

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

**Financial Statements
Year Ended March 31, 2025**

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.

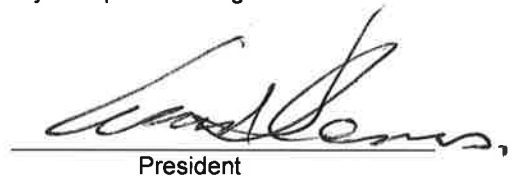
The integrity and reliability of Saskatchewan Deaf and Hard of Hearing Services Inc.'s reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable 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
June 12, 2025



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, 2025, 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, 2025, 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 not-for-profit organizations, the organization is unable to economically implement controls that will offer assurance on the completeness of donations and we are unable 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, 2025 and 2024, current assets and net assets as at March 31, 2025 and 2024.

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
June 12, 2025

SASKATCHEWAN DEAF AND HARD OF HEARING SERVICES INC.

Statement of Financial Position

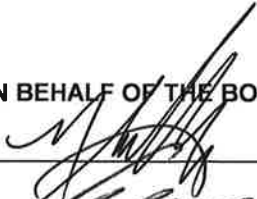

March 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash	\$ 925,836	\$ 976,619
Restricted fund investments (Note 3)	456,782	447,355
Accounts receivable	39,587	66,388
Inventory	16,439	6,384
Grant receivable (Note 5)	26,952	36,869
Goods and services tax recoverable	20,349	13,135
Prepaid expenses	13,152	11,513
	1,499,097	1,558,263
CAPITAL ASSETS (Note 4)	1,807	7,411
	\$ 1,500,904	\$ 1,565,674
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 45,342	\$ 54,131
Wages payable	56,293	48,616
Deferred revenue (Note 5)	292,943	415,966
	394,578	518,713
 NET ASSETS		
Unrestricted fund	649,545	599,607
Restricted fund	456,781	447,354
	1,106,326	1,046,961
	\$ 1,500,904	\$ 1,565,674

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, 2025

	2025	2024
REVENUES		
Ministry of Social Services grant		
- General core funding	\$ 438,914	\$ 427,753
- Sign language support	214,543	213,521
- Supported independent living	33,627	32,684
CanSask Workforce Development	339,201	411,829
Ministry of Education preschool grant	132,504	89,119
Early Childhood and Family Services grant	76,105	77,968
ASL storybook grant	423	45,858
Other grants (Schedule 1)	97,958	57,643
	1,333,275	1,356,375
Fees and sales (Schedule 2)	184,983	165,781
Other revenues (Schedule 3)	98,324	112,237
	1,616,582	1,634,393
EXPENSES		
Ministry of Social Services programming (Schedule 4)	687,084	673,959
CanSask Workforce Development programming (Schedule 5)	338,446	410,316
Ministry of Education Preschool programming (Schedule 6)	132,504	89,119
Early Childhood and Family Services programming (Schedule 7)	53,309	53,790
General (Schedule 8)	345,451	218,344
ASL Storybook (Schedule 9)	423	45,858
	1,557,217	1,491,386
EXCESS OF REVENUES (EXPENSES)	\$ 59,365	\$ 143,007

Statement of Changes in Net Assets Year Ended March 31, 2025

	Unrestricted Fund	Restricted Fund	2025	2024
NET ASSETS - BEGINNING OF YEAR	\$ 599,607	\$ 447,354	\$ 1,046,961	\$ 903,954
EXCESS OF REVENUES (EXPENSES)	49,938	9,427	59,365	143,007
NET ASSETS - END OF YEAR	\$ 649,545	\$ 456,781	\$ 1,106,326	\$ 1,046,961

See accompanying notes to financial statements

SASKATCHEWAN DEAF AND HARD OF HEARING SERVICES INC.

Statement of Cash Flows Year Ended March 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess of revenues (expenses)	\$ 59,365	\$ 143,007
Items not affecting cash:		
Amortization of capital assets	5,604	10,838
Reinvested earnings on investments	(9,427)	(9,173)
	55,542	144,672
Changes in non-cash working capital:		
Accounts receivable	26,801	(14,376)
Grant receivable	9,917	(36,869)
Inventory	(10,055)	(3,730)
Accounts payable	(8,789)	(11,038)
Deferred revenue	(123,023)	95,247
Prepaid expenses	(1,639)	4,499
Goods and services tax payable	(7,214)	(6,331)
Wages payable	7,677	7,758
	(106,325)	35,160
INCREASE (DECREASE) IN CASH FLOW	(50,783)	179,832
CASH - BEGINNING OF YEAR	976,619	796,787
CASH - END OF YEAR	\$ 925,836	\$ 976,619

See accompanying notes to financial statements

SASKATCHEWAN DEAF AND HARD OF HEARING SERVICES INC.

