



CAV-ACS

2021 ANNUAL REPORT



FIVE YEARS  
OF ACCESS

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# MESSAGE FROM THE CEO AND EXECUTIVE DIRECTOR

It is my pleasure to present the 2021 annual report for the Canadian Administrator of VRS (CAV), Inc.

Every year presents unique challenges in our work to make **SRV Canada VRS** the very best possible. In 2021, I can best characterize the year as managing in an environment of uncertainty and risk.

Unexpectedly, the COVID pandemic surged again, driving usage to new record levels and placing heavy demands on Video Interpreters (VI) and CAV's budget. Throughout the year, VIs continued to work remotely and were dealing with calls that had extremely long hold times, adding stress to their demanding schedule.

Despite the added stress, our VIs performed with excellence and grace, demonstrating on call after call their commitment to serve Canada's Deaf callers, and we thank them for their dedication.

We celebrated a high point in 2021, recognizing **SRV Canada VRS'** 5-year anniversary. While we could not observe the anniversary by gathering in person, it was an opportunity to take stock of how we built a service from its inception to the successful national VRS company it has become.

Our 5th year was noteworthy for another reason. In March, the Canadian Radio-television and Telecommunications Commission (CRTC) launched a Notice of Consultation – a formal review of **SRV Canada VRS** covering all aspects of the service since it launched. This resulted in a period of very intense work for our staff, but it was an opportunity we welcomed to disclose and showcase our impressive body of work and the positive impact it is making on Deaf and hard of hearing Canadians and all those who communicate with them.

There are so many people to whom we owe gratitude for our successes in 2021. I would personally like to thank the members of our Board of Directors for their ongoing support and confidence in the challenging times we faced in 2021. I am equally indebted to my staff, who have risen to every challenge with energy and grace. I also want to commend the great work of those in what I like to call our 'ecosystem' – our technology partners, Video Interpreter Providers, and Customer Service Representatives. Last, but certainly not least, I want to offer heartfelt thanks to our customers, who are as invested as we are in making continuous improvements to **SRV Canada VRS**.

As we close out our 5th year, I take great pride in our endeavours to date and look forward to building on our success in 2022.



A handwritten signature in black ink that reads "Sue Decker". The signature is fluid and cursive.

**Sue Decker**  
CEO and Executive Director

# MESSAGE FROM THE CHAIR OF THE BOARD OF DIRECTORS

It was my honour to be appointed Chair of the Board of Directors in 2021. It is a role that is at once challenging and filled with great opportunity and promise.

In 2021, **SRV Canada VRS** customers were more mobile and more dependent than ever on tools and services that enabled them to communicate and work wherever they were located, and COVID-19 pandemic has accelerated this trend.

For CAV, this required imagining – and then bringing to life – new technologies, new features and new services to meet customers’ needs, and it had to be done while call volumes and usage surged, and within the limits of a finite budget. It takes skilled management to pull off adding new services such as 5-1-1 and 8-1-1 dialling access and app signalling compatibility with Fitbit. So, I am especially proud of CAV’s management for being able to continue to advance the service offering under these conditions.

I also wish to thank Tony D’Onofrio for his support as I transitioned into the role of Chair, and I thank my fellow Board members for sharing their insights and experiences. I am also thankful to have Sue Decker as our CEO and Executive Director. Under her leadership, the CAV team performed with excellence throughout a very challenging year.

Here’s to a great 2022!



A handwritten signature in black ink, consisting of a large, stylized 'D' followed by a series of loops and a final flourish.

**David Joseph**  
Chair of the Board of Directors

# ABOUT CAV

## VISION

Empower Deaf Canadians

## THE ORGANIZATION AND ITS MISSION

The Canadian Administrator of VRS (CAV), Inc., is a not-for-profit telecommunications services corporation with a mandate from the Canadian Radio-television and Telecommunications Commission (CRTC) to design, implement and oversee the delivery of Video Relay Service (VRS) in Canada.

**SRV Canada VRS** enables Deaf, hard of hearing or speech-impaired Canadians who use American Sign Language (ASL) and Langue des signes Québécoise (LSQ) to make telephone calls via Internet-based videoconferencing technology.

Calls are connected to a sign language interpreter, who provides real-time interpretation of the telephone conversations, allowing Deaf users who use sign language to communicate with spoken language users.



Now that VRS is here, it is seamless to communicate with a hearing caller through video interpreters.

- MIHRET TEKLE



# THE 2021 BOARD OF DIRECTORS

Just as **SRV Canada VRS** has evolved and changed since it launched 5 years ago, so has the CAV Board of Directors. CAV has 7 Directors and 2 Permanent Invitees who provide management with fiduciary guidance and advice. Board members come from diverse backgrounds and offer their experience in a variety of fields including Legal, Medical, Finance and Sign Language Interpreting.

In 2021, the CAV Board thanked its outgoing Chair, Tony D’Onofrio, for his steady leadership and service over the past few years, and welcomed David Joseph as its new Chair. Already serving as an LSQ Director and a member of the Finance Committee on the Board, David brings a wealth of professional experience from the public, not-for-profit and academic sectors, together

with a passion for advocating for Canada’s Deaf and hard of hearing communities. He is fluent in four languages: LSQ, ASL, French and English.

