

**CANADIAN DEAF SPORTS ASSOCIATION INC**  
**ANNUAL FINANCIAL REPORT**  
**MARCH 31, 2026**

**CANADIAN DEAF SPORTS ASSOCIATION INC**  
**ANNUAL FINANCIAL REPORT**  
**MARCH 31, 2026**

Table of contents

|                               | Page    |
|-------------------------------|---------|
| Independent auditor's report  | 3 - 5   |
| Statement of operations       | 6       |
| Changes in net assets         | 7       |
| Balance sheet                 | 8       |
| Statement of cash flows       | 9       |
| Notes to financial statements | 10 - 15 |

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of  
CANADIAN DEAF SPORTS ASSOCIATION INC

### **Opinion**

We have audited the financial statements of CANADIAN DEAF SPORTS ASSOCIATION INC (the Organization), which comprise the balance sheet as at March 31, 2026, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2026, and the results of its 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 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 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.

### **Other Matters**

The financial statements for the year ended March 31, 2025 were audited by another auditor who expressed an unmodified opinion on those financial statements on August 14, 2025.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or the knowledge we obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

## 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 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.

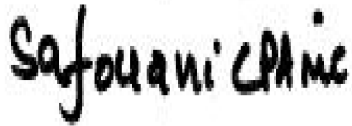
## Auditor's Responsibilities for the Audit of the Financial Statements

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.

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.

A handwritten signature in black ink that reads "Safouani CPA Inc". The signature is written in a cursive, slightly slanted style.

Montréal, September 23, 2026

<sup>1</sup> By CPA auditor, public accountancy permit No. A129330

**CANADIAN DEAF SPORTS ASSOCIATION INC**

**STATEMENT OF OPERATIONS**

**YEAR ENDED MARCH 31, 2026**

|                                             | 2026<br>\$             | 2025<br>\$             |
|---------------------------------------------|------------------------|------------------------|
| <b>REVENUES</b>                             |                        |                        |
| Grant                                       |                        |                        |
| Sport Canada (Note 9)                       | 418,000                | 381,400                |
| Emploi-Québec                               | 34,427                 | 38,888                 |
| Donations - telemarketing                   | 268,215                | 308,585                |
| Donations - sponsorship                     | 149,335                | 45,440                 |
| Athletes contributions                      | 141,719                | 64,836                 |
| Other revenues                              | 27,855                 | 16,853                 |
| Interest revenues                           | <u>8,178</u>           | <u>6,239</u>           |
|                                             | <u>1,047,729</u>       | <u>862,241</u>         |
| <b>EXPENSES</b>                             |                        |                        |
| Sport Canada Fund                           |                        |                        |
| Salaries and social benefits                | 176,920                | 170,500                |
| Operations and support programs             | 130,580                | 107,760                |
| Equity and diversity                        | 36,000                 | -                      |
| Administration                              | 34,500                 | 38,140                 |
| Governance                                  | 25,000                 | 55,000                 |
| Official languages                          | 10,000                 | 10,000                 |
| Sport Promotion                             | <u>5,000</u>           | <u>-</u>               |
|                                             | <u>418,000</u>         | <u>381,400</u>         |
|                                             | <u>629,729</u>         | <u>480,841</u>         |
| Administration Fund and CDSA Sports Fund    |                        |                        |
| Cost of the participation of Canadian teams | 455,247                | 209,967                |
| Fundraising - telemarketing                 | 203,086                | 228,348                |
| General Fund administration fees            | <u>52,857</u>          | <u>83,531</u>          |
|                                             | <u>711,190</u>         | <u>521,846</u>         |
| <b>DEFICIENCY OF REVENUES OVER EXPENSES</b> | <u><u>(81,461)</u></u> | <u><u>(41,005)</u></u> |

**CANADIAN DEAF SPORTS ASSOCIATION INC**

**CHANGES IN NET ASSETS**

**YEAR ENDED MARCH 31, 2026**

|                                         | Invested in<br>capital assets<br>\$ | Unrestricted<br>\$    | 2026<br>Total<br>\$   | 2025<br>Total<br>\$   |
|-----------------------------------------|-------------------------------------|-----------------------|-----------------------|-----------------------|
| BALANCE, BEGINNING OF YEAR              | 1,950                               | 205,924               | 207,874               | 248,879               |
| Deficiency of revenues over<br>expenses | <u>(811)</u>                        | <u>(80,650)</u>       | <u>(81,461)</u>       | <u>(41,005)</u>       |
| BALANCE, END OF YEAR                    | <u><u>1,139</u></u>                 | <u><u>125,274</u></u> | <u><u>126,413</u></u> | <u><u>207,874</u></u> |

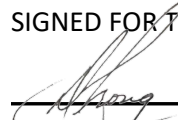
**CANADIAN DEAF SPORTS ASSOCIATION INC**