Notes to Financial Statements

Year Ended March 31, 2025

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, 2025

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>2025</u>	<u>2024</u>
Term Deposits	\$ 256,782	\$ 247,355
Apportioned cash	200,000	200,000
	<u>\$ 456,782</u>	<u>\$ 447,355</u>

Investments consist of term deposits that mature between May 2025 and October 2026 and earn interest from 3.35% to 4.37% (2024 - May 2024 and October 2024 and earn interest from 3.50% to 4.25%). 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, 2025

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Equipment	\$ 43,113	\$ 41,306	\$ 1,807	\$ 3,011
Computer equipment	39,654	39,654	-	4,400
	\$ 82,767	\$ 80,960	\$ 1,807	\$ 7,411

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.

	Opening Deferred	Received (Repaid)	Recognized Revenue	Ending Deferred
Grants				
Ministry of Social Services				
- Core funding	\$ -	\$ 438,914	\$ (438,914)	\$ -
- Sign language support	126,339	213,521	(214,543)	125,317
- Supported independent living	-	33,627	(33,627)	-
	126,339	686,062	(687,084)	125,317
Ministry of the Economy - CanSask				
Workforce Development grant	-	339,201	(339,201)	-
Ministry of Education - Preschool	143,423	75,753	(132,504)	86,672
ASL storybook grant	34,861	-	(423)	34,438
Early Childhood & Family Services	13,752	89,853	(76,105)	27,500
Other grants (Schedule 1)	81,469	18,310	(97,958)	1,821
	273,505	523,117	(646,191)	150,431
Fees and other				
ASL class registration fees	15,890	46,870	(45,565)	17,195
Other funding	232	52,527	(52,759)	-
Fees and sales (Schedule 2)	-	184,983	(184,983)	-
	\$ 415,966	\$ 1,493,559	\$ (1,616,582)	\$ 292,943

Ministry of Social Services grant funding received was \$812,420 (2024 - \$800,297) and a repayment was required for \$126,339 (2024 - \$80,981) of funding which related to prior fiscal years.

Ministry of Economy - CanSask Workforce Development grant funding received was \$381,240 (2024 - \$366,532), which included \$36,869 receivable from the prior year. A repayment of \$14,747 (2024 - \$nil) of funding was required which related to prior fiscal years.

Included in grants receivable at yearend is \$9,577 (2024 - \$36,869) related to the Ministry of Economy - CanSask Workforce Development grant, and \$17,375 (2024 - \$nil) of other grants.

SASKATCHEWAN DEAF AND HARD OF HEARING SERVICES INC.

Notes to Financial Statements

Year Ended March 31, 2025

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 \$126,339 (2024 - \$80,981) of prior year's funding, the Ministry of Economy (CanSask) required repayment of \$14,747 (2024 - \$nil), and Dakota Dunes grants required repayment of \$32,164 (2024 - \$nil).

7. LINE OF CREDIT

The Organization has a \$32,000 line of credit of which \$Nil (2024 - \$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 6.95% (2024 - 9.20%).

8. EMPLOYEE BENEFITS PLAN

The SDHHS has a defined contribution pension plan. During the year, employer contributions totaled \$33,922 (2024 - \$30,177).

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, 2025.

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, 2025

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 \$2,278 per month plus applicable taxes, as well as the commitment to pay operating costs estimated at \$688 per month. The lease expires in May 2025.

The Saskatoon lease incurs a base rent cost of \$2,453 per month plus applicable taxes, as well as the commitment to pay operating costs estimated at \$2,085 per month. The lease expires in September 2025.

11. ALLOCATED COSTS

Costs allocated to the CanSask Workforce Development program, Ministry of Social Services program, and Ministry of Education Preschool program 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, 2025

	2025	2024
Mental health grant	\$ 37,346	\$ 5,833
Summer student grant	12,954	2,882
Dakota Dunes Senior Programming	11,144	-
Youth Regina	9,120	10,075
ASL activity kits grant	8,023	4,813
Camp grants	7,500	15,000
Youth activity grant	5,666	14,055
City of Regina grant	5,440	2,060
Youth miscellaneous	435	-
City of Saskatoon grant	330	2,925
	\$ 97,958	\$ 57,643

Fees and Sales Revenue

(Schedule 2)

Year Ended March 31, 2025

	2025	2024
Interpreting service fees	\$ 179,690	\$ 159,173
Assistive device sales	2,793	2,709
Computerized notetaking fees	2,094	3,200
Hearing aid battery sales	406	699
	\$ 184,983	\$ 165,781

Other Revenue

(Schedule 3)

Year Ended March 31, 2025

	2025	2024
ASL class registrations and textbooks	\$ 45,565	\$ 47,535
Fundraising	19,948	17,885
Recovery of travel expenses	10,723	13,869
Interest income	9,427	9,173
Donations	6,996	11,410
Camp registrations	4,500	11,040
Memberships	660	1,325
Miscellaneous	505	-
	\$ 98,324	\$ 112,237

See accompanying notes to financial statements

SASKATCHEWAN DEAF AND HARD OF HEARING SERVICES INC.

