membership fees	99,732	105,539
Job postings	52,410	30,690
Canadian Audiologist online publication - advertising	34,290	29,225
Interest income	1,439	963
	595,934	558,217
Expenses		
Conference	224,599	245,625
Management fees	142,370	104,863
Professional fees	34,963	30,570
Public relations and visibility	30,010	4,776
Website maintenance and member communications	21,733	22,593
Board meetings	16,607	16,851
External partnerships	16,418	3,253
Bank and credit card charges	8,520	6,875
Insurance	5,786	5,680
Scientific advisory award	5,500	5,000
Membership	4,256	288
Office and general	3,378	2,462
Communications	3,341	1,263
Past President	1,609	1,140
Other projects	1,037	1,553
Webinars	1,112	-
Travel	595	212
Amortization (note 5)	353	353
	522,187	453,357
Excess of revenues over expenses	\$ 73,747	\$ 104,860

See accompanying notes

CANADIAN ACADEMY OF AUDIOLOGY**Statement of Cash Flows****For the year ended May 31, 2019**

	2019	2018
Cash from (used in) operating activities		
Excess of revenues over expenses	\$ 73,747	\$ 104,860
Adjustment to derive cash flows		
Amortization	353	353
	74,100	105,213
Change in non-cash working capital (note 9)	(15,129)	11,607
	58,971	116,820
Cash from (used in) investing activities		
Purchase of investment - Friends of Canadian Academy of Audiology	(17,573)	(17,486)
Redemption of investment - Friends of Canadian Academy of Audiology	17,486	17,399
Purchase of computer equipment	(3,712)	-
	(3,799)	(87)
Increase in cash and cash equivalents	55,172	116,733
Cash and cash equivalents, beginning of year	610,842	494,109
Cash and cash equivalents, end of year	\$ 666,014	\$ 610,842

See accompanying notes

CANADIAN ACADEMY OF AUDIOLOGY

Notes to Financial Statements

May 31, 2019

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 without share capital by letters patent under the Canada Corporations Act and now subject to the Canada Not-for-profit Corporations Act.. The Academy is 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) 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.

(c) 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, deposits, accounts receivable and sales tax 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.

(d) 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.

(e) 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

(f) 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 2019 and 2018, no impairment losses were incurred.

(g) 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.

(h) 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, 2019

3. Investment - Friends of Canadian Academy of Audiology

	2019	2018
Royal Bank of Canada guaranteed investment certificate, redeemable, interest at 0.50% per annum, maturing December 8, 2019	\$ 17,573	\$ -
Royal Bank of Canada guaranteed investment certificate, redeemable, interest at 0.50% per annum, maturing December 8, 2018	-	17,486
	\$ 17,573	\$ 17,486

This investment has an internal restriction on its use.

4. Deposits and prepaid expenses

	2019	2018
Conference - October 2018 (Niagara Falls)	\$ -	\$ 36,610
Conference - October 2019 (Halifax)	25,600	-
Conference - October 2020 (Ottawa)	5,000	-
Conference - October 2021 (Kelowna)	20,000	-
	\$ 50,600	\$ 36,610

5. Equipment

	2019			2018
	Cost	Accumulated Amortization	Net book value	Net book value
Computer equipment	\$ 4,771	\$ 971	\$ 3,800	\$ 441

6. Deferred revenue

	2019	2018
Membership fees	\$ 58,414	\$ 68,954
Conference - October 2019	72,354	-
Conference - October 2018	-	60,000
Canadian Audiologist online publication - advertising	14,820	12,870
	\$ 145,588	\$ 141,824

7. Financial instruments

The Academy is exposed to various risks through its financial instruments, without being exposed to concentrations of risk as at May 31, 2019 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, investment, deposits and accounts receivable. The Academy places its cash and cash equivalents and investment with high credit quality financial institutions. Generally, such investments will be in excess of the Canada Deposit

CANADIAN ACADEMY OF AUDIOLOGY
Notes to Financial Statements (continued)
May 31, 2019

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 2018.

8. Conference revenue

	2019	2018
Registration fees	\$ 191,268	\$ 180,754
Exhibitor space	178,280	176,715
Sponsorships	32,600	31,500
Workshops and other	5,915	2,831
	\$ 408,063	\$ 391,800

9. Change in non-cash working capital

	2019	2018
Decrease (increase) in current assets		
Receivable from MCI Group Canada Inc.	\$ -	\$ 9,251
Deposits and prepaid expenses	(13,990)	(25,500)
Accounts receivable	(13,451)	1,752
Sales tax receivable	(542)	-
Increase (decrease) in current liabilities		
Accounts payable and accrued liabilities	18,035	(24,589)
Sales tax payable	(8,945)	2,759
Deferred revenue	3,764	47,934
	\$ (15,129)	\$ 11,607