

**SASKATCHEWAN DEAF AND HARD OF HEARING SERVICES
INC.**

**Financial Statements
Year Ended March 31, 2024**


MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Saskatchewan Deaf and Hard of Hearing Services Inc. have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.


The integrity and reliability of Saskatchewan Deaf and Hard of Hearing Services Inc.'s reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board meets periodically with management and the Organization's auditors to review significant accounting, reporting and internal control matters. Upon their review the Board approves the financial statements and also considers and approves the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the Organization by MWC Chartered Professional Accountants LLP, in accordance with Canadian generally accepted auditing standards.



Executive Director



President

Saskatoon, SK
May 30, 2024



Chartered Professional
Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Saskatchewan Deaf and Hard of Hearing Services Inc.

Qualified Opinion

We have audited the financial statements of Saskatchewan Deaf and Hard of Hearing Services Inc. (the Organization), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, 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, 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, 2024, 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 Qualified Opinion

In common with many charitable organizations, the Organization is unable to economically implement controls that will offer assurance on the completeness of revenues from donations and we were not able to satisfy ourselves on amounts reported using other procedures. 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 revenues, excess of revenues (expenses), and cash flows from operations for the years ended March 31, 2024 and 2023, current assets and net assets as at March 31, 2024 and 2023.

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 ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit 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 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.

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An asset to our clients, not an expense

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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 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.

MWC LLP

Chartered Professional Accountants

Regina, Saskatchewan
May 30, 2024

SASKATCHEWAN DEAF AND HARD OF HEARING SERVICES INC.

Statement of Financial Position

March 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 976,619	\$ 796,787
Restricted fund investments (Note 3)	447,355	438,182
Accounts receivable	66,388	52,012
Inventory	6,384	2,654
Grant receivable (Note 5)	36,869	-
Goods and services tax recoverable	13,135	6,804
Prepaid expenses	11,513	16,012
	1,558,263	1,312,451
CAPITAL ASSETS (Note 4)	7,411	18,249
	\$ 1,565,674	\$ 1,330,700
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 54,131	\$ 65,169
Wages payable	48,616	40,858
Deferred revenue (Note 5)	415,966	320,719
	518,713	426,746
 NET ASSETS		
Unrestricted fund	599,606	465,772
Restricted fund	447,355	438,182
	1,046,961	903,954
	\$ 1,565,674	\$ 1,330,700
 CONTINGENT FUNDING (Note 6)		
LEASE COMMITMENTS (Note 10)		

ON BEHALF OF THE BOARD

_____ Director

_____ Director

See accompanying notes to financial statements

SASKATCHEWAN DEAF AND HARD OF HEARING SERVICES INC.

Statement of Operations Year Ended March 31, 2024

	2024	2023
REVENUES		
Ministry of Social Services grant		
- General core funding	\$ 427,753	\$ 374,521
- Sign language support	213,521	207,952
- Supported independent living	32,684	31,726
CanSask Workforce Development	411,829	391,616
Ministry of Education preschool grant	89,119	76,982
Early Childhood and Family Services grant	77,967	43,607
ASL storybook grant	45,858	-
Other grants (Schedule 1)	57,643	23,778
Total grants	1,356,374	1,150,182
Fees and sales (Schedule 2)	165,781	138,702
Other revenues (Schedule 3)	112,237	72,626
	1,634,392	1,361,510
EXPENSES		
Ministry of Social Services programming (Schedule 4)	673,958	614,199
CanSask Workforce Development programming (Schedule 5)	410,316	391,616
Ministry of Education preschool programming (Schedule 6)	89,119	76,982
Early Childhood and Family Services programming (Schedule 7)	53,790	53,484
General (Schedule 8)	218,344	175,265
ASL Storybook (Schedule 9)	45,858	-
	1,491,385	1,311,546
EXCESS OF REVENUES (EXPENSES)	\$ 143,007	\$ 49,964

Statement of Changes in Net Assets Year Ended March 31, 2024

	Unrestricted Fund	Restricted Fund	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ 465,772	\$ 438,182	\$ 903,954	\$ 853,990
EXCESS OF REVENUES (EXPENSES)	133,834	9,173	143,007	49,964
NET ASSETS - END OF YEAR	\$ 599,606	\$ 447,355	\$ 1,046,961	\$ 903,954

See accompanying notes to financial statements

SASKATCHEWAN DEAF AND HARD OF HEARING SERVICES INC.