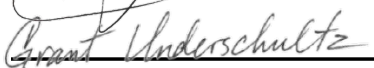
**BALANCE SHEET**

**AS AT MARCH 31, 2026**

|                                | 2026<br>\$            | 2025<br>\$            |
|--------------------------------|-----------------------|-----------------------|
| <b>ASSETS</b>                  |                       |                       |
| <b>CURRENT ASSETS</b>          |                       |                       |
| Cash                           | 12,889                | 179,412               |
| Accounts receivable (Note 3)   | 28,386                | 24,348                |
| Investments (Note 4)           | 120,000               | 120,000               |
| Inventory                      | 6,023                 | -                     |
| Prepaid expenses               | <u>9,165</u>          | <u>36,351</u>         |
|                                | 176,463               | 360,111               |
| <b>CAPITAL ASSETS (Note 5)</b> | <u>1,139</u>          | <u>1,950</u>          |
|                                | <u><u>177,602</u></u> | <u><u>362,061</u></u> |
| <b>LIABILITIES</b>             |                       |                       |
| <b>CURRENT LIABILITIES</b>     |                       |                       |
| Accounts payable (Note 6)      | 25,214                | 28,181                |
| Received in advance (Note 7)   | <u>25,975</u>         | <u>126,006</u>        |
|                                | <u>51,189</u>         | <u>154,187</u>        |
| <b>NET ASSETS</b>              |                       |                       |
| INVESTED IN CAPITAL ASSETS     | 1,139                 | 1,950                 |
| UNRESTRICTED                   | <u>125,274</u>        | <u>205,924</u>        |
|                                | <u>126,413</u>        | <u>207,874</u>        |
|                                | <u><u>177,602</u></u> | <u><u>362,061</u></u> |

SIGNED FOR THE BOARD,

  
\_\_\_\_\_, Director

  
\_\_\_\_\_, Director

**CANADIAN DEAF SPORTS ASSOCIATION INC**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED MARCH 31, 2026**

|                                                               | 2026<br>\$                  | 2025<br>\$                  |
|---------------------------------------------------------------|-----------------------------|-----------------------------|
|                                                               | <u>                    </u> | <u>                    </u> |
| <b>OPERATING ACTIVITIES</b>                                   |                             |                             |
| Deficiency of revenues over expenses                          | (81,461)                    | (41,005)                    |
| Non-cash item:                                                |                             |                             |
| Amortization of capital assets                                | <u>811</u>                  | <u>694</u>                  |
|                                                               | <u>(80,650)</u>             | <u>(40,311)</u>             |
| Net change in non-cash items related to operating activities: |                             |                             |
| Investments                                                   | -                           | (5,500)                     |
| Accounts receivable                                           | (4,039)                     | (1,637)                     |
| Inventory                                                     | (6,023)                     | -                           |
| Prepaid expenses                                              | 27,186                      | 37,072                      |
| Accounts payable                                              | (2,966)                     | (10,459)                    |
| Received in advance                                           | <u>(100,031)</u>            | <u>78,346</u>               |
|                                                               | <u>(85,873)</u>             | <u>97,822</u>               |
|                                                               | (166,523)                   | 57,511                      |
| <b>INVESTING ACTIVITY</b>                                     |                             |                             |
| Investment acquisition                                        | <u>-</u>                    | <u>(1,934)</u>              |
| <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>       | (166,523)                   | 55,577                      |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>           | <u>179,412</u>              | <u>123,835</u>              |
| <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>                 | <u><u>12,889</u></u>        | <u><u>179,412</u></u>       |

Cash and cash equivalents consist of cash.

# **CANADIAN DEAF SPORTS ASSOCIATION INC**

## **NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2026**

### **1 - INCORPORATION STATUTE AND PURPOSE OF THE ORGANIZATION**

CANADIAN DEAF SPORTS ASSOCIATION INC. is a national organization which organizes and offers Deaf athletes the possibility to achieve their dreams by participating in sports events worldwide. It's incorporated as a not-for-profit organization under the Canadian Corporations Act on January 24th, 2007 and is a registered Canadian non-professional sports association under the Canadian income tax legislation. Consequently, the organization is exempted from income taxes.

### **2 - SIGNIFICANT ACCOUNTING POLICIES**

The Organization applies the Canadian accounting standards for not-for-profit organizations.

#### **Funds**

The assets, liabilities, revenues and expenses affected by the administrative operations of the organization are presented in the General Fund. The Sport Canada fund presents assets, liabilities, revenues and expenses affected by the Grant received from Sport Canada.

#### **Use of estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the amounts recognized as revenues and expenses for the periods covered. Actual results may differ from these estimates.

#### **Revenue recognition**

#### **Contributions**

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenues in the year of 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. Endowment contributions are recognized as direct increases in net asset.

#### **Athletes contributions**

Athletes contributions are recognized as revenues when services are rendered.

#### **Membership fees**

The revenues from membership fees are recognized linearly over the period covered by these revenues.

**CANADIAN DEAF SPORTS ASSOCIATION INC**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2026**

**2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Revenue recognition (continued)

Contributions received as a service

As part of its operations, the organization uses the services of numerous partners and volunteers whose fair value can not be measured. These services are not recognized in the financial statements.

Financial instruments

Initial measurement

The Organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Organization is in the capacity of management, are initially measured at cost, with the exception of investments in equity instruments quoted in an active market, which are measured at fair value.