In early 2021, Board members also welcomed Jordan Sangalang to the Board in the role of the ASL/LSQ Director. Jordan replaced Renu Sangha, who departed at the end of 2020. Jordan left the Board at the end of 2021 for a position with Convo Canada, one of **SRV Canada VRS’s** Video Interpreter Provider companies. CAV is happy to have Jordan’s expertise remain in its “ecosystem”.



From left to right: Dr. Marty Taylor, Permanent Invitee; J. Scott Fletcher, Secretary of the Board of Directors; Sue Decker, CEO and Executive Director; Eric Edora, Director; Jonathan Daniels, Director; Renu Sangha, Director (resigned Oct. 2020); Dr. Gary Birch, Director (seated); Anne Missud, Permanent Invitee; Dr. Jessica Dunkley, Director; David Joseph, Director and Chair of the Board of Directors; Tony D’Onofrio, Independent Director; Jordan Sangalang, Director (commencing May 2021/resigned December 2021, not pictured).

To view biographies for members of the Board, visit: [srvcnadavrs.ca/en/about](https://srvcnadavrs.ca/en/about)

# CAV'S HEADQUARTERS STAFF AND COMMITMENT TO ACCESSIBILITY

CAV's headquarters staff is diverse and committed to the principles of inclusion and accessibility.

As such, CAV's commitment to accessibility begins at home, where it provides a work environment that supports its diverse staff. Its headquarters is

designed as a "Deaf Space", with an open concept floor plan, glass-walled conference room, LED lighting, and smooth, textured carpeting to accommodate wheelchairs, walkers and canes.



Top row: Carmelle Cachero, Chief of Staff; Jonathan Masters, Acting Chief Financial Officer and Chief Operating Officer; Jo-Ann Bryan, Community Relations Specialist. Middle row: Paula Bath, Operational Programs Manager; Sue Decker, Chief Executive Officer and Executive Director; David Eagan, Service Operations Manager. Bottom row: Diane Unterschultz, Community Relations – Assistant Manager; Patrick Lazure, Community Relations Specialist; Pamela Witcher, Community Relations Manager.

# FIVE YEARS OF CANADA VRS

The dramatic launch of **SRV Canada VRS** in the Great Hall of the Canadian Museum of History in September 2016 set the tone and pace for an ambitious service agenda for CAV and Deaf and hard of hearing Canadians that continues with equal energy 5 years later.

At the end of 2016 after just 3 months in operation, 3,468 customers had registered for Canada VRS and had placed 74,000 calls. VRS was only operating 76 hours a week at its start, but CAV was able to quickly scale to the 24/7/365 it is today, and as 2021 came to a close, more than 700,000 calls had been placed by 8,796 customers. In addition, the 5th anniversary signalled another major milestone, as we announced all Canada VRS calls were now being handled in Canada.

Celebrating 5 successful years was a bright spot in a pandemic that stretched into its second year. It was an opportunity to take stock of and reflect on the strategic choices and investments made since Canada VRS's inception. From the careful selection of technology service providers and video interpreter companies, to a commitment to ASL/LSQ video-based customer service and its national community relations program, it was a time to celebrate **SRV Canada VRS**.

In her message in the 2016 annual report, Executive Director and CEO Sue Decker made a statement that is as true and relevant today as it was then: "**SRV Canada VRS** opens new avenues to the world – empowering its customers with personal freedom and independence to communicate in real time with family and friends, and to take advantage of life-changing opportunities, especially in the areas of employment, education, health care and social connectedness."

As 2021 came to a close, more than **700,000** calls had been placed by **8,796** customers



# 2021 IN REVIEW – BRIEF HIGHLIGHTS

In 2021, much of CAV's energies continued to focus on maintaining service levels in light of the global COVID-19 pandemic. It was a year that could best be described as a careful exercise in managing uncertainty and risk.

In the second quarter, demand for Canada VRS rose by 20% and fluctuated unpredictably through the balance of 2021. By the end of the year, more than 700,000 calls were served, an increase of more than 100,000 over 2020. This resulted in the need to significantly increase the number of sign language interpreters to handle the increase in usage, resulting in pressures on CAV's budget.

Despite the increase in demand, the pandemic did not deter innovation in the development of technologies to benefit the customer experience, or commitments to improve efficiencies for Video Interpreters (VIs) – the essential link in video interpretation – as they continued to work remotely. In addition, the Community Outreach program – CAV Connect/Connexion ACS – was refined further to ensure that important inroads into the Deaf and hard of hearing communities continued to be made and strengthened. These activities and others described in this annual report were reflected in outstanding customer survey results.

CAV's 5th year of service coincided with a Notice of Consultation by the Canadian Radio-Television and Telecommunications Commission (CRTC). This formal review of **SRV Canada VRS** – while intense for the volume of work required to assemble and report on CAV's body of work over the last half-decade – validated and showcased its success as a national Canadian telecommunications service.



