

**NOVA SCOTIA HEARING AND SPEECH CENTRES**  
**Financial Statements**  
**Year Ended March 31, 2020**

**NOVA SCOTIA HEARING AND SPEECH CENTRES**  
**Index to Financial Statements**  
**Year Ended March 31, 2020**

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**LYLE TILLEY DAVIDSON**  
Chartered Professional Accountants

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**INDEPENDENT AUDITOR'S REPORT**

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To the Members of Nova Scotia Hearing and Speech Centres

*Opinion*

We have audited the financial statements of Nova Scotia Hearing and Speech Centres (the Centres), which comprise the statement of financial position as at March 31, 2020, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Centres as at March 31, 2020, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

*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 are independent of the Centres in accordance with 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 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 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.

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

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

*(continues)*

*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 Centres'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 Centres'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 Centres 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.



Halifax, Nova Scotia  
June 19, 2020

CHARTERED PROFESSIONAL ACCOUNTANTS

**NOVA SCOTIA HEARING AND SPEECH CENTRES**  
**Statement of Financial Position**  
**March 31, 2020**

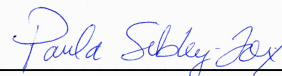
|   | Operating<br>Fund | Investment<br>Fund | Foundation<br>Fund | 2020         | 2019         |
|---|-------------------|--------------------|--------------------|--------------|--------------|
| <b>ASSETS</b>                                     |                   |                    |                    |              |              |
| <b>CURRENT</b>                                    |                   |                    |                    |              |              |
| Cash  | \$ 612,490        | \$ 57,899          | \$ -               | \$ 670,389   | \$ 791,632   |
| Accounts receivable (Note 3)                      | 1,342,239         | 269                | 700                | 1,343,208    | 1,669,043    |
| Interfund receivables                             | 38,948            | -                  | 4,070              | 43,018       | 34,324       |
| Prepaid expenses                                  | 36,756            | -                  | -                  | 36,756       | 47,921       |
|   | 2,030,433         | 58,168             | 4,770              | 2,093,371    | 2,542,920    |
| <b>CAPITAL ASSETS (Note 4)</b>                    | 437,241           | -                  | -                  | 437,241      | 236,511      |
| <b>MARKETABLE SECURITIES (Note 5)</b>             | -                 | 484,819            | 390,858            | 875,677      | 1,053,417    |
|   | \$ 2,467,674      | \$ 542,987         | \$ 395,628         | \$ 3,406,289 | \$ 3,832,848 |
| <b>LIABILITIES AND NET ASSETS</b>                 |                   |                    |                    |              |              |
| <b>CURRENT</b>                                    |                   |                    |                    |              |              |
| Accounts payable and accrued liabilities (Note 6) | \$ 1,020,420      | \$ -               | \$ -               | \$ 1,020,420 | \$ 1,014,376 |
| Interfund payables                                | 15,256            | 27,762             | -                  | 43,018       | 34,324       |
|   | 1,035,676         | 27,762             | -                  | 1,063,438    | 1,048,700    |
| <b>DEFERRED CONTRIBUTIONS - CAPITAL ASSETS</b>    | 124,420           | -                  | -                  | 124,420      | 165,894      |
| <b>SPECIAL PURPOSE FUNDS (Note 7)</b>             | 117,968           | -                  | -                  | 117,968      | 400,582      |
|   | 1,278,064         | 27,762             | -                  | 1,305,826    | 1,615,176    |
| <b>FUND BALANCES</b>                              | 1,189,610         | 515,225            | 395,628            | 2,100,463    | 2,217,672    |
|   | \$ 2,467,674      | \$ 542,987         | \$ 395,628         | \$ 3,406,289 | \$ 3,832,848 |

