

**Moreau, Boisselle,
Brunelle & Associés**, S.E.N.C.R.L.
COMPTABLES PROFESSIONNELS AGRÉÉS

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CANADIAN DEAF SPORTS ASSOCIATION INC.

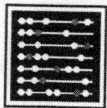
FINANCIAL REPORT

MARCH 31, 2014

AUDITORS' REPORT

FINANCIAL STATEMENTS

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AUDITORS' REPORT

To the Directors of Canadian Deaf Sports Association Inc.

We have audited the accompanying financial statements of CANADIAN DEAF SPORTS ASSOCIATION INC., which comprise the balance sheet as at March 31, 2014, and the statements of operations, change in net assets, and deficit and cash flows for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organization, 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.

Auditor's responsibility

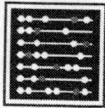
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the Association derives revenue from donations and campaign the completeness of which is not susceptible to satisfactory audit. Accordingly, our audit of these revenues was limited to the amounts recorded in the records of the Association and we were not able to determine whether any adjustments might be necessary to donation revenues, excess (deficiency) of revenues over expenses, current assets and net assets.



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Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of CANADIAN DEAF SPORTS ASSOCIATION INC. as at March 31, 2014 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.

*Moreau, Boisselle,
Brunelle & Associés*, S.E.N.C.R.L.

Robert Brunelle, CPA auditeur, CA

Robert Brunelle, CPA auditor, CA

Montreal, July 25, 2014

CANADIAN DEAF SPORTS ASSOCIATION INC.

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Statement of operations
For the year ended March 31, 2014

	2014				2013
	General fund	Sport development fund	Sport Canada fund	International events fund	Total
	\$	\$	\$	\$	\$
REVENUES					
Association and membership	2,850	-	-	-	2,850
Donations and campaign	443,336	110,884	-	-	554,220
Interests and others	3,333	-	-	-	3,333
Federal grant	-	-	380,400	-	380,400
	449,519	110,884	380,400	-	940,803
					1,002,942
EXPENSES					
Fund raising	227,341	53,114	-	-	280,455
Grants	-	1,557	66,491	-	68,048
Administration	43,064	-	17,140	-	60,204
Lodging	52,545	-	20,000	-	72,545
Travelling expenses	30,156	-	150,000	-	180,156
Salaries and social benefits	57,123	-	117,769	-	174,892
Athletes' training/meetings	-	-	-	9,482	9,482
National meeting	8,093	-	-	-	8,093
Uniforms for the athletes	-	-	-	10,384	10,384
Translation - Interpretation	9,280	-	9,000	-	18,280
Professional fees	35,327	-	-	-	35,327
Insurance	15,335	-	-	-	15,335
	478,264	54,671	380,400	19,866	933,201
					1,007,075
Excess (deficiency) of revenues over expenses for the year	(28,745)	56,213	-	(19,866)	7,602
					(4,133)



Statement of changes in net assets
For the year ended March 31, 2014

	2014				2013
	General fund	Sport development fund	Sport Canada fund	International events fund	Total
	\$	\$	\$	\$	\$
Balance - beginning of year	119,064	271,785	-	-	390,849
INCREASE (DECREASE) :					
Excess (deficiency) of revenues over expenses for the year	(28,745)	56,213	-	(19,866)	7,602
	90,319	327,998	-	(19,866)	398,451
INTERFUND TRANSFER					
Transfer from General fund to the International events funds	(19,866)	-	-	19,866	-
Balance - end of year	70,453	327,998	-	-	398,451



Statement of cash flows
For the year ended March 31, 2014

	2014 \$	2013 \$
Operating activities		
Excess (deficiency) of revenues over expenses for the year	7,602	(4,133)
Item not affecting cash:		
Amortization of capital assets	783	286
	8,385	(3,847)
Net change in non-cash related to operating activities:		
Debtors	772	2,836
Prepaid expenses	20,014	(19,588)
Accounts payable and accrued liabilities	33,277	(1,156)
	62,448	(21,755)
Investing activities		
Acquisition of term deposits	(1,332)	(1,338)
Acquisition of capital assets	(4,696)	-
	(6,028)	(1,338)
Change in cash and cash equivalents during the year	56,420	(23,093)
Cash and cash equivalents - beginning of year	248,112	271,205
Cash and cash equivalents - end of year	304,532	248,112

Cash and cash equivalents are comprised of cash.



Balance sheet
As at March 31, 2014

	2014 \$	2013 \$
Assets		
CURRENT		
Cash	304,532	248,112
Term deposit bearing, interest at a rate of 1.2%, maturing in October 2014	112,879	111,547
Debtors (note 3)	29,971	30,743
Prepaid expenses	921	20,935
	448,302	411,337
CAPITAL ASSETS (note 4)	3,913	-
	452,216	411,337
Liabilities		
CURRENT		
Accounts payable and accrued liabilities (note 5)	53,765	20,488
Net assets		
General fund	70,453	119,064
Sport development fund	327,998	271,785
	398,451	390,849
	452,216	411,337

On behalf of the Board of Directors

_____, Director

_____, Director



Notes to the financial statements
March 31, 2014

1. 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 to sports events worldwide. Canadian Deaf Sports Association Inc. is incorporated as a non-profit organization under the Canadian Corporations Act, and is a registered Canadian non-professional sports association under the Canadian income taxes legislation. Consequently, the association is exempted from income taxes.