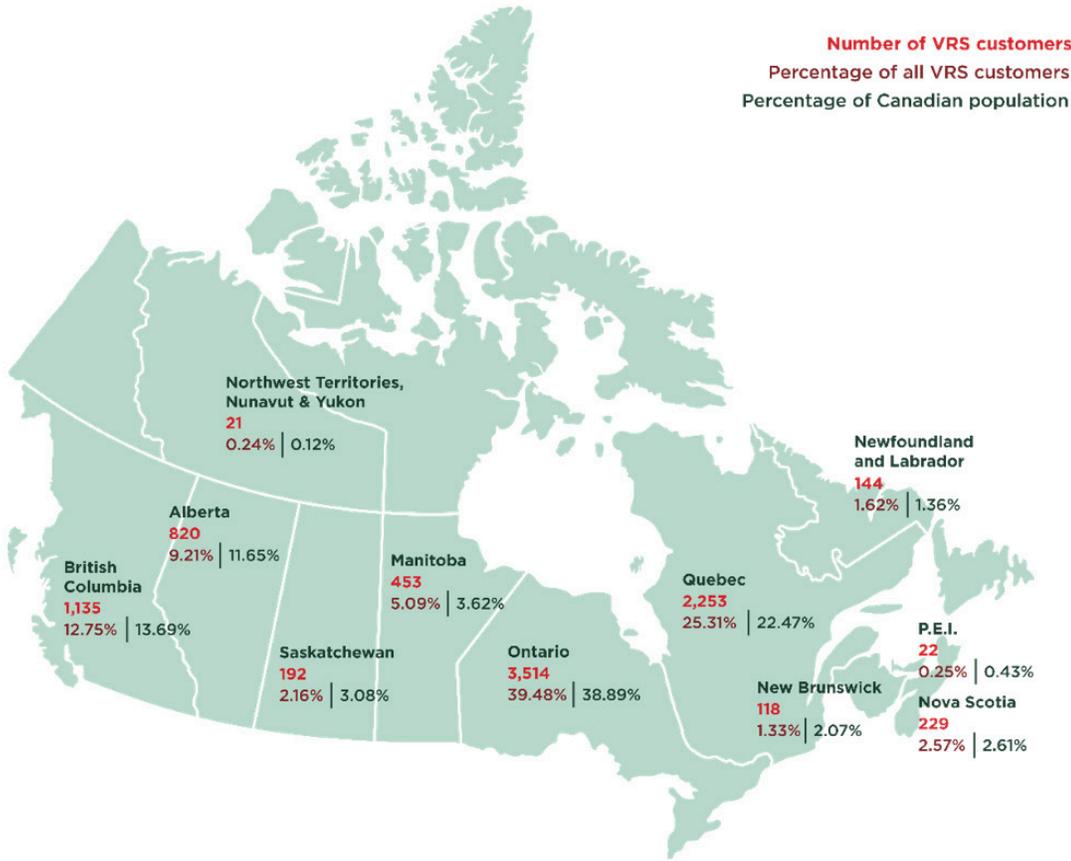
The pandemic did not deter innovation in the development of technologies to benefit the customer experience.