**LEASE COMMITMENTS (Note 11)**

**ON BEHALF OF THE BOARD**



Director



Director

**NOVA SCOTIA HEARING AND SPEECH CENTRES**  
**Statement of Revenues and Expenditures**  
**Year Ended March 31, 2020**

|   | Operating Fund    | Investment Fund    | Foundation Fund     | 2020                | 2019              |
|---|-------------------|--------------------|---------------------|---------------------|-------------------|
| <b>REVENUE</b>  |                   |                    |                     |                     |                   |
| Department of Health <i>(Note 8)</i>                                | \$ 14,739,737     | \$ -               | \$ -                | \$ 14,739,737       | \$ 13,227,391     |
| Department of Health - EIBI <i>(Note 8)</i>                         | 1,523,171         | -                  | -                   | 1,523,171           | 1,500,229         |
| Contract revenue  | 7,805             | -                  | -                   | 7,805               | 29,213            |
| Out of Province   | 286,526           | -                  | -                   | 286,526             | 266,524           |
| Miscellaneous income  | 54,895            | -                  | -                   | 54,895              | 45,946            |
| Investment income (loss) <i>(Note 9)</i>                            | -                 | (35,358)           | (16,676)            | (52,034)            | 47,755            |
| Recoveries  | 39,852            | -                  | -                   | 39,852              | 34,349            |
|   | <u>16,651,986</u> | <u>(35,358)</u>    | <u>(16,676)</u>     | <u>16,599,952</u>   | <u>15,151,407</u> |
| <b>EXPENSES</b>   |                   |                    |                     |                     |                   |
| Administrative <i>(Note 10)</i>                                     | 1,090,311         | -                  | -                   | 1,090,311           | 1,018,651         |
| Autism program <i>(Note 10)</i>                                     | 1,555,938         | -                  | -                   | 1,555,938           | 1,526,620         |
| Core hearing and speech services <i>(Note 10)</i>                   | 9,291,617         | -                  | -                   | 9,291,617           | 9,080,318         |
| Donations   | -                 | -                  | 102,125             | 102,125             | -                 |
| EIBI <i>(Note 10)</i>   | 1,520,268         | -                  | -                   | 1,520,268           | 1,500,229         |
| Investment fees   | -                 | 6,529              | 5,860               | 12,389              | 10,440            |
| Operational <i>(Note 10)</i>  | 1,550,727         | -                  | -                   | 1,550,727           | 1,630,776         |
| Scholarships  | -                 | 1,032              | -                   | 1,032               | 1,047             |
|   | <u>15,008,861</u> | <u>7,561</u>       | <u>107,985</u>      | <u>15,124,407</u>   | <u>14,768,081</u> |
| <b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS</b> | <u>1,643,125</u>  | <u>(42,919)</u>    | <u>(124,661)</u>    | <u>1,475,545</u>    | <u>383,326</u>    |
| <b>OTHER EXPENSES</b>   |                   |                    |                     |                     |                   |
| Amortization of capital assets                                      | 144,208           | -                  | -                   | 144,208             | 184,221           |
| Lump-sum retirement allowance                                       | 1,448,546         | -                  | -                   | 1,448,546           | 118,980           |
|   | <u>1,592,754</u>  | <u>-</u>           | <u>-</u>            | <u>1,592,754</u>    | <u>303,201</u>    |
| <b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>                 | <u>\$ 50,371</u>  | <u>\$ (42,919)</u> | <u>\$ (124,661)</u> | <u>\$ (117,209)</u> | <u>\$ 80,125</u>  |

**NOVA SCOTIA HEARING AND SPEECH CENTRES**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2020**

|  | Operating Fund    |                                    |                    |                    | 2020                | 2019                |
|--|-------------------|------------------------------------|--------------------|--------------------|---------------------|---------------------|
|  | Operations        | Investment in<br>Capital<br>Assets | Investment<br>Fund | Foundation<br>Fund |                     |                     |
| <b>NET ASSETS - BEGINNING OF YEAR</b>        | \$ 1,068,622      | \$ 70,617                          | \$ 558,144         | \$ 520,289         | <b>\$ 2,217,672</b> | \$ 1,626,025        |
| Excess (deficiency) of revenue over expenses | 50,371            | -                                  | (42,919)           | (124,661)          | <b>(117,209)</b>    | 80,125              |
| Purchase of capital assets                   | (357,193)         | 357,193                            | -                  | -                  | -                   | -                   |
| Net asset transfer                           | -                 | -                                  | -                  | -                  | -                   | 511,522             |
| <b>NET ASSETS - END OF YEAR</b>              | <b>\$ 761,800</b> | <b>\$ 427,810</b>                  | <b>\$ 515,225</b>  | <b>\$ 395,628</b>  | <b>\$ 2,100,463</b> | <b>\$ 2,217,672</b> |

