

Silent Voice Canada Inc.

Financial Statements

For the year ended March 31, 2025

Independent Auditor's Report

To the Board of Directors of Silent Voice Canada Inc.

Qualified Opinion

We have audited the financial statements of Silent Voice Canada Inc. ("the Organization") which comprise the statement of financial position as at March 31, 2025, and the statements of operations, and 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 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 Organization as at March 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with Accounting Standards for Not-for-Profit Organizations (ASNPOs).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from donations and fundraising events, 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 Organization and we were not able to determine whether any adjustments might be necessary to donation or fundraising revenue, excess of revenue over expenditures and cash flows from operations for the year ended March 31, 2025, current assets and net assets as at March 31, 2025.

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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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 ASNPOs, 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 in the attached Appendix to the Auditor's Report. This description forms part of our auditor's report.

GTA Accounting Professional Corporation

Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario
Toronto, Canada
July 4, 2025

Appendix to the Auditor's Report

As part of an audit in accordance with CASs, 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 Organization'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 Organization'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 Organization to cease to continue as a going concern.

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.

Silent Voice Canada Inc.
Statement of Financial Position
As at March 31,

	2025	2024
Assets		
Current		
Cash	\$ 74,339	\$ 416,626
Amounts receivable	285,588	97,388
Prepaid expenses	63,479	47,430
	<u>423,406</u>	<u>561,444</u>
Property and equipment (Note 3)	15,771	22,336
	<u>439,177</u>	<u>583,780</u>
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 4)	107,245	98,786
Deferred contributions (Note 5)	58,883	126,149
	<u>166,128</u>	<u>224,935</u>
Deferred rent	28,524	31,718
	<u>194,652</u>	<u>256,653</u>
Net assets	244,525	327,127
	<u>\$ 439,177</u>	<u>\$ 583,780</u>

Contingent liability (Note 8)

APPROVED ON BEHALF OF THE BOARD:

_____, Director

_____, Director

Silent Voice Canada Inc.
Statement of Operations and Changes in Net Assets
For the year ended March 31,

	2025	2024
Revenue		
Grants		
Catholic Charities - Archdiocese of Toronto	\$ 340,306	\$ 258,002
City of Toronto	44,467	65,281
Government of Canada, Department of Canadian Heritage	299,500	57,500
Immigration, Refugees, and Citizenship Canada	356,717	351,742
Ministry of Labour, Immigration, Training, and Skills Development	70,000	70,000
Ministry of Children, Community and Social Services Early Child Development Branch	636,940	642,917
Ontario Ministry of Education	162,905	210,000
Service Canada	57,261	144,457
Fundraising events (Note 6)	100,442	108,171
Donations (Note 6)	249,872	156,614
Rebates and other	35,546	29,825
Service fees	361,812	404,831
	2,715,768	2,499,340
Expenses		
Communications	82,078	81,864
Employee benefits	314,351	302,058
Fundraising expenses (Note 6)	19,009	12,335
Occupancy costs	7,726	10,214
Office	26,033	34,814
Professional fees	63,311	58,124
Program fees and supplies	567,707	378,899
Rent	119,740	116,221
Salaries	1,591,850	1,627,168
Amortization	6,565	9,335
	2,798,370	2,631,032
Deficiency of revenue over expenditures for the year	(82,602)	(131,692)
Net assets, beginning of year	327,127	458,819
Net assets, end of year	\$ 244,525	\$ 327,127

Silent Voice Canada Inc.
Statement of Cash Flows
For the year ended March 31,

	2025	2024
Cash provided by (used in)		
Operations		
Deficiency of revenue over expenditures for the year	\$ (82,602)	\$ (131,692)
Items not affecting cash		
Amortization	6,565	9,335
	<u>(76,037)</u>	<u>(122,357)</u>
Net changes in non-cash working capital		
Amounts receivable	(188,200)	6,942
Prepaid expenses	(16,049)	(9,721)
Accounts payable and accrued liabilities	8,459	17
Deferred contributions	(67,266)	15,141
Deferred rent	(3,194)	(3,195)
	<u>(342,287)</u>	<u>(113,173)</u>
Investing		
Redemption (purchase) of short-term investments	-	200,000
Purchase of property and equipment	-	(3,271)
	-	<u>196,729</u>
Financing		
Repayment of long-term government loan	-	(40,000)
Loan forgiveness	-	(20,000)
	-	<u>(60,000)</u>
Net change in cash	(342,287)	23,556
Cash, beginning of year	416,626	393,070
Cash, end of year	\$ 74,339	\$ 416,626