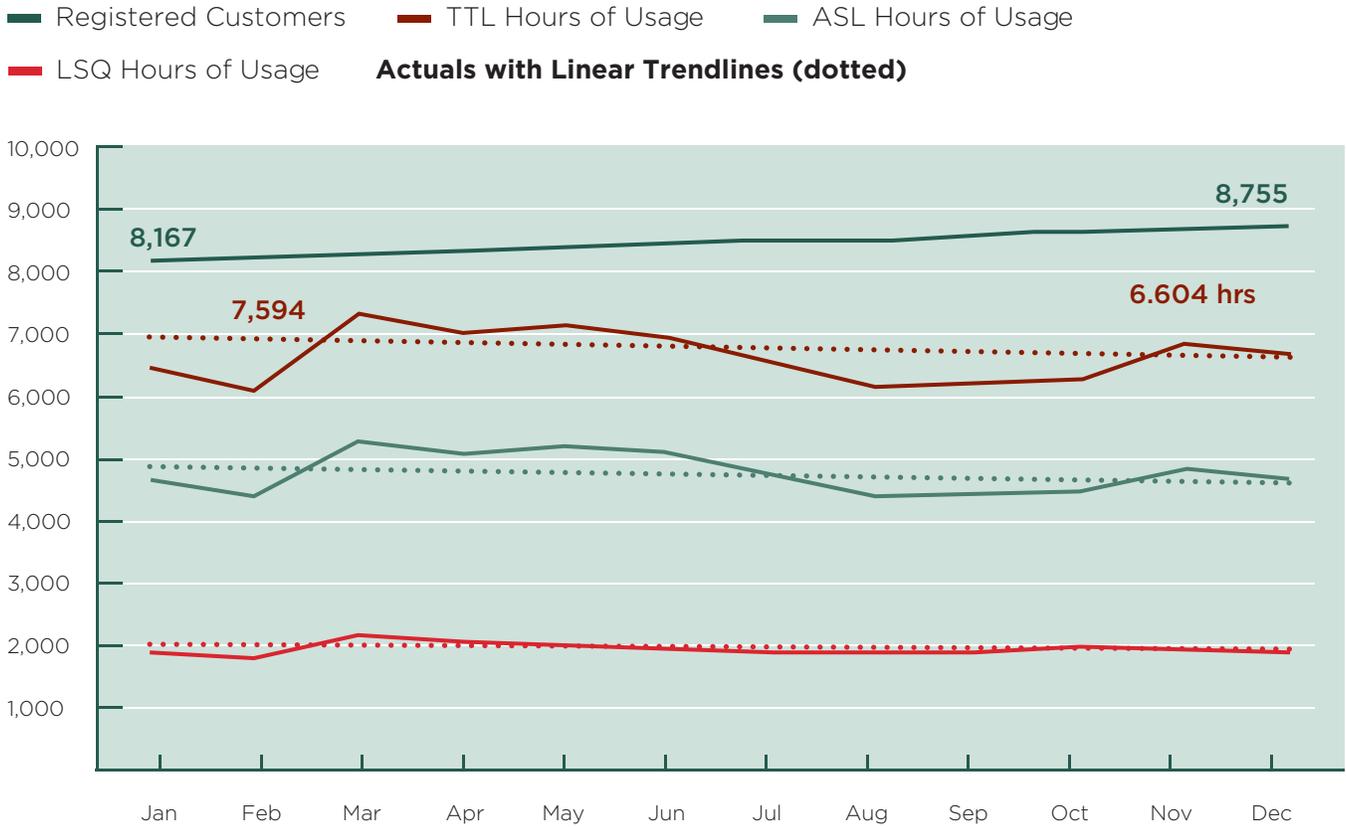
# TELLING OUR STORY BY THE NUMBERS

## CANADA VRS DEMOGRAPHICS [Figure 1]

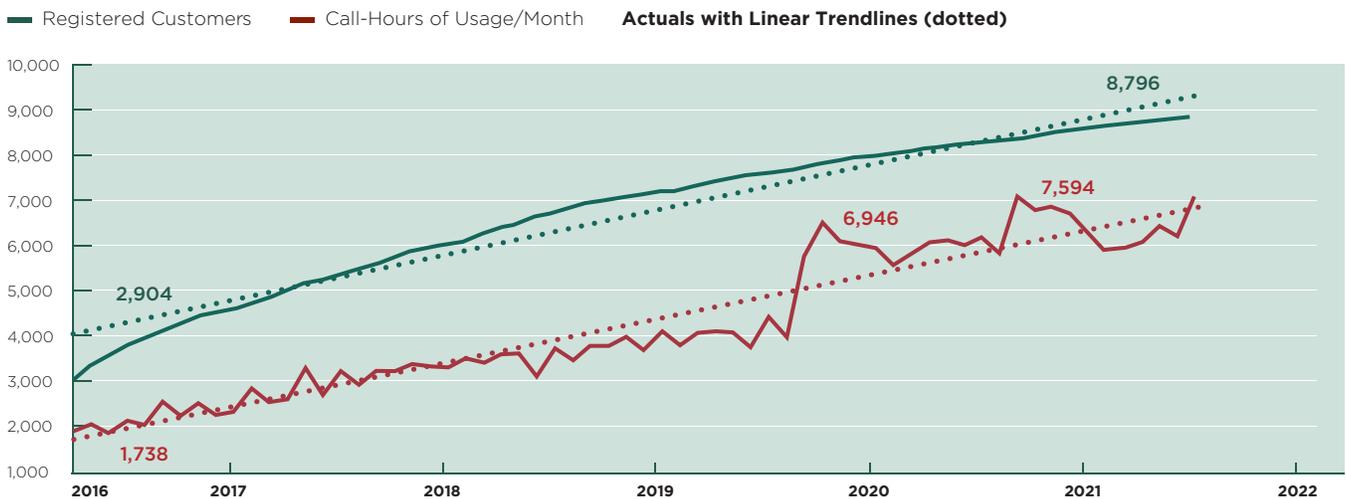
### TOTAL REGISTRATIONS BY PROVINCE/TERRITORY (2021): 8,901



**VRS GROWTH IN 2021** [Figure 2]



**VRS GROWTH BY MONTH SINCE LAUNCH TO DECEMBER 31, 2021** [Figure 3]



**CALLS 2017 - 2021** [Figure 4]

CALL TYPE	2017	2018	2019	2020	2021
Total Relay Calls*	318,480	472,959	521,569	610,731	697,736
Deaf to Hearing	80%	76%	78%	85%	84%
Hearing to Deaf	19%	23%	21%	15%	16%
Point to Point	1%	1%	1%	1%	2%
9-1-1 Calls	283	799	823	1,340	1,692
Avg Mins/Call	5.5	5.1	5.6	7.0	7.0

\* answered

**2021 SYSTEM UPTIME** [Figure 5]

**Q1**

MONTH	SYSTEM UPTIME
January	99.95%
February	99.99%
March	99.80%
<b>TOTAL Q1</b>	<b>99.91%</b>

**Q2**

MONTH	SYSTEM UPTIME
April	99.99%
May	99.73%
June	99.99%
<b>TOTAL Q2</b>	<b>99.90%</b>

**Q3**

MONTH	SYSTEM UPTIME
July	99.95%
August	99.99%
September	99.98%
<b>TOTAL Q3</b>	<b>99.97%</b>