**NOVA SCOTIA HEARING AND SPEECH CENTRES**

**Statement of Cash Flows**

**Year Ended March 31, 2020**

|  | 2020              | 2019              |
|--|-------------------|-------------------|
| <b>OPERATING ACTIVITIES</b>  |                   |                   |
| Excess (deficiency) of revenue over expenses                           | \$ (117,209)      | \$ 80,125         |
| Items not affecting cash:  |                   |                   |
| Amortization of capital assets   | 144,208           | 184,221           |
| Amortization of deferred contributions                                 | (41,473)          | (41,473)          |
| Loss on disposal of capital assets                                     | 12,254            | -                 |
| Realized gain on sale of investments                                   | (25,264)          | (523)             |
| Unrealized loss (gain) on sale of investments                          | 109,689           | (12,983)          |
|  | <u>82,205</u>     | <u>209,367</u>    |
| Changes in non-cash working capital:                                   |                   |                   |
| Accounts receivable  | 325,834           | (748,585)         |
| Interfund receivables  | (8,694)           | 6,928             |
| Accounts payable and accrued liabilities                               | 6,044             | 305,561           |
| Interfund payables   | 8,694             | 5,054             |
| Prepaid expenses   | 11,165            | 41,830            |
|  | <u>343,043</u>    | <u>(389,212)</u>  |
| Cash flow from (used by) operating activities                          | <u>425,248</u>    | <u>(179,845)</u>  |
| <b>INVESTING ACTIVITIES</b>  |                   |                   |
| Purchase of capital assets   | (357,193)         | (210,442)         |
| Proceeds from sale of investments                                      | 109,874           | 18,377            |
| Purchase of investments  | (16,559)          | (16,098)          |
| Transfer of investments from Nova Scotia Hearing and Speech Foundation | -                 | (507,334)         |
| Deferred capital contributions received                                | -                 | 207,367           |
|  | <u>(263,878)</u>  | <u>(508,130)</u>  |
| Cash flow used by investing activities                                 | <u>(263,878)</u>  | <u>(508,130)</u>  |
| <b>OTHER CASH FLOW ITEMS</b>   |                   |                   |
| Special purpose fund receipts  | 2,286,176         | 1,002,130         |
| Special purpose fund expenses  | (2,568,790)       | (985,738)         |
| Transfer of net assets from Nova Scotia Hearing and Speech Foundation  | -                 | 511,522           |
|  | <u>(282,614)</u>  | <u>527,914</u>    |
| <b>DECREASE IN CASH FLOW</b>   | <u>(121,244)</u>  | <u>(160,061)</u>  |
| Cash - beginning of year   | <u>791,633</u>    | <u>951,694</u>    |
| <b>CASH - END OF YEAR</b>  | <u>\$ 670,389</u> | <u>\$ 791,633</u> |



**NOVA SCOTIA HEARING AND SPEECH CENTRES**  
**Notes to Financial Statements**  
**Year Ended March 31, 2020**

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**STATUS AND NATURE OF OPERATIONS**

Nova Scotia Hearing and Speech Centres (the "Centres") are a not-for-profit organization incorporated provincially under the Societies Act of Nova Scotia. The Centres are designated by the Department of Health as the healthcare agency responsible for providing hearing services to all citizens in Nova Scotia and speech language services to preschool children and adults.

As a registered charity the Centres are exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Fund accounting

The Centres use fund accounting to prepare its financial statements. These funds are the Operating Fund, the Investment Fund and the Foundation Fund.