1. NATURE OF THE ORGANIZATION

Silent Voice Canada Inc. ("the Organization") was incorporated by Canadian Letters Patent on January 28, 1975 and obtained Certificate of Continuance under Canada Not-for-Profit Corporations Act on June 23, 2014. The Organization serves Deaf children, youth, adults and their families in a sign language environment. The Organization is a registered charity for tax purposes and consequently is not subject to income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant for the Organization.

Revenue Recognition

The Organization follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are deferred and recognized as revenue when the related expenses are recognized. Service fees are recognized as revenue when related services are rendered and complete.

All other revenues are recognized on the accrual basis.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Use of Estimates

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 amounts reported in the financial statements and accompanying notes. Management believes that the estimates used in preparing its financial statements are reasonable and prudent. Actual results could differ from those estimates. Estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant areas requiring the use of management estimates relate to amortization of property and equipment.

Cash

Cash consists of balances held in Canadian dollars at a Canadian financial institution. As at year-end, the Organization's cash is held with Meridian Credit Union.

Property and Equipment

Property and equipment are recorded at cost less accumulated amortization. Contributed property is recorded at the fair value at the date of the gift. When property and equipment no longer contributes to the Organization's ability to provide services, its carrying amount is written down to its residual value.

The Organization amortizes its property and equipment on the diminishing balance method at the following rates per annum:

Computers	30%
Furniture and equipment	20%
Program equipment	30%

Leasehold improvements are amortized on the straight-line basis over the term of the lease.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Employee Related Costs

On January 1, 2020 the Organization introduced a new defined benefit plan. All full-time employees are required to join this plan, and all part-time employees are eligible to join the plan. The Organization is required to contribute 7% of the employees wages to the plan. Employees also contribute 7% of wages to the plan. For 2025, the maximum contribution under the plan is \$16,905 (2024 - \$16,245) per employee.

The Organization's pension plan is administered by the College of Applied Arts and Technology (CAAT). Independent actuarial valuations are obtained periodically to establish funding requirements and are filed with the Financial Services Commission of Ontario as required by statute. As per the most recent actuarial valuation, as at January 1, 2025, the pension plan had a funding reserve of \$6.1 billion, with a surplus on a market basis of \$7.3 billion. As required by regulations under the Pension Benefits Act (Ontario), the solvency deficiency is not to be less than zero, and as such the shortfall is to be picked up by the CAAT. During the year ended Monday, March 31, 2025, the Organization made total contributions to the plan of \$104,548 (2024 - \$103,070).

Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value.

The Organization subsequently measures its financial assets and financial liabilities at amortized cost using the straight-line method.

Financial assets measured at amortized cost include amounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Transaction costs and financing fees are expensed as incurred for financial instruments measured at fair value and capitalized for financial instruments that are subsequently measured at cost or amortized cost.

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down, if any, is recognized in excess of expenses over revenue. Reversals of impairment are recorded to the extent that the value has increased, up to the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of expenses over revenue.

Silent Voice Canada Inc.
Notes to the Financial Statements
For the year ended March 31, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Contributed Services

Volunteers have contributed time and services to assist the Organization in the delivery of its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

3. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	2025 Net Book Value	2024 Net Book Value
Computers	\$ 58,611	\$ 45,947	\$ 12,664	\$ 18,091
Furniture and equipment	13,722	13,378	344	430
Leasehold improvements	17,708	17,244	464	531
Program equipment	30,346	28,047	2,299	3,284
	\$ 120,387	\$ 104,616	\$ 15,771	\$ 22,336

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are the amounts payable in respect to government remittances of \$17,486 (2024 - \$32,231).