**Q4**

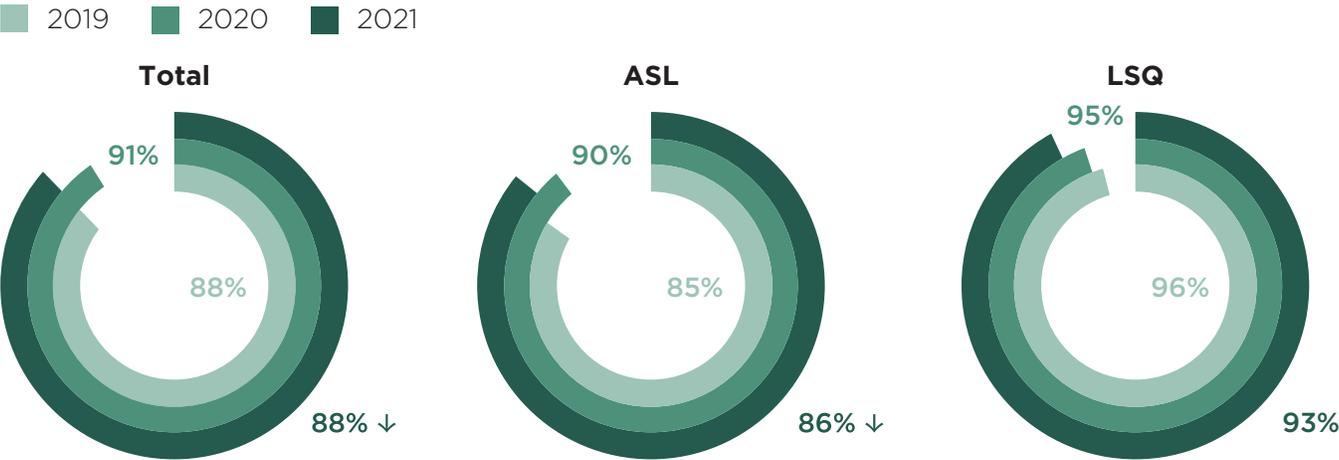
MONTH	SYSTEM UPTIME
October	99.98%
November	99.93%
December	99.95%
<b>TOTAL Q4</b>	<b>99.95%</b>

# INSIGHTS FROM THE 2021 CUSTOMER SATISFACTION SURVEY

Every year, CAV conducts a customer satisfaction survey to gain insight on how customers use **SRV Canada VRS** and to gauge satisfaction with existing and new applications, the performance of Video Interpreters and Customer Service Representatives, the impact of policies, and other related services and activities.

For the third consecutive year, customer satisfaction ratings were extraordinarily positive [Figure 6]. In a year when call volumes increased dramatically, and given the ongoing pandemic, this feedback confirmed that excellent service continued despite unpredictable conditions driven mainly by the pandemic and the work required to respond to the CRTC's Notice of Consultation.

### CONSISTENT HIGH SATISFACTION [Figure 6]



# 2021 COMMUNITY RELATIONS

The work of the Community Relations team is integral to the success of Canada VRS and its relationships with customers. Launched formally in 2020, the CAV Connect Program, a video-based outreach program, grew significantly stronger in 2021 by leveraging its experience to reach and engage participants across Canada.

**The CAV Connect logo illustrates the ASL and LSQ languages. The hand holding up three fingers is the sign for ASL, and the hand showing five fingers is the sign for LSQ.**



## 2021 CAV CONNECT RESULTS

<p>A little over 100 Zoom events reaching 600-plus participants</p>	<p>Regularly posted messages on Facebook to promote app releases, new staff and new members on the Board of Directors, regulatory news, celebration of holidays, and more</p>
<p>Almost 200 videos produced in ASL/LSQ to complement Facebook and website content</p>	<p>Produced 2 multi-media newsletters to celebrate 5 years of Canada VRS and the December holiday</p>
	<p>Launched a new LinkedIn account to reach professional audiences and stakeholders</p>

# COMMUNITY RELATIONS TEAM



Top row: Pamela Witcher, Diane Underschultz, Jo-Anne Bryan.  
Bottom row: Bree Sproule, Patrick Lazure, Bryan Johnson.

# UPDATING TECHNOLOGIES AND APPS

## ADVANCING VI SERVICES

In 2021, CAV's technical development work focused primarily on its Video Interpreter Providers (VIPs) and 300-plus Video Interpreters (VIs) who continued to work remotely under pandemic conditions. Begun as a pilot project in 2020 when the pandemic was declared, CAV has been working to provide VIs with "remote work centric" workstation tools and functionality. The net benefit increases not just the quality and productivity of their work but enables greater flexibility in where they work. These new tools and functionalities also translate to an improved customer experience.

## DELIVERING NEW CUSTOMER APPS

Innovative, and easy to use. Those are the criteria CAV focuses on when it develops new customer apps or improves existing ones.

For customers on the go – physically fit and relying on their mobile phones to get through their day – CAV worked with Fitbit in 2021 to enable Canada VRS call notifications on their Versa 2, Versa 3, Charge 4 and Sense watches. Now, customers out for a run or on their bike can be notified when that important call comes in.