Statement of Cash Flows Year Ended March 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess of revenues (expenses)	\$ 143,007	\$ 49,964
Items not affecting cash:		
Amortization	10,838	15,666
Reinvested earnings on investments	(9,173)	(4,864)
	144,672	60,766
Changes in non-cash working capital:		
Accounts receivable	(14,376)	(32,512)
Grant receivable	(36,869)	7,621
Inventory	(3,730)	7,182
Accounts payable	(11,038)	8,316
Deferred revenue	95,247	(39,010)
Prepaid expenses	4,499	(10,411)
Goods and services tax recoverable	(6,331)	(978)
Wages payable	7,758	7,351
	35,160	(52,441)
INCREASE IN CASH FLOW	179,832	8,325
CASH - BEGINNING OF YEAR	796,787	788,462
CASH - END OF YEAR	\$ 976,619	\$ 796,787

See accompanying notes to financial statements

SASKATCHEWAN DEAF AND HARD OF HEARING SERVICES INC.

Notes to Financial Statements Year Ended March 31, 2024

1. NATURE OF OPERATIONS

Saskatchewan Deaf and Hard of Hearing Services Inc. ("SDHHS" or the "Organization"), is a bilingual, bi-cultural, non-profit organization whose mission is to promote the independence of the deaf, late deafened, and hard of hearing persons by providing services that enhance their quality of life.

SDHHS is incorporated under the Non-Profit Corporations Act as a not-for-profit organization and is a registered charity under the *Income Tax Act* and is exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Revenue recognition

The Organization follows the deferral method of accounting for contributions which includes grants, donations, memberships, fundraising, expense recoveries and sponsorships. Restricted contributions are recognized as revenue in the year the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Revenue from fees, registrations, and sales are recognized when the service is provided. Interest income is recognized in the related fund in the period earned.

Fund accounting

The Organization uses fund accounting and has the following funds:

Unrestricted Fund

The unrestricted fund reports the results of the day-to-day operating activities of the SDHHS.

Restricted Fund

SDHHS appropriates certain amounts from unrestricted net assets to provide for capital asset replacements and for an operational reserve in the event a change in funding or operations occurs. From time to time, SDHHS also makes appropriations to provide for special projects as approved by the Board of Directors

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

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SASKATCHEWAN DEAF AND HARD OF HEARING SERVICES INC.

Notes to Financial Statements
Year Ended March 31, 2024

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

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. 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.

Financial assets including cash, restricted fund investments and receivables are reported at amortized cost.

Financial liabilities including accounts payable and accrued liabilities are measured at amortized cost.

Capital assets

Capital assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods. In the year of acquisition one half of the stated rate is used.

Equipment	5 years	straight-line method
Computer equipment	3 years	straight-line method

Contributed services

Volunteers contribute many hours per year to assist SDHHS in carrying out its service delivery activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Employee future benefits

The Organization has a defined contribution pension plan where the Organization and its employees contribute an identified amount to the plan annually. Amounts due to the plan are settled as they come due and there is no further obligation to report.

3. RESTRICTED FUND INVESTMENTS

	<u>2024</u>	<u>2023</u>
Term Deposits	\$ 247,355	\$ 238,182
Apportioned cash	200,000	200,000
	<u>\$ 447,355</u>	<u>\$ 438,182</u>

Investments consist of term deposits that mature between May 2024 and October 2024 and earn interest from 3.50% to 4.25% (2023 - matured between May 2023 and October 2024 and earn interest from 2.45% to 4.00%). Apportioned cash is a restricted portion of the Organization's bank account.

SASKATCHEWAN DEAF AND HARD OF HEARING SERVICES INC.

Notes to Financial Statements
Year Ended March 31, 2024

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Equipment	\$ 43,113	\$ 40,102	\$ 3,011	\$ 5,617
Computer equipment	39,654	35,254	4,400	12,632
	\$ 82,767	\$ 75,356	\$ 7,411	\$ 18,249

5. DEFERRED REVENUE

In accordance with the accounting policies for revenue recognition, any restricted contribution of service fee is deferred to the period the funds are earned. As at year end the Organization had the following deferred revenues.

