

Deaf Services Canada Inc.

Financial Statements

For the year ended March 31, 2026

Independent Auditor's Report

To the Board of Directors of Deaf Services Canada Inc.

Qualified Opinion

We have audited the financial statements of Deaf Services Canada Inc. ("the Organization") which comprise the statement of financial position as at March 31, 2026, and the statements of operations and changes in net assets and the 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 Organization as at March 31, 2026, and its financial performance and its cash flows for the year then ended in accordance with Canadian 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, deficiency of revenue over expenditures and cash flows from operations for the year ended March 31, 2026, current assets and net assets as at March 31, 2026.

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 13, 2026

Appendix to the Auditor's Report

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:

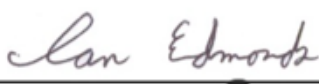
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 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.
- 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.

Deaf Services Canada Inc.
Statement of Financial Position
As at March 31,

	2026	2025
Assets		
Current		
Cash	\$ 357,469	\$ 74,339
Short-term investments (Note 4)	25,546	-
Amounts receivable	117,706	285,588
Prepaid expenses	51,790	63,479
	552,511	423,406
Property and equipment (Note 5)	21,887	15,771
	574,398	439,177
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 6)	110,775	107,245
Deferred contributions (Note 7)	142,697	58,883
	253,472	166,128
Deferred rent	18,813	28,524
	272,285	194,652
Net assets	302,113	244,525
	\$ 574,398	\$ 439,177

APPROVED ON BEHALF OF THE BOARD:

 _____, Director

 _____, Director

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

	2026	2025
Revenue		
Grants		
Catholic Charities - Archdiocese of Toronto	\$ 372,114	\$ 340,306
City of Oshawa	15,000	-
City of Toronto	53,338	44,467
Government of Canada, Department of Canadian Heritage	-	299,500
Immigration, Refugees, and Citizenship Canada	381,032	356,717
Ministry of Labour, Immigration, Training, and Skills Development	240,462	70,000
Ministry of Children, Community and Social Services Early Child Development Branch	803,190	636,940
Ontario Ministry of Education	190,000	162,905
Service Canada	90,846	57,261
Fundraising events (Note 8)	118,418	100,442
Donations (Note 8)	247,716	249,872
Rebates and other	33,833	35,546
Service fees	389,357	361,812
	2,935,306	2,715,768
Expenses		
Bad debt expense	10,212	-
Communications	107,298	82,078
Employee benefits	381,880	314,351
Fundraising expenses (Note 8)	11,809	19,009
Occupancy costs	12,227	7,726
Office	36,899	26,033
Professional fees	86,951	63,311
Program fees and supplies	597,413	567,707
Rent	165,490	119,740
Salaries	1,903,204	1,591,850
Amortization	8,339	6,565
	3,321,722	2,798,370
Deficiency of revenue over expenditures for the year	(386,416)	(82,602)
Net assets, beginning of year	244,525	327,127
Net assets before acquisition	(141,891)	244,525
Net assets acquired in acquisition of Durham Deaf Services Inc. (Note 3)	444,004	-
Net assets, end of year	\$ 302,113	\$ 244,525

Deaf Services Canada Inc.
Statement of Cash Flows
For the year ended March 31,

	2026	2025
Cash provided by (used in)		
Operations		
Deficiency of revenue over expenditures for the year	\$(386,416)	\$ (82,602)
Items not affecting cash		
Amortization	8,339	6,565
Accrued interest	(546)	-
	(378,623)	(76,037)
Net changes in non-cash working capital		
Amounts receivable	173,578	(188,200)
Prepaid expenses	15,389	(16,049)
Accounts payable and accrued liabilities	(852)	8,459
Deferred contributions	81,037	(67,266)
Deferred rent	(9,711)	(3,194)
	(119,182)	(342,287)
Investing		
Net redemption (purchase) of short-term investments	385,683	-
Purchase of property and equipment	(6,463)	-
	379,220	-
Net change in cash	260,038	(342,287)
Cash acquired from Durham Deaf Services Inc.	23,092	-
Cash, beginning of year	74,339	416,626
Cash, end of year	\$ 357,469	\$ 74,339

1. NATURE OF THE ORGANIZATION

Deaf Services Canada Inc. ("the Organization"), formerly known as Silent Voice Canada Inc., was incorporated by Canadian Letters Patent on January 28, 1975 and obtained a Certificate of Continuance under the 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.