Silent Voice Canada Inc.
Notes to the Financial Statements
For the year ended March 31, 2025

5. DEFERRED CONTRIBUTIONS

	2025	2024
Balance, beginning of year	\$ 126,149	\$ 111,008
Amounts received in the year	45,593	96,159
Amounts recognized as revenue	(112,859)	(81,018)
Balance, end of year	\$ 58,883	\$126,149

Deferred contributions reported in 2025 consisted of unspent grant revenue from the Family Communication Program Expansion Strategy (\$1,500, 2024 - \$1,500), government funding (\$21,233, 2024 - \$15,667), capital assets purchased (\$5,851, 2024 - \$8,359) and other organizations and donors (\$30,299, 2024 - \$100,623). These contributions will be recorded as revenue when the related expenses are recognized.

6. DONATIONS AND FUNDRAISING EVENTS

During the year the Organization operated special events and received donations from various organizations in the community. The details of the donations and fundraising revenue and related expenses are as follows:

	2025	2024
Fundraising revenue		
Bingo	\$ 87,728	\$ 82,404
Special events	12,714	25,767
	100,442	108,171
Fundraising expenses	(19,009)	(12,335)
Net fundraising income	81,433	95,836
Donations	249,872	156,614
Total net fundraising and donation income	\$ 331,305	\$252,450

6. DONATIONS AND FUNDRAISING EVENTS (Cont'd)

During 2001, the Organization received donated artwork, some of which must be held by the Organization for at least ten years. The artwork has not been recorded in the financial statements as it would not have otherwise been purchased and is not used in the normal course of the Organization's operations. Any donation revenue will be recorded upon sale of the artwork.

A review of the value and condition of such artwork as well as an investigation of the options available for realizing the optimum value for the artwork within a reasonable time period are on-going.

7. COMMITMENTS

The Organization is committed to annual rental payments until July 31, 2027 for office space located at 60 St. Clair Avenue East under a lease agreement. In addition, the Organization is committed to pay its proportionate share of annual allocated operating expenses and taxes for the term of the lease.

Minimum lease payments under the terms of the lease for the upcoming five years are:

2026	\$ 64,287
2027	64,287
2028	21,429
	<hr/>
	\$150,003

8. CONTINGENT LIABILITY

The Organization is contingently liable to return all or a portion of grants received for expenditures should it not use the grant funds as set out in the terms of the respective agreements. The amount of any such losses or repayments are not currently anticipated or determinable. In the event of repayment of a grant, the losses will be recorded if and when it becomes anticipated and determinable.

9. LINE OF CREDIT

The Organization has a \$20,000 operating line of credit secured by a General Security Agreement. The effective interest rate was 6.45% as at March 31, 2025, (2024 - 8.20%) which consists of the bank's prime interest rate plus 1.5%. As at March 31, 2025, there was \$Nil (2024 - \$Nil) against this line of credit.

10. FINANCIAL INSTRUMENT RISKS

The Organization is exposed to various financial risks through its financial instruments. The following presents the significant financial risks that the Organization is exposed to:

Credit Risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Organization is exposed to credit risk primarily through amounts receivable. Management believes that the credit risk associated with these receivables is minimal, as the majority are due from government agencies and funding bodies with strong credit ratings.

Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting its financial obligations as they become due. The Organization manages liquidity risk through budgeting and maintaining sufficient cash balances to meet current obligations. The Organization believes that its current working capital is sufficient to manage liquidity risk effectively.

Interest Rate Risk

Interest rate risk arises from fluctuations in interest rates that could affect the Organization's borrowing costs. The Organization is exposed to interest rate risk on its available line of credit, which bears interest at a variable rate. As at year-end, no amounts were drawn on the line of credit, and the exposure is considered minimal.

Market Risk

The Organization is not exposed to significant market risk, including currency or other price risks, as it does not hold foreign currency balances or marketable securities.

11. SUBSEQUENT EVENTS

On April 1, 2025, subsequent to the financial statement date of March 31, 2025, the Organization acquired substantially all of the assets and liabilities of Durham Deaf Services Inc. The consideration payable is the assumption of all liabilities associated with the assets and any other liabilities that arise as a result of the acquisition, including wind-down and dissolution fees. As the transaction occurred after year-end, it is not reflected in these financial statements. The financial impact of the transaction is being evaluated and cannot be reasonably estimated at this time. The acquisition will be accounted for in the 2026 financial statements.

12. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation. Excess of revenue over expenses reported previously has not been affected by this reclassification.