	2023	Received (Repaid)	Recognized Revenue	2024
<u>Grants</u>				
<u>Ministry of Social Services</u>				
- Core funding	\$ 30,873	\$ 396,880	\$ (427,753)	\$ -
- Sign language support	50,108	289,752	(213,521)	126,339
- Supported independent living	-	32,684	(32,684)	-
	80,981	719,316	(673,958)	126,339
<u>Ministry of the Economy Grant</u>				
- CanSask Workforce Development	8,427	403,402	(411,829)	-
Ministry of Education - Preschool	110,342	122,200	(89,119)	143,423
Mental Health grants	-	-	-	-
ASL storybook grant	50,719	30,000	(45,858)	34,861
Early Childhood & Family Services	33,334	58,385	(77,967)	13,752
Other grants (Schedule 1)	24,616	114,496	(57,643)	81,469
	227,438	728,483	(682,416)	273,505
<u>Fees and other</u>				
Other funding	-	232	-	232
ASL class registration fees	12,300	51,125	(47,535)	15,890
	\$ 320,719	\$ 1,499,156	\$ (1,403,909)	\$ 415,966

In the current year total Ministry of Social Services funding received was \$800,297 and a repayment was required for \$80,981 of funding which related to the 2023 fiscal years.

In the current year, \$36,869 of the CanSask Workforce Development revenue is included as grants receivable at yearend.

SASKATCHEWAN DEAF AND HARD OF HEARING SERVICES INC.

Notes to Financial Statements Year Ended March 31, 2024

6. CONTINGENT FUNDING

The Organization receives grant funding from various sources that span the Organization's fiscal yearend. The Organization is required to submit funding reports at the end of the funding period which are reviewed by the granting agency and can result in the requirement to repay funding which is unused or disallowed. Any repayment is recorded in the year the Organization is informed by the funding agency.

During the year the Ministry of Social Services required repayment of \$80,985 (2023 - \$315,198) of prior year's funding which is included in the deferred and recognized revenue of the current year.

7. LINE OF CREDIT

The Organization has a \$32,000 line of credit of which \$Nil (2023 - \$Nil) has been drawn upon at year end. The line of credit bears interest at prime plus 2% and is secured by a general security agreement and an assignment of all provincial grants. As at year end Conexus Credit Union prime was 9.70% (2023 - 8.70%).

8. EMPLOYEE BENEFITS PLAN

The SDHHS has a defined contribution pension plan. During the year, employer contributions totaled \$30,177 (2023 - \$26,217).

9. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and management is responsible to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of March 31, 2024.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Organization has a significant number of customers which minimizes concentration of credit risk. In addition, the majority of the organization's funding and revenue sources come from Government organizations. The likelihood of default from these organizations is considered to be low.

Liquidity risk

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

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SASKATCHEWAN DEAF AND HARD OF HEARING SERVICES INC.

Notes to Financial Statements
Year Ended March 31, 2024

9. FINANCIAL INSTRUMENTS *(continued)*

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating and financing activities. The Organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

10. LEASE COMMITMENTS

SDHHS has entered into lease agreements related to the rental of premises in both Regina and Saskatoon.

The Regina lease incurs a base rent cost of \$2,111 per month plus applicable taxes, as well as the commitment to pay operating costs estimated at \$628 per month. The lease expires in May 2024.

The Saskatoon lease incurs a base rent cost of \$2,250 per month plus applicable taxes, as well as the commitment to pay operating costs estimated at \$2,025 per month. The lease expires in September 2024.

11. ALLOCATED COSTS

Costs allocated to the CanSask Workforce Development program and the Ministry of Social Services programs have been allocated based on management's estimate of the costs incurred within the approved budgeted amounts.

SASKATCHEWAN DEAF AND HARD OF HEARING SERVICES INC.

Other Grant Revenue

(Schedule 1)

Year Ended March 31, 2024

	2024	2023
Camp Grants	\$ 15,000	\$ -
Youth activity grant	14,055	8,882
Youth Regina Revenue	10,075	-
HRDC - Summer Student grant	5,833	-
ASL activity kits grant	4,813	-
City of Saskatoon grant	2,925	5,460
HRDC - Summer Student Grant	2,882	6,756
City of Regina grant	2,060	2,680
	\$ 57,643	\$ 23,778

Fees and Sales Revenue

(Schedule 2)

Year Ended March 31, 2024

	2024	2023
Interpreting service fees	\$ 159,173	\$ 128,322
Computerized notetaking fees	3,200	3,393
Assistive device sales	2,709	6,190
Hearing aid battery sales	699	797
	\$ 165,781	\$ 138,702

Other Revenue

(Schedule 3)

Year Ended March 31, 2024

	2024	2023
ASL class registrations and textbooks	\$ 47,535	\$ 26,015
Fundraising	17,885	28,645
Recovery of travel expenses	13,869	5,772
Donations	11,410	6,116
Camp registrations	11,040	-
Interest income	9,173	4,864
Memberships	1,325	755
Miscellaneous	-	520
Expenses to be recovered	-	(61)
	\$ 112,237	\$ 72,626

See accompanying notes to financial statements

SASKATCHEWAN DEAF AND HARD OF HEARING SERVICES INC.