Effective March 10, 2026, the Organization changed its legal name from Silent Voice Canada Inc. to Deaf Services Canada Inc. The change in legal name did not affect the Organization's charitable status, operations, assets, liabilities or net assets.

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.

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 Canadian financial institutions. As at year-end, the Organization's cash is held with Meridian Credit Union and Bank of Montreal.

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 2026, the maximum contribution under the plan is \$17,695 (2025 - \$16,905) 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, 2026, the pension plan had a funding reserve of \$6.7 billion, with a surplus on a market basis of \$8.7 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 March 31, 2026, the Organization made total contributions to the plan of \$124,678 (2025 - \$104,548).

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

Financial assets measured at amortized cost include cash, short-term investments and 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 expenditures 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 expenditures over revenue.

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. ACQUISITION OF DURHAM DEAF SERVICES INC.

On April 1, 2025, the Organization acquired substantially all of the assets and assumed substantially all of the liabilities of Durham Deaf Services Inc. ("DDS"), a registered charitable organization with similar charitable objectives. The transaction was undertaken to combine the activities and resources of the two organizations and enhance the delivery of charitable programs and services.

The assets acquired and liabilities assumed were recognized at their carrying amounts on the date of transfer as follows:

Cash	\$ 23,092
Amounts receivable	5,696
Short-term investments	410,683
Prepaid expenses	3,700
Property and equipment	7,992
Accounts payable and accrued liabilities	(4,382)
Deferred contributions	<u>(2,777)</u>
Net assets acquired	\$ 444,004

The excess of assets acquired over liabilities assumed has been recognized as a direct increase in net assets in the year.

4. SHORT-TERM INVESTMENTS

Short-term investments consist of Guaranteed Investment Certificates and accrued interest in the amount of \$25,546 (2025 - \$Nil), that mature within one year. The investments earn interest of 3.2% (2025 - Nil%).

Deaf Services Canada Inc.
Notes to the Financial Statements
For the year ended March 31, 2026

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	2026 Net Book Value	2025 Net Book Value
Computers	\$ 61,418	\$ 50,588	\$ 10,830	\$ 12,664
Furniture and equipment	13,722	13,447	275	344
Leasehold improvements	35,468	28,854	6,614	464
Program equipment	34,002	29,834	4,168	2,299
	\$ 144,610	\$ 122,723	\$ 21,887	\$ 15,771

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are the amounts payable in respect to government remittances of \$19,535 (2025 - \$17,486).

7. DEFERRED CONTRIBUTIONS

	2026	2025
Balance, beginning of year	\$ 58,883	\$ 126,149
Amounts received in the year	136,736	96,159
Amounts recognized as revenue	(52,922)	(163,425)
Balance, end of year	\$ 142,697	\$ 58,883

Deferred contributions as at March 31, 2026 consisted of unspent grant revenue from the Family Communication Program Expansion Strategy (\$Nil, 2025 - \$1,500), government funding (\$53,875, 2025 - \$21,233), capital assets purchased (\$8,619, 2025 - \$5,851) and other organizations and donors (\$80,203, 2025 - \$30,299). These contributions will be recognized as revenue when the related expenses are recognized.

8. 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:

Deaf Services Canada Inc.
Notes to the Financial Statements
For the year ended March 31, 2026

8. DONATIONS AND FUNDRAISING EVENTS (Cont'd)

	2026	2025
Fundraising revenue		
Bingo	\$ 84,456	\$ 87,728
Special events	5,789	12,714
Auction	3,167	-
Raffle	3,109	-
Tickets	20,850	-
Merchandise	1,101	-
50/50	(54)	-
	118,418	100,442
Fundraising expenses	(11,809)	(19,009)
Net fundraising income	106,609	81,433
Donations	247,716	249,872
Total net fundraising and donation income	\$ 354,325	\$ 331,305

9. 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.

Future minimum lease payments under the terms of the lease are as follows:

2027	\$ 64,287
2028	21,429
	<u>\$ 85,716</u>

10. LINE OF CREDIT

The Organization has a \$20,000 operating line of credit secured by a General Security Agreement. The effective interest rate was 5.95% as at March 31, 2026 (2025 - 6.45%) which consists of the bank's prime interest rate plus 1.5%. As at March 31, 2026, there was \$Nil (2025 - \$Nil) outstanding against this line of credit.

11. FINANCIAL INSTRUMENT RISKS

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

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.

11. FINANCIAL INSTRUMENT RISKS (Cont'd)

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.

12. COMPARATIVE FIGURES

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