Ministry of Social Services Programming
Year Ended March 31, 2025

(Schedule 4)

	2025	2024
EXPENSES		
General Core Funding		
Allocated salaries, benefits, and freelance (<i>Note 11</i>)	\$ 363,200	\$ 352,640
Rent	32,765	32,765
Recruitment & retention	16,848	16,848
Transportation	12,622	12,021
Telephone	5,865	5,865
Miscellaneous	5,472	3,534
Supplies	2,142	2,142
Promotion	-	1,938
	438,914	427,753
Sign Language Supports		
Direct salaries, benefits, and freelance	150,119	143,000
Travel	18,233	16,342
Community engagement	17,379	19,971
Allocated salaries, benefits, and freelance (<i>Note 11</i>)	16,128	22,110
Contractors	11,215	12,098
Training	1,469	-
	214,543	213,521
Supported Independent Living		
Allocated salaries, benefits, and freelance (<i>Note 11</i>)	30,306	29,424
Transportation	1,270	1,209
Recreation	822	332
Telephone	653	653
Audit	357	357
Insurance	102	102
Conference	66	66
Supplies	51	52
Program supplies	-	490
	33,627	32,685
	\$ 687,084	\$ 673,959

See accompanying notes to financial statements

SASKATCHEWAN DEAF AND HARD OF HEARING SERVICES INC.

CanSask Workforce Development Programming

(Schedule 5)

Year Ended March 31, 2025

	2025	2024
EXPENSES		
Allocated salaries, benefits, & freelance (Note 11)	\$ 311,449	\$ 347,580
MICT individual expenses	10,287	17,480
MICT projects	9,657	37,330
Liability insurance	2,500	3,750
Training materials / support	1,998	3,000
Other	1,550	1,176
MICT wage assessments	1,005	-
	\$ 338,446	\$ 410,316

In the current year the Organization recognized \$755 (2024 - \$nil) of funding from prior fiscal years that was not clawed back.

Ministry of Education Preschool Programming

(Schedule 6)

Year Ended March 31, 2025

	2025	2024
EXPENSES		
Direct salaries	\$ 88,445	\$ 70,475
Other	17,473	11,568
Support services	15,437	5,868
Allocated benefits (Note 11)	10,975	-
Training	174	1,208
	\$ 132,504	\$ 89,119

Early Childhood and Family Services Programming

(Schedule 7)

Year Ended March 31, 2025

	2025	2024
EXPENSES		
Direct salaries and benefits	\$ 50,000	\$ 50,000
Other	3,135	2,890
Training	174	-
Support services	-	900
	\$ 53,309	\$ 53,790

See accompanying notes to financial statements

SASKATCHEWAN DEAF AND HARD OF HEARING SERVICES INC.

General

(Schedule 8)

Year Ended March 31, 2025

	2025	2024
EXPENSES		
Direct salaries and benefits	\$ 804,885	\$ 716,417
Freelance interpreting and support services	63,308	64,956
Allocated salaries, benefits, and freelance <i>(Note 11)</i>	<u>(732,058)</u>	<u>(751,754)</u>
	136,135	29,619
Rent	73,541	68,350
Education and conference	45,173	51,168
General and administrative	22,416	14,502
Office	19,271	12,621
Bad debts	12,716	9,202
Professional fees	8,963	9,616
Education materials and publicity	6,771	(1,038)
Travel	6,770	2,610
Amortization	5,604	10,838
Supplies	-	1,000
Assistive device purchases	3,268	3,375
Fundraising	2,425	4,040
Board	1,967	2,317
Hearing aid battery purchases	431	124
	<u>\$ 345,451</u>	<u>\$ 218,344</u>

ASL Storybook

(Schedule 9)

Year Ended March 31, 2025

	2025	2024
EXPENSES		
Freelance interpreting and support services	\$ 423	\$ 43,393
Other	-	2,465
	<u>\$ 423</u>	<u>\$ 45,858</u>

See accompanying notes to financial statements