Subsequent measurement

The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost.

Financial assets measured at amortized cost consist of cash, term deposits and debtors.

Financial liabilities subsequently measured at amortized cost comprise of accounts payable.

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in net earnings in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in net earnings over the life of the instrument using the straight-line method.

**CANADIAN DEAF SPORTS ASSOCIATION INC**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2026**

**2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Financial instruments (continued)

Impairment

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there are, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net earnings. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than 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 net earnings.

Impairment of long-lived assets

Long-term assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Distribution of common expenses

The organization presents several of its expenses broken down by project. Salaries are broken down according to the proportion of hours worked following the project. Other common expenses are broken down according to the use attributed to each project. Expenses that contribute directly to the results of a project are charged directly to this project.

Foreign currency conversion

Monetary assets and liabilities are converted at the rates of exchange at the statement of financial position's date. Non-monetary assets and liabilities items recognized in the statement of operations are converted at the average monthly rates. Foreign exchange gains or losses are included in the statement of operations and are not significant.

Inventories

Inventories are measured at the lower of cost and net realizable value. The cost is determined using the first-in, first-out method.

Net realizable value is the selling price less the estimated costs necessary to make the sale.

# CANADIAN DEAF SPORTS ASSOCIATION INC

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2026

### 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### CAPITAL ASSETS

CAPITAL ASSETS are accounted for at cost. Amortization is calculated using the straight-line method over the following period:

|                    | Method               | Period  |
|--------------------|----------------------|---------|
| Computer equipment | Straight-line method | 3 years |
| Other              | Straight-line method | 3 years |

### 3 - ACCOUNTS RECEIVABLE

|                           | 2026<br>\$    | 2025<br>\$    |
|---------------------------|---------------|---------------|
| Grant receivable          | 2,834         | 7,597         |
| Sales taxes receivable    | 25,232        | 12,310        |
| Other accounts receivable | <u>320</u>    | <u>4,441</u>  |
|                           | <u>28,386</u> | <u>24,348</u> |

### 4 - INVESTMENTS

|                                                                                                                                | 2026<br>\$     | 2025<br>\$     |
|--------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Redeemable term deposit with Royal Bank of Canada, bearing interest at a fixed rate of 2.00%, maturing on February 2, 2027.    | 60,000         | 60,000         |
| Redeemable term deposit with Royal Bank of Canada, bearing interest at a variable rate of 2.00%, maturing on January 28, 2027. | <u>60,000</u>  | <u>60,000</u>  |
|                                                                                                                                | <u>120,000</u> | <u>120,000</u> |

**CANADIAN DEAF SPORTS ASSOCIATION INC**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2026**

**5 - CAPITAL ASSETS**

|                    | 2026                 |                                   | 2025                    |                         |
|--------------------|----------------------|-----------------------------------|-------------------------|-------------------------|
|                    | Cost<br>\$           | Accumulated<br>amortization<br>\$ | Net<br>book value<br>\$ | Net<br>book value<br>\$ |
| Computer equipment | 11,595               | 10,456                            | 1,139                   | 1,950                   |
| Other              | <u>1,031</u>         | <u>1,031</u>                      | <u>-</u>                | <u>-</u>                |
|                    | <u><u>12,626</u></u> | <u><u>11,487</u></u>              | <u><u>1,139</u></u>     | <u><u>1,950</u></u>     |

**6 - ACCOUNTS PAYABLE**

|                        | 2026<br>\$           | 2025<br>\$           |
|------------------------|----------------------|----------------------|
| Accounts payable       | 23,641               | 27,528               |
| Salaries and vacations | <u>1,573</u>         | <u>653</u>           |
|                        | <u><u>25,214</u></u> | <u><u>28,181</u></u> |

**7 - RECEIVED IN ADVANCE**

Received in advance represents amounts received by athletes to register for competitions that will be organized in the subsequent financial year. The changes in the balance of deferred contributions are as follows:

| Balance<br>March 2025<br>\$ | Received<br>\$ | Booked as<br>income<br>\$ | Balance<br>March 2026<br>\$ |
|-----------------------------|----------------|---------------------------|-----------------------------|
| 126,006                     | 25,975         | (126,006)                 | 25,975                      |

**CANADIAN DEAF SPORTS ASSOCIATION INC**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2026**

**8 - FINANCIAL RISKS**

Fair value

The fair value of cash, short-term investments, accounts receivable and accounts payable approximates the net value due to their short-term maturity.

Credit risk

The organization proceeds to a continuous evaluation of the accounts receivable and records a provision for bad debts at the moment of which the account is considered irrecoverable.

Liquidity Risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting its financial obligations as they fall due. The organization manages this risk by monitoring its cash flow requirements to ensure it has sufficient funds to settle its financial obligations.

The organization's main financial liabilities include accounts payable and accrued liabilities, as well as the credit card balance. The organization considers its exposure to liquidity risk to be low.

**9 - SPORT CANADA**

|               | 2026<br>\$     | 2025<br>\$     |
|---------------|----------------|----------------|
| Regular Grant | <u>418,000</u> | <u>381,400</u> |