DEAFBLIND COMMUNITY SERVICES

Financial Statements of

DEAFBLIND COMMUNITY SERVICES

Year ended March 31, 2025

DEAFBLIND COMMUNITY SERVICES
March 31, 2025

Contents

Independent auditor's report

To the Board of Directors and Member of
Deafblind Community Services

Opinion

We have audited the financial statements of **Deafblind Community Services** ("DBCS"), which comprise the statement of financial position as at March 31, 2025, and the statement of operations, statement of 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, the accompanying financial statements present fairly, in all material respects, the financial position of DBCS as at March 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of DBCS in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 DBCS'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 DBCS or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing DBCS'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.

As part of an audit in accordance with Canadian generally accepted audited 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 DBCS'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 DBCS'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 DBCS 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.

Ernst & Young LLP

Toronto, Canada
June 13, 2025

Chartered Professional Accountants
Licensed Public Accountants

DEAFBLIND COMMUNITY SERVICES

Statement of Financial Position
(in thousands of dollars)
As at March 31, 2025, with comparative information for 2024

	2025	2024
Assets:		
Current assets:		
Cash	$ 1,216	$ 925
Accounts receivable	69	107
Total current assets	1,285	1,032
Accrued pension assets (note 4)	306	176
Capital assets (note 3)	—	—
Total assets	$ 1,591	$ 1,208
Liabilities and net assets:		
Current liabilities:		
Accounts payable and accrued liabilities	$ 607	$ 392
Due to related organizations (note 7)	119	133
Total current liabilities	726	525
Deferred contributions:		
Expenses of future periods (note 5)	306	304
Capital assets (note 6)	—	—
Total long-term liabilities	306	304
Total liabilities	1,032	829
Net assets:		
Unrestricted	559	379
Total net assets	559	379
Total liabilities and net assets	$ 1,591	$ 1,208

Commitments (note 11)

See accompanying notes to financial statements

On behalf of the Board of Directors:

Chair, Board of Directors

Chair, Finance Committee

DEAFBLIND COMMUNITY SERVICES

Statement of Operations
(in thousands of dollars)
Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Government funding towards programs and services	$ 8,695	$ 7,832
Funding from related organization (note 7)	490	463
Contributions from related organization (note 7)	100	100
Other	20	34
Total revenue	9,305	8,429
Program expenses (notes 7 and 8):		
Intervenor support	8,716	7,959
Literacy	472	475
Total expenses	9,188	8,434
Excess (deficiency) of revenue over expenses	$ 117	$ (5)

See accompanying notes to financial statements

DEAFBLIND COMMUNITY SERVICES

Statement of Changes in Net Assets
(in thousands of dollars)
Year ended March 31, 2025, with comparative information for 2024

		2025		2024
Net assets, beginning of year	$	379	$	360
Excess (deficiency) of revenue over expenses		117		(5)
Pension plan remeasurement (note 4)		63		24
Net change		180		19
Net assets, end of year	$	559	$	379

See accompanying notes to financial statements

DEAFBLIND COMMUNITY SERVICES

Statement of Cash Flows
(in thousands of dollars)
Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	$ 117	$ (5)
Items not involving cash:		
Amortization of capital assets (note 3)	—	16
Recognition of deferred contributions related to capital assets (note 6)	—	(16)
Pension expense (note 4)	120	144
Pension employer contribution (note 4)	(187)	(142)
Net change in non-cash working capital (note 9)	241	4
Total operating activities	291	1
Net increase in cash	291	1
Cash, beginning of the year	925	924
Cash, end of the year	$ 1,216	$ 925

See accompanying notes to financial statements

1. Purpose of the organization:

Deafblind Community Services ("DBCS") was incorporated on July 27, 2017 under the *Canada Not-for-profit Corporations Act* and commenced operations on April 1, 2018. DBCS is one of the leading providers of specialized support and emergency services for people who are Deafblind. DBCS is committed to community-based services by providing intervenor services enabling people who are Deafblind to live as independently as possible, and educational programs in literacy, life skills and technology. By providing these support services, people who are Deafblind and their family members can have access to communication, assistance, and referrals to other community services. DBCS is a registered charity under the *Income Tax Act* (Canada) and, accordingly, is exempt from income taxes, provided certain requirements of the *Income Tax Act* (Canada) are met.

2. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

(a) Revenue recognition:

DBCS follows the deferral method of accounting for contributions, which includes public and government support.

Externally restricted contributions are initially deferred and recognized as revenue in the year in which the related expenses are incurred.

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.

Revenue from fees for service is recognized when the services are provided.

(b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition and are subsequently measured at cost or amortized cost, net of any provisions for impairment. DBCS has not elected to carry financial instruments at fair value.

(c) Capital assets:

Purchased capital assets are recorded at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives. If a capital asset no longer contributes to DBCS's ability to provide services, its carrying amount is written down to fair value or replacement cost, and an impairment is recognized as an expense in the statement of operations.

Capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Vehicles	3 years

(d) Employee future benefits:

Canadian National Institute for the Blind ("CNIB") administers the Pension Plan for Employees of DBCS under a Pension Participation Agreement. The plan has a defined benefit provision and a defined contribution provision. Employees with greater than three months of service are eligible to join the defined contribution provision, while the defined benefit provision was closed to new entrants effective June 2010. The benefits of the defined benefit provision are based on years of service, years of contributions and final average earnings. The defined benefit provision includes the basic plan and excess benefits plans. DBCS does not provide any non-pension, post-retirement benefits.

DBCS uses the immediate recognition approach to account for its defined benefit provision. DBCS accrues its obligations under the defined benefit provision as employees render the services necessary to earn the pension benefits.