Ministry of Social Services Programming
Year Ended March 31, 2024

(Schedule 4)

	2024	2023
EXPENSES		
General Core Funding		
Allocated salaries, benefits, and freelance (Note 11)	\$ 352,640	\$ 317,249
Rent	32,765	32,765
Recruitment & retention	16,848	-
Transportation	12,021	11,028
Telephone	5,865	5,865
Miscellaneous	3,534	3,534
Supplies	2,142	2,142
Promotion	1,938	1,938
	427,753	374,521
Sign Language Supports		
Direct salaries, benefits, and freelance	143,000	108,553
Allocated salaries, benefits, and freelance (Note 11)	22,110	-
Community engagement	19,971	59,799
Contractors	12,098	19,549
Travel	16,342	18,439
Training	-	1,612
	213,521	207,952
Supported Independent Living		
Allocated salaries, benefits, and freelance (Note 11)	29,424	28,628
Transportation	1,209	1,088
Telephone	653	640
Program supplies	490	480
Audit	357	350
Recreation	332	325
Insurance	102	100
Conference	66	65
Supplies	51	50
	32,684	31,726
	\$ 673,958	\$ 614,199

See accompanying notes to financial statements

SASKATCHEWAN DEAF AND HARD OF HEARING SERVICES INC.

CanSask Workforce Development Programming (Schedule 5)
Year Ended March 31, 2024

	2024	2023
EXPENSES		
Allocated salaries, benefits, & freelance <i>(Note 11)</i>	\$ 347,580	\$ 325,973
MICT Projects	37,330	-
MICT Individual Expenses	17,480	-
Liability insurance	3,750	2,552
Training materials / support	3,000	2,050
Other costs	1,176	61,041
	\$ 410,316	\$ 391,616

Ministry of Education Preschool Programming (Schedule 6)
Year Ended March 31, 2024

	2024	2023
EXPENSES		
Direct salaries and benefits	\$ 70,475	\$ 56,252
Other	11,568	10,689
Support services	5,868	9,590
Training	1,208	451
	\$ 89,119	\$ 76,982

Early Childhood and Family Services Programming (Schedule 7)
Year Ended March 31, 2024

	2024	2023
EXPENSES		
Direct salaries and benefits	\$ 50,000	\$ 48,833
Other	2,890	2,865
Support services	900	1,453
Training	-	333
	\$ 53,790	\$ 53,484

See accompanying notes to financial statements

SASKATCHEWAN DEAF AND HARD OF HEARING SERVICES INC.

General
Year Ended March 31, 2024

(Schedule 8)

	2024	2023
EXPENSES		
Direct salaries and benefits	\$ 716,417	\$ 661,896
Freelance interpreting and support services	64,956	45,867
Allocated salaries, benefits, and freelance (Note 11)	<u>(751,754)</u>	<u>(707,763)</u>
	29,619	-
Rent	68,350	65,864
Education and conference	49,839	27,124
Travel	2,610	11,266
Office	12,621	13,329
General and administrative	15,831	14,958
Amortization	10,838	15,666
Professional fees	9,616	7,437
Bad debts	9,202	2,792
Education materials and publicity	(1,038)	2,280
Fundraising	4,040	4,365
Supplies	1,000	4,752
Assistive device purchases	3,375	4,510
Board	2,317	259
Hearing aid battery purchases	124	663
	<u>\$ 218,344</u>	<u>\$ 175,265</u>

ASL Storybook
Year Ended March 31, 2024

(Schedule 9)

	2024	2023
EXPENSES		
Freelance interpreting and support services	\$ 43,393	\$ -
Other	<u>2,465</u>	<u>-</u>
	<u>\$ 45,858</u>	<u>\$ -</u>

See accompanying notes to financial statements