

# **Canadian Hearing Services Global Partnerships for Research & Innovation**

Financial Statements  
**March 31, 2023**



## Independent auditor's report

To the Board of Directors of Canadian Hearing Services Global Partnerships for Research & Innovation

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### Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Canadian Hearing Services Global Partnerships for Research & Innovation (the Foundation) as at March 31, 2023 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.

#### What we have audited

The Foundation's financial statements comprise:

- the statement of financial position as at March 31, 2023;
- the statement of revenue, expenditures and changes in fund balance for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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### Basis for opinion

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

#### Independence

We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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### 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.

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In preparing the financial statements, management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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

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### **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.

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 Foundation'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 Foundation'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 Foundation 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.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants, Licensed Public Accountants

Oakville, Ontario  
June 21, 2023

# Canadian Hearing Services Global Partnerships for Research & Innovation

## Statement of Financial Position

As at March 31, 2023

	2023 \$	2022 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash	1,005,742	1,267,771
Due from related party (note 3)	6,757	-
	<u>1,012,499</u>	<u>1,267,771</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accrued liabilities	12,764	10,300
Due to related party (note 3)	-	153,114
	<u>12,764</u>	<u>163,414</u>
<b>Fund Balance</b>		
<b>Unrestricted Fund</b>	<u>999,735</u>	<u>1,104,357</u>
	<u>1,012,499</u>	<u>1,267,771</u>

### Approved by the Board of Directors

*Timothy D. Andrade*

Director



Director

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

# Canadian Hearing Services Global Partnerships for Research & Innovation

Statement of Revenue, Expenditures and Changes in Fund Balance

For the year ended March 31, 2023

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	2023 \$	2022 \$
<b>Revenue</b>		
Corporate donations	225,890	251,884
<b>Expenditures</b>		
Salaries and benefits	85,075	16,000
Office and program costs	7,746	77,861
Professional service fees	39,760	48,905
Grants awarded	197,029	-
Promotion	902	410
	<u>330,512</u>	<u>143,176</u>
<b>(Deficiency) excess of revenue over expenditures for the year</b>	(104,622)	108,708
<b>Fund balance – Beginning of year</b>	<u>1,104,357</u>	<u>995,649</u>
<b>Fund balance – End of year</b>	<u>999,735</u>	<u>1,104,357</u>

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

# Canadian Hearing Services Global Partnerships for Research & Innovation

## Statement of Cash Flows

For the year ended March 31, 2023

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	2023 \$	2022 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
(Deficiency) excess of revenue over expenditures for the year	(104,622)	108,708
Changes in non-cash operating working capital		
Accrued liabilities	2,464	(10,000)
Due (from) to related party	(159,871)	153,114
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<b>Change in cash during the year</b>	(262,029)	251,822
<b>Cash – Beginning of year</b>	1,267,771	1,015,949
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<b>Cash – End of year</b>	1,005,742	1,267,771
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The accompanying notes are an integral part of these financial statements.

# Canadian Hearing Services Global Partnerships for Research & Innovation

Notes to Financial Statements

March 31, 2023

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## 1 Organization

Canadian Hearing Services Global Partnerships for Research & Innovation (the Foundation) is a national foundation that was incorporated on October 19, 2018 without share capital, under the laws of Canada for charitable purposes.

The Foundation is a registered charity under the Income Tax Act (Canada) and therefore, is not subject to income taxes, provided expenditures meet a certain threshold.

The exclusive purposes of the Foundation are to use, apply, give, devote or distribute from time to time all or part of the fund or funds of the Foundation and the income therefrom by way of gifts to Canadian Hearing Services (CHS) or any other qualified donee that carries on its work within Canada and that will, in the opinion of the Board of Directors in their absolute discretion, best advance the interests of people who are deaf and/or hard of hearing.

## 2 Summary of significant accounting policies

### Basis of presentation

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

The Foundation follows the restricted fund method for accounting for contributions. It ensures, as part of its fiduciary responsibilities, that all funds received with restricted purposes are expended for the purposes for which they were provided. The financial statements include the following funds:

- Unrestricted Fund

The Unrestricted Fund accounts for the Foundation's general fundraising, granting and administrative activities. The Unrestricted Fund reports unrestricted resources available for immediate purposes.

- Restricted Fund

The Restricted Fund consists of amounts restricted for specified purposes as stipulated by the donor.

- Endowment Fund

The Endowment Fund consists of donations that are required to be maintained by the Foundation on a permanent basis, and includes investment income earned on those funds.

In the current year, the Foundation did not receive any Restricted or Endowment Funds.



# Canadian Hearing Services Global Partnerships for Research & Innovation

Notes to Financial Statements

March 31, 2023

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## Revenue recognition

Fundraising revenue is recognized when the donations are received.

All contributions are generally considered unrestricted contributions to the Foundation unless a donor specifies otherwise. Unrestricted contributions would be reflected as revenue of the Unrestricted Fund. If a donor specifies the contribution is for an endowment fund or specifies it to be retained permanently, it is recognized as revenue of the Endowment Fund.

Interest income is recognized in the year earned.

## Expenditures

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

## Financial instruments

The Foundation initially measures its financial assets and financial liabilities at fair value, except certain related party transactions. The Foundation subsequently measures all of its financial assets and liabilities at amortized cost.

Financial assets measured at amortized cost include cash.

Financial assets, other than those measured at fair value, are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines whether there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, 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 Foundation 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. Impairments are recognized through the use of an allowance account, with a corresponding charge in the statement of revenue, expenditures and changes in fund balance.

## 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.

# Canadian Hearing Services Global Partnerships for Research & Innovation

Notes to Financial Statements

March 31, 2023

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## 3 Related party transactions

During the current year, the Foundation had the following transactions and balances with entities under common control:

- Canadian Hearing Services, Inc. contributed \$206,250 (2022 – \$168,750) to the Foundation; and
- Canadian Hearing Services paid certain expenses on behalf of the Foundation in the amount of \$385,396 (2022 – \$153,114).

All related party transactions are in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.