Increasingly, Canada VRS customers prefer their mobile devices to make and receive Canada VRS calls. So, it makes sense to mirror the services already available on their desktop devices. In 2021, "Live Chat" to Customer Service – already available on the **SRV Canada VRS** website – was introduced as a mobile app, making access to Customer Service Representatives (CSRs) easier and more convenient. The mobile version of Live Chat is simple and elegant: the customer simply clicks and connects with a CSR with their camera. And, judging by early adoption, it is a popular mobile feature.

### 3-DIGIT DIALING

In Canada, availability of 3-digit numbers to access important services is not centralized or universally available, except for 9-1-1. Some 3-digit numbers only work regionally, others serve different purposes in different regions, while still others do not work on voice over Internet protocol (VoIP) – the network over which Canada VRS is delivered.

In 2021, as part of its advocacy work for the Deaf and hard of hearing, CAV collaborated with its VoIP providers to enable 3-digit capability for two important services: 8-1-1 for telehealth services, and 5-1-1 for traffic information and updates. These services were available, but customers had to dial their 10-digit equivalent numbers to access the services. While not yet available in every province and territory, 8-1-1 and 5-1-1 numbers bridge the gap in services for the Deaf that hearing Canadians have general access to.



I have full freedom.  
Of my own accord,  
I can call anytime,  
anyone, anywhere!

- EVAN HUSACK



# IMPROVING THE SRV CANADA VRS WEBSITE

Over the past five years, the **SRV Canada VRS** website has become a comprehensive portal and the “go to” place for everything related to VRS, from learning about the **User Agreement** and **Privacy Policy** of the service to exploring and downloading apps, getting customer resources and support, discovering a wealth of community events, and so much more. The new formats make navigating the website easier than ever.

In 2021, the website benefited significantly from CAV’s overall commitment to deliver more information in iconographic, infographic and with additional video content. In addition, content was kept fresh to reflect the many service improvements made throughout the year.





## FACEBOOK

Facebook continues to be a popular and growing community gathering point for Canada VRS customers. In 2021, Canada VRS ASL and LSQ pages grew by roughly 9%, with more than 220 new messages posted during the period. Information on this platform is broad – ranging from notices to customers about software updates to friendly messages wishing everyone a happy Canada Day. In short, it is a community hub for all news and information related to VRS.



## LANGUAGE CHART - TOTAL MEMBERS

LANGUAGE	2020	2021
ASL	1,645	1,753
LSQ	1,062	1,192

**Update to Canada VRS app version 1.1.0**



**in your app store.**



**Live Chat is available on mobile!**



Click on the Live Chat button, and select either video or text to communicate with the Customer Service



## YOUTUBE

The explosive growth in video production and publishing by the CAV team is no more apparent than on the **SRV Canada VRS** YouTube channels, where all videos are posted. Here is where the talent and commitment of CAV staff are displayed – in writing, translation, video production and editing, and maximizing the YouTube platform to get clear messages to customers quickly and efficiently. In just 2021 alone, almost 200 new videos were posted to YouTube in ASL and LSQ.



### YOUTUBE - 2021 METRICS

LANGUAGE	SUBSCRIBERS	VIDEOS
ASL	558	157
LSQ	474	156

## CRTC NOTICE OF CONSULTATION

In March, the Canadian Radio-Television and Telecommunications Commission (CRTC) issued Telecom Notice of Consultation CRTC 2021-102. The notice is part of the CRTC's policy for VRS which, when it was adopted, called for a comprehensive review of the service after three years in operation. This review – covering all aspects of Canada VRS since its inception – would have begun earlier but was delayed due to the COVID-19 pandemic, pushing the procedure into 2022.

For CAV, the Notice of Consultation is a welcomed undertaking, presenting a formal opportunity to comprehensively disclose and showcase the development, implementation and results of the work in the past five years to build **SRV Canada VRS** from a concept into a national telecommunications service.

When Canada VRS launched, I was very excited! My life has become more independent. I am grateful that it has improved my work, business, and family life.

- MARIE JOSÉE CRAWFORD



# LOOKING AHEAD

CAV's agenda for 2022 is an ambitious one, and will leverage the professional skills, innovative thinking and energy of its staff. The following is a brief highlight of its many plans:

- Responding to relevant regulatory proceedings including the ongoing VRS Notice of Consultation, 3-digit Mental Health initiative, as well as annual budget and Annual Report filings.
- Improvements to VI workstations will continue to be CAV's number 1 priority as VIs will continue to work remotely.
- Kicking off the development of the Next Generation Mobile apps which will incorporate much of the functionality and aesthetics of the Next Generation PC and Mac apps.



My experience with VRS is that it is really cool. It kind of feels like magic. And the interpreters make it very easy to communicate.

- JORDAN SAMONAS



# FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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# INDEPENDENT AUDITOR'S REPORT

**To the Members of the Board of Directors of Canadian Administrator of VRS (CAV), Inc.**

## **Opinion**

We have audited the financial statements of Canadian Administrator of VRS (CAV), Inc./Administrateur canadien du SRV (ACS), inc. (the "Organization"), which comprise the statement of financial position as at December 31, 2021, statement of operations and 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 the Organization as at December 31, 2021, 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 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.

**Responsibilities of Management and Those Charged with Governance 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 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.