The actuarial determination of the accrued benefit obligation for pensions uses the projected benefit method prorated on service, (which incorporates management's best estimate of future salary levels, other cost escalation, retirement ages of employees and other actuarial factors).

The most recent actuarial valuation of the benefit provision for funding purposes was as of December 31, 2022, and the next required valuation will be December 31, 2025. The accrued benefit obligation is determined using a roll-forward technique to estimate the accrued benefit provision from the most recent actuarial valuation.

Actuarial gains (losses) on plan assets arise from the difference between the actual return on plan assets for a period and the expected return on plan assets for that period. For the purpose of calculating the expected return on plan assets, the plan assets are valued at fair value. Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation.

The cost of the defined contribution provision is based on a percentage of the employee's pensionable earnings.

(e) Allocation of expenses:

DBCS classifies expenses on the statement of operations by function. General support expenses are allocated based on the specified terms as per the funding agreements.

(f) Use of estimates:

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include accrued liabilities and obligations related to employee future benefits. Actual results could differ from these estimates.

(in thousands of dollars except as noted)

3. Capital assets:

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Vehicles	$ 51	$ 51	$ —	$ —
Total	$ 51	$ 51	$ —	$ —

4. Accrued pension assets:

The accrued pension assets represent the fair value of the defined benefit provision assets in excess of the accrued pension obligation.

	2025	2024
Accrued pension obligation	$ 1,336	$ 1,093
Fair value of plan assets	1,642	1,269
Accrued pension assets	$ 306	$ 176

Plan assets consist of investments in pooled funds.

The change in the accrued pension assets during the year is as follows:

	2025	2024
Balance, beginning of year	$ 176	$ 154
Employer contributions	187	142
Remeasurement recorded in the statement of changes in net assets	63	24
Net pension service cost	(120)	(144)
Balance, end of year	$ 306	$ 176

DBCS's defined contribution provision expense for the current year was $115 (2024 – $106).

(in thousands of dollars except as noted)

The significant actuarial assumptions adopted in measuring DBCS's accrued pension assets are as follows:

	2025	2024
Accrued benefit obligation:		
Discount rate	6.70%	6.70%
Rate of compensation increase	2.25%	2.25%
Benefits cost:		
Discount rate	6.70%	6.70%
Rate of compensation increase	2.25%	2.25%

On May 16, 2024, an annuity buy-out contract was purchased from a licensed Canadian insurance company to cover retired members and beneficiaries in the pension plan. As at March 31, 2025, the value of the annuity purchase liability of $63 is included in the accrued pension assets and was subsequently discharged on April 2, 2025.

5. Deferred contributions – expenses of future periods:

Deferred contributions are related to the funding of expenses of future periods and represent unspent, externally restricted contributions.

Changes in the deferred contributions – expenses of future periods balance are as follows:

	2025	2024
Balance, beginning of year	$ 304	$ 336
Add:		
Amounts received in the year	232	254
Less:		
Amounts recognized as revenue in the year	(230)	(286)
Balance, end of year	$ 306	$ 304

(in thousands of dollars except as noted)

6. Deferred contributions – capital assets:

Deferred contributions related to capital assets represent the unamortized amount of restricted contributions received for the purchase of capital assets.

Changes in the deferred contributions – capital assets balance are as follows:

	2025	2024
Balance, beginning of year	$ —	$ 16
Add:		
Amounts received in the year	—	—
Less:		
Amounts recognized as revenue in the year	—	(16)
Balance, end of year	$ —	$ —

7. Related party transactions:

A summary of the related party transactions and balances is as follows:

	2025	2024
(a) Transactions with CNIB		
Revenue:		
Contributions from related organization	$ 100	$ 100
Fee for services rendered on behalf of CNIB	490	463
Total revenue	$ 590	$ 563
Purchased services expenses	$ 353	$ 221
Support services expenses	$ 715	$ 795
Services rendered on behalf of CNIB		
Cost of services	$ 490	$ 563
(b) Due to related organizations	$ 119	$ 133

(in thousands of dollars except as noted)

All intercompany transactions are within the normal course of operations and measured at the exchange amount in accordance with an agreement effective March 29, 2018 between CNIB and DBCS, whereby CNIB, as the sole member of DBCS, agreed to provide certain services to DBCS.

Contributions from CNIB and fee for services rendered on behalf of CNIB are shown as revenue in the statement of operations; purchased and support services and services rendered on behalf of CNIB are included in all expense categories shown in the statement of operations.

8. Allocation of expenses:

General support expenses have been allocated as follows:

	2025	2024
Intervenor support	$ 665	$ 618
Literacy	1	6
Total	$ 666	$ 624

9. Net change in non-cash working capital:

The net change in non-cash working capital related to operations consists of the following:

	2025	2024
Decrease (increase) in accounts receivable	$ 38	$ (31)
Increase (decrease) in accounts payable and accrued liabilities	215	(66)
Increase (decrease) in due to related organizations	(14)	133
Increase (decrease) in deferred contributions related to expenses of future periods	2	(32)
Total	$ 241	$ 4

(in thousands of dollars except as noted)

10. Credit facility:

DBCS has a credit facility available to fund operations and capital expenditures totalling $250 that bears interest at the bank's prime rate plus 0.25%. This amount is due upon demand and is secured by a general security agreement covering all of its assets. No amounts were drawn on the credit facility as at March 31, 2025 and 2024.

11. Commitments:

DBCS has commitments with respect to operating leases. The future minimum annual commitments under these leases are approximately as follows:

2026	$ 185
2027	180
2028	33
2029	29
2030	23
Thereafter	16
Total	$ 466