The Operating Fund manages the operations of the Centres and is funded through the Department of Health based on annual business plans prepared by management and submitted to the Department of Health. Included in the Operating Fund is the organization's investment in capital assets, net of amortization.

The Investment Fund holds and administers the investments of the Centres. It is an accumulation of both restricted and general donations and investment income. The primary purpose is to establish a fund reserve from which the capital could provide for emergency financial support to the Centres and to provide annual income to the Centres for the purpose of capital equipment expenditure.

The Foundation Fund solicits, raises, accepts and manages donations, gifts and bequests to allow the Centres to grow and meet the current expanding needs of Nova Scotians for speech, language and hearing. This fund was created in the prior year as a result of the wind-up of the Nova Scotia Hearing and Speech Foundation of which all assets were transferred to the Centres.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued, except for transactions with related parties which are recorded at the exchange amount. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Cash

Cash consists of petty cash and deposits held within Canadian financial institutions, net of outstanding cheques.

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**NOVA SCOTIA HEARING AND SPEECH CENTRES**  
**Notes to Financial Statements**  
**Year Ended March 31, 2020**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates:

|                        |          |
|------------------------|----------|
| Clinic equipment       | 5 years  |
| Computer equipment     | 5 years  |
| Furniture and fixtures | 5 years  |
| Leasehold improvements | 10 years |
| Audio booths           | 10 years |

Contributed capital assets are recorded at fair value at the date of contribution. When a capital asset no longer contributes to the Centres' ability to provide services, its carrying amount is written down to its residual value.

Impairment of long lived assets

The Centres test for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Revenue recognition

Nova Scotia Hearing and Speech Centres follows the deferral method of accounting for contributions, which includes government support and professional fees for services provided.

Unrestricted contributions are recognized when received or receivable to the extent that amounts to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions are recognized as revenue in the period in which related expenses are incurred.

Contributions for the purchase of capital assets are deferred and recognized as revenue on the same basis as the related amortization expense.

Investment income is recognized as revenue when earned.

Measurement uncertainty

The preparation of financial statements in conformity 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. The primary estimates made by management relate to the allowance for doubtful accounts and the useful lives of capital assets. Actual results could differ from these estimates.

# NOVA SCOTIA HEARING AND SPEECH CENTRES

## Notes to Financial Statements

Year Ended March 31, 2020

### 2. FINANCIAL INSTRUMENTS

The Centres are exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. Financial instruments consist of cash, accounts receivable, marketable securities and accounts payable and accrued liabilities. The following analysis provides information about the Centres' risk exposure and concentration as of March 31, 2020.

#### Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The nature of revenue and significant number of customers minimizes the concentration of credit risk.

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Centres are exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, accounts payable and accrued liabilities.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Centres are mainly exposed to currency risk and other price risk.

#### Currency risk

Currency risk is the risk to the Centres' earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Centres are exposed to foreign currency exchange risk on cash held in U.S. dollars. At March 31, 2020, the Centres held cash of \$11,904 (2019 - \$11,955) that was exposed to fluctuations in the U.S. currency. The company does not use derivative instruments to reduce its exposure to foreign currency risk.

#### Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Centres are exposed to other price risk through its investments in quoted shares.

### 3. ACCOUNTS RECEIVABLE - OPERATING FUND

The Operating Fund accounts receivable consists of the following:

|  | <u>2020</u>         | <u>2019</u>         |
|--|---------------------|---------------------|
| Patient receivables                    | \$ 293,660          | \$ 59,762           |
| Provincial funding receivable (Note 8) | 960,282             | 1,524,164           |
| Allowance for doubtful accounts        | (1,500)             | (1,500)             |
| Harmonized sales taxes receivable      | 89,797              | 85,671              |
|  | <u>\$ 1,342,239</u> | <u>\$ 1,668,097</u> |