# INDEPENDENT AUDITOR'S REPORT (CONT)

## Auditor's Responsibilities for the Audit of the Financial Statements (cont)

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.

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

May 11, 2022

# STATEMENT OF FINANCIAL POSITION

## ASSETS

DECEMBER 31		2021	2020
CURRENT	CASH	\$4,123,759	\$2,594,826
	SHORT TERM INVESTMENTS (NOTE 2)	\$504,675	\$1,502,532
	PREPAID EXPENSES	\$26,701	\$25,775
		\$4,655,135	\$4,123,133
CAPITAL ASSETS (NOTE 3)		\$33,828	\$34,328
INTANGIBLE ASSETS (NOTE 4)		\$1,162,697	\$1,187,152
		\$5,851,660	\$5,344,613

## LIABILITIES AND NET ASSETS

DECEMBER 31		2021	2020
CURRENT	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (NOTE 5)	\$2,320,660	\$2,188,360
DEFERRED CONTRIBUTIONS (NOTE 6)		\$2,334,475	\$1,934,773
DEFERRED CAPITAL CONTRIBUTIONS (NOTE 6)		\$1,196,525	\$1,221,480
		\$5,851,660	\$5,344,613

On behalf of the Board:

\_\_\_\_\_

\_\_\_\_\_

Director

Director

# STATEMENT OF OPERATIONS AND NET ASSETS

DECEMBER 31		2021	2020
REVENUE	CONTRIBUTIONS (NOTE 11)	\$26,513,314	\$23,686,395
	AMORTIZATION OF CAPITAL CONTRIBUTIONS (NOTE 7)	\$373,660	\$154,767
		\$26,886,974	\$23,841,162
EXPIDENTURES	DIRECT OPERATIONS (NOTE 9)	\$24,137,260	\$21,438,101
	GENERAL AND ADMINISTRATION	\$2,372,933	\$2,245,211
	AMORTIZATION ON INTANGIBLE ASSETS	\$353,344	\$128,605
	AMORTIZATION ON CAPITAL ASSETS	\$20,316	\$26,162
	INTEREST AND BANK CHARGES	\$3,121	\$3,083
		\$26,886,974	\$23,841,162
EXCESS OF REVENUE OVER EXPIDENTURES FOR THE YEAR		-	-

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31		2021	2020
<b>CASH PROVIDED BY (USED IN)</b>			
<b>OPERATING ACTIVITIES</b>	EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	-	-
	ADJUSTMENTS TO RECONCILE EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR TO CASH FROM OPERATIONS	-	-
	AMORTIZATION OF CAPITAL ASSETS	\$20,316	\$26,164
	AMORTIZATION OF INTANGIBLE ASSETS	\$353,344	\$128,603
	AMORTIZATION OF DEFERRED CAPITAL CONTRIBUTIONS	(\$373,660)	(\$154,767)
	ACCRUED INTEREST ON SHORT-TERM INVESTMENTS	(\$4,675)	(\$2,532)
	CHANGES IN NON-CASH WORKING CAPITAL BALANCES	-	-
	PREPAID EXPENSES	(\$926)	(\$5,917)
	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$132,300	\$555,436
	CURRENT PORTION OF DEFERRED CONTRIBUTIONS	-	(\$6,009,753)
	DEFERRED CONTRIBUTIONS	\$399,702	(\$2,000,592)
	<b>\$526,401</b>	<b>(\$7,463,358)</b>	

# STATEMENT OF CASH FLOWS (CONT)

FOR THE YEAR ENDED DECEMBER 31		2021	2020
<b>CASH PROVIDED BY (USED IN)</b>			
<b>INVESTING ACTIVITIES</b>	PURCHASE OF SHORT-TERM INVESTMENTS	(\$500,000)	(\$1,500,000)
	PROCEEDS ON SALE OF SHORT-TERM INVESTMENTS	\$1,502,532	\$7,638,352
	PURCHASE OF CAPITAL ASSETS	(\$19,816)	(\$19,282)
	PURCHASE OF INTANGIBLE ASSETS	(\$328,889)	(\$461,801)
		<b>\$653,827</b>	<b>\$5,657,269</b>
<b>FINANCING ACTIVITY</b>	DEFERRED CAPITAL CONTRIBUTIONS RECEIVED	\$348,705	\$481,083
<b>INCREASE (DECREASE) IN CASH DURING THE YEAR</b>		<b>\$1,528,933</b>	<b>(\$1,325,006)</b>
<b>CASH</b>	BEGINNING OF YEAR	\$2,594,826	\$3,919,832
	END OF YEAR	\$4,123,759	\$2,594,826

# NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2021**

## 1. Significant Accounting Policies

### Nature of Organization

In April of 2014, the Canadian Radio-television and Tele-communications Commission (“CRTC”) released Telecom Regulatory Policy Decision CRTC 2014 187, which established Video relay service administrator (“VRS administrator”). The mandate of the VRS administrator was set out in CRTC Telecom Regulatory Policy CRTC 2014 656 to: provide national video relay service (“VRS”) in Canada, in both American Sign Language and Langue des signes quebecoise; ensure that Deaf and Hard of Hearing individuals can communicate to hearing users using similar telecommunications facilities; provide VRS in as efficient a manner as possible, in accordance with the requirements of the CRTC; and do all things in furtherance of the forgoing.