2. Significant accounting policies

Accounting framework

The organization applies the Canadian accounting standards for not-for-profit organizations in *Part III of the CPA Canada Handbook - Accounting*.

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, the information provided the financial assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

Revenue recognition

The Association follows the deferral method of accounting. Restricted donations are deferred and recognized as revenue in the appropriate fund in the year in which the related expenses are recognized. Unrestricted donations are recognized as revenue in the appropriate fund when received or receivable if the amount can reasonably be estimated and its collection reasonably assured.

Funds

The Association's accounts include four distinct funds : General Fund, Sport development Fund, Sport Canada Fund and International events Funds.

General Fund : General fund reports the administrative operations of the Association.

Sport development Fund : This fund retains 20% of the donations arising from telemarketing activities net of related expenses to support sport development of the national and provincial associations.

Sport Canada Fund : This fund include the grant received from Sport Canada and expenses covered by the grant.

International events Funds : This fund is used to pay expenses related to coaches as well as preparation and participation to international events.



Notes to the financial statements
March 31, 2014

2. Significant accounting policies (cont'd)

Foreign currency translation

Monetary assets and liabilities are translated at the rates of exchange at the balance sheet date. Revenues and expenses items recognized in the statement of operations are translated at the average monthly rates. Foreign exchange gains or losses are included in the statement of operations and are not significant.

Capital assets and amortization

Capital assets are composed of computer equipment and are accounted at cost. Amortization is provided using the straight-line method over a period of three years.

Donations received as services

Volunteers give many hours every year to help the Canadian Deaf Sports Association Inc. providing services. Due to the difficulty in determining the fair value of the donations received as services, those are not recognized in the financial statements.

Financial instruments

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, term deposit and debtors.

Financial liabilities measured at amortized cost include creditors and payable accrued liabilities.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances with banks, bank overdrafts and investments in money market instruments when it has a maturity of three months or less from the date of acquisition.



Notes to the financial statements
March 31, 2014

3. Debtors	2014	2013
Sales taxes receivable	\$ 29,971	\$ 30,743

4. Capital assets	2014			2013
	Cost	Accumulated amortization	Net value	Net value
Computer equipment	\$ 15,298	\$ 11,385	\$ 3,193	\$ -

5. Creditor	2014	2013
Account payable	\$ 16,415	\$ 20,488
Accrued liabilities	37,350	-
	\$ 53,765	\$ 20,488

6. Fundraising

Canadian Deaf Sports Association Inc. do not pay any employees to raise funds. 100% of the donations come from an independent entity which operates a call center (100% in 2013).

7. Financial instruments

Risks and concentrations

The association achieve some projects in other country and need to do transaction in foreign currency. As a result, some assets and liabilities are exposed to fluctuation but these are not significant.

Liquidity risk

The fair value of cash and, term deposit, debtors and account payable and accrued liabilities is equivalent to their book value to their book value due to their short term maturity.



CANADIAN DEAF SPORTS ASSOCIATION INC.

Supplementary information not included in the financial statements

Telemarketing Activities

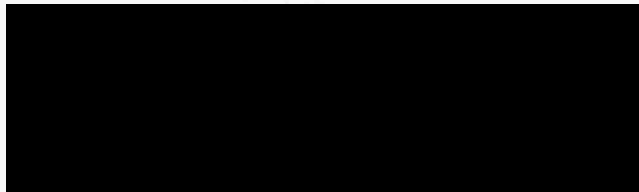
	2014		2013		2012		2011		2010		2009	
	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$
Gross revenues												
Donations and fund raising campaign	100.00	554,220	100.00	562,318	100.00	757,980	100.00	1,147,113	100.00	1,233,890	100.00	1,122,587
Gross expenses												
Fees (GST included - 50%)	50.61	280,455	51.96	292,206	59.99	454,172	64.72	742,462	65.95	813,795	58.28	654,304
Net revenues	49.39	273,765	48.04	270,112	40.01	303,808	35.28	404,651	34.05	420,095	41.72	468,283



Canadian Deaf Sports Association/L'Association des sports des sourds du Canada Inc.

Board of directors

Mark Kusiak	President
Jonathan Guinta	Treasurer
Rita Bomak	Director
Michael Summers	Director
Steven Devine	Athlete representative



Authorized signatories - official receipts

Mark Kusiak

Replacement procedure - lost or spoiled receipts

If a donor contacts the CDSA seeking a replacement receipt, CDSA then provides the donor's phone number and information to Engage Interactive (our telemarketing firm) by email.

Engage Interactive then confirms that the donor has indeed made a donation and verifies the amount.

Upon confirmation they issue a replacement tax receipt with the indication 'Duplicate' printed across it diagonally.

The replacement is sent to CDSA with the tax receipt ledger.

CDSA then verifies the replacement receipt against the tax receipt ledger and, upon confirmation, affixes the authorized signature to the receipt. The signed replacement receipt is then mailed to the donor.