**NOVA SCOTIA HEARING AND SPEECH CENTRES**  
**Notes to Financial Statements**  
**Year Ended March 31, 2020**

**4. CAPITAL ASSETS**

|                        | Cost                | Accumulated<br>amortization | 2020<br>Net book<br>value | 2019<br>Net book<br>value |
|------------------------|---------------------|-----------------------------|---------------------------|---------------------------|
| Clinic equipment       | \$ 3,350,011        | \$ 2,927,557                | \$ 422,454                | \$ 211,606                |
| Computer equipment     | 8,223               | 3,289                       | 4,934                     | 6,578                     |
| Furniture and fixtures | 20,287              | 20,287                      | -                         | -                         |
| Leasehold improvements | 790,080             | 782,687                     | 7,393                     | 15,560                    |
| Audio booths           | 68,578              | 66,118                      | 2,460                     | 2,767                     |
|                        | <b>\$ 4,237,179</b> | <b>\$ 3,799,938</b>         | <b>\$ 437,241</b>         | <b>\$ 236,511</b>         |

**5. MARKETABLE SECURITIES**

|  | 2020              | 2019                |
|--|-------------------|---------------------|
| <u>Investment Fund</u>                 |                   |                     |
| Fixed income securities                | \$ 83,738         | \$ 129,810          |
| Equity securities and short term notes | 401,081           | 408,088             |
|  | <b>484,819</b>    | 537,898             |
| <u>Foundation Fund</u>                 |                   |                     |
| Mutual fund securities                 | 390,858           | 515,519             |
|  | <b>\$ 875,677</b> | <b>\$ 1,053,417</b> |

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OPERATING FUND**

The Operating Fund accounts payable and accrued liabilities consists of the following:

|   | 2020                | 2019                |
|---|---------------------|---------------------|
| Trade payables and accrued liabilities    | \$ 510,134          | \$ 354,882          |
| Salary and vacation payables and accruals | 488,114             | 645,049             |
| Government remittances                    | 22,172              | 14,445              |
|   | <b>\$ 1,020,420</b> | <b>\$ 1,014,376</b> |

**NOVA SCOTIA HEARING AND SPEECH CENTRES**

**Notes to Financial Statements**

**Year Ended March 31, 2020**

**7. SPECIAL PURPOSE FUNDS**

|  | March 31<br>2019  | Receipts            | Expenses            | March 31<br>2020  |
|--|-------------------|---------------------|---------------------|-------------------|
| Audio continuing education fund                | \$ 14,266         | \$ -                | \$ 1,973            | \$ 12,293         |
| Kentville donations                            | 2,173             | -                   | -                   | 2,173             |
| Refurbishing program                           | 1,539             | -                   | -                   | 1,539             |
| Cochlear implant program (Note 8)              | 258,257           | 1,284,919           | 1,553,032           | (9,856)           |
| Cochlear implant - out of province<br>(Note 8) | -                 | 632,090             | 632,090             | -                 |
| SLP prevention and promotion                   | 612               | -                   | -                   | 612               |
| Foundation equipment donation                  | 8,359             | -                   | 10,922              | (2,563)           |
| Reserve capital equipment                      | 59,456            | -                   | -                   | 59,456            |
| SLP education                                  | 55,920            | -                   | 1,606               | 54,314            |
| Other contract revenue                         | -                 | 369,167             | 369,167             | -                 |
|  | <b>\$ 400,582</b> | <b>\$ 2,286,176</b> | <b>\$ 2,568,790</b> | <b>\$ 117,968</b> |

**8. PROVINCE OF NOVA SCOTIA**

Funding billed and accrued from the Province of Nova Scotia is as follows:

|  | <u>2020</u>          | <u>2019</u>          |
|--|----------------------|----------------------|
| <u>Billed Funding</u>  |                      |                      |
| Operational funding  | \$ 13,214,268        | \$ 12,601,994        |
| EIBI   | 1,523,171            | 1,500,229            |
| Cochlear implants (included in special purpose funds)                      | 1,284,919            | 739,000              |
| Cochlear Implants - out of province (included in special<br>purpose funds) | 374,674              | 366,672              |
| Other  | -                    | 186,801              |
| Home school (included in special purpose funds)                            | 24,729               | 23,948               |
| Pregnancy top-ups  | 57,975               | -                    |
| Retroactive salaries   | 35,450               | -                    |
| Retirement allowance   | 1,448,545            | -                    |
|  | <b>17,963,731</b>    | <b>15,418,644</b>    |
| <u>Accrued Funding</u>   |                      |                      |
| Retroactive salaries   | -                    | 305,609              |
| Capital asset recoveries   | -                    | 207,367              |
| Pregnancy top-ups  | 21,948               | 79,252               |
|  | <b>21,948</b>        | <b>592,228</b>       |
|  | <b>\$ 17,985,679</b> | <b>\$ 16,010,872</b> |

**NOVA SCOTIA HEARING AND SPEECH CENTRES**

**Notes to Financial Statements**

**Year Ended March 31, 2020**

**9. INVESTMENT INCOME - INVESTMENT FUND**

|                                       | <u>2020</u>        | <u>2019</u>      |
|---------------------------------------|--------------------|------------------|
| Investment Fund                       |                    |                  |
| Interest income                       | \$ 1,447           | \$ 1,835         |
| Realized loss on sale of investments  | (3,524)            | (455)            |
| Unrealized gain (loss) on investments | (51,332)           | 15,640           |
| Dividends                             | 18,052             | 18,173           |
|                                       | <u>(35,356)</u>    | <u>35,194</u>    |
| Foundation Fund                       |                    |                  |
| Gain (loss) on sale of shares         | 28,788             | 978              |
| Unrealized gain (loss) on investments | (58,357)           | (2,657)          |
| Dividends                             | 12,892             | 14,241           |
|                                       | <u>(16,677)</u>    | <u>12,562</u>    |
|                                       | <u>\$ (52,034)</u> | <u>\$ 47,755</u> |

**10. SALARIES AND BENEFITS**

Included in the various program expenses are the following salaries and benefits:

|                                      | <u>2020</u>          | <u>2019</u>          |
|--------------------------------------|----------------------|----------------------|
| Core salaries and benefits           | \$ 8,939,092         | \$ 8,721,906         |
| Operational salaries and benefits    | 224,246              | 325,042              |
| Administrative salaries and benefits | 841,382              | 860,299              |
| Autism salaries and wages            | 1,389,438            | 1,341,113            |
| EIBI salaries and benefits           | 1,388,046            | 1,338,103            |
|                                      | <u>\$ 12,782,204</u> | <u>\$ 12,586,463</u> |

**11. LEASE COMMITMENTS**

The Centres have a long term lease with respect to its premises and equipment. Future minimum lease payments as at March 31, 2020, are as follows:

|      | <u>Premises</u>     | <u>Equipment</u>  | <u>Total</u>        |
|------|---------------------|-------------------|---------------------|
| 2021 | \$ 703,963          | \$ 49,681         | \$ 753,644          |
| 2022 | 480,012             | 49,681            | 529,693             |
| 2023 | 233,191             | 49,552            | 282,743             |
| 2024 | 91,326              | 41,078            | 132,404             |
| 2025 | 53,227              | -                 | 53,227              |
|      | <u>\$ 1,561,719</u> | <u>\$ 189,992</u> | <u>\$ 1,751,711</u> |

**NOVA SCOTIA HEARING AND SPEECH CENTRES**  
**Notes to Financial Statements**  
**Year Ended March 31, 2020**

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**12. SUBSEQUENT EVENTS**

Beginning in March 2020, the Governments of Canada and Nova Scotia, as well as foreign governments instituted emergency measures as a result of the COVID-19 virus. The virus has had a major impact on Canadian and international securities and currency markets and consumer activity which may impact the Centres' financial position, its results of operations and its cash flows significantly. As these are subsequent events, these financial statements do not reflect such impact. As at the report date it is also not possible to accurately quantify or estimate that impact.