The Canadian Administrator of VRS (CAV), Inc./Administrateur canadien du SRV (ACS), inc. (“CAV”) was incorporated without share capital under the Canada Not-for-profit Corporations Act to fulfil this mandate.

The CAV operates on a not-for-profit basis and, as such, is exempt from income tax pursuant to section 149(1)(l) of the Income Tax Act.

### Basis of Accounting

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

### Capital Assets

Capital assets are recorded at cost and are amortized over the estimated useful lives as follows:

Computer equipment - 3 years straight-line

Furniture and fixtures - 5 years straight-line

Leasehold improvements - Over term of the lease

### Intangibles

Intangibles are recorded at cost and are amortized over 4 years.

### Revenue Recognition

The Organization follows the deferral method of accounting for revenue. Unrestricted contributions, if any, are recognized as revenue when received while restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Contributions that are used to acquire capital assets or intangibles are deferred and recognized as revenue along with the amortization of the asset acquired.

# NOTES TO FINANCIAL STATEMENTS (CONT)

## **Foreign Currency**

Foreign currency accounts are translated into Canadian dollars as follows:

At the transaction date, each liability, and expense is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year end date, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in income in the current period.

## **Use of Estimates**

The preparation of financial statements in conformity 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 at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates as additional information becomes available in the future.

## **Financial Instruments**

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, short-term investments are reported at fair value, with unrealized gains and losses included in contributions. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be

impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

## **Employee Benefits**

The Organization maintains an RRSP program for its employees. The employer contributes up to 6% of the employee's gross earnings. Employees are encouraged to contribute as they are able. The related expense for the year was \$22,103 (2020 - \$20,686).

## NOTES TO FINANCIAL STATEMENTS (CONT)

2. SHORT-TERM INVESTMENTS	2021	2020
TERM DEPOSITS	\$504,675	\$1,502,532
The term deposit is cashable, earns interest of 0.76% (2020 - 0.70% to 0.76%) and matures in April 2022 (2020 - April 2021 to April 2022).		

3. CAPITAL ASSETS	2021		2020	
	COST	ACCUMULATED AMORTIZATION	COST	ACCUMULATED AMORTIZATION
COMPUTER EQUIPMENT	\$62,698	\$43,996	\$51,502	\$32,514
FURNITURE AND FIXTURES	\$47,863	\$39,787	\$41,043	\$33,303
LEASEHOLD IMPROVEMENTS	\$21,859	\$21,859	\$21,859	\$19,509
ARTWORK	\$7,050	-	\$5,250	-
	\$139,470	\$105,642	\$119,654	\$85,326
CARRYING AMOUNT		\$33,828		\$34,328

4. INTANGIBLE ASSETS	2021		2020	
	COST	ACCUMULATED AMORTIZATION	COST	ACCUMULATED AMORTIZATION
COMPUTER SOFTWARE	\$2,465,688	\$1,302,991	\$2,136,798	\$949,646
CARRYING AMOUNT		\$1,162,697		\$1,187,152

# NOTES TO FINANCIAL STATEMENTS (CONT)

## 5. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities is \$8,037 (2020 - \$24,342) owing to governments in respect of sales and payroll taxes.

## 6. Deferred Contributions

Deferred contributions consist of non-capital contributions received in advance for which the anticipated expenses have not yet occurred. To date, the Organization has received \$2,334,475 (2020 - \$1,934,773) of contributions over expenditures and \$nil has been designated as current deferred contributions.

6. DEFERRED CONTRIBUTIONS	2021	2020
CURRENT AND LONG-TERM BALANCE, BEGINNING OF YEAR	\$1,934,773	\$9,945,118
FUNDING RECEIVED	\$26,913,016	\$15,676,050
CONTRIBUTIONS RECOGNIZED IN THE YEAR	(\$26,513,314)	(\$23,686,395)
CURRENT AND LONG-TERM BALANCE, END OF YEAR	\$2,334,475	\$1,934,773
CURRENT PORTION - ESTIMATED SURPLUS SUBMITTED TO CRTG	-	-
LONG-TERM PORTION, END OF YEAR	\$2,334,475	\$1,934,773
<p>The actual deficit for fiscal 2021 was \$615,668 (2020 - \$1,876,199), which was \$1,003,033 below (2020 - \$850,584) the estimate of \$1,618,701 deficit (2020 - \$1,025,614).</p>		

# NOTES TO FINANCIAL STATEMENTS (CONT)

## 7. Deferred Capital Contributions

The Organization has received annual contributions from the National Contribution Fund for the purchase of capital and intangible assets.

7. DEFERRED CAPITAL CONTRIBUTIONS	2021	2020
BALANCE, BEGINNING OF YEAR	\$1,221,480	\$895,164
FUNDING RECEIVED	\$348,705	\$481,083
AMORTIZATION OF DEFERRED CAPITAL CONTRIBUTIONS	(\$373,660)	(\$154,767)
BALANCE, END OF YEAR	\$1,196,525	\$1,221,480

# NOTES TO FINANCIAL STATEMENTS (CONT)

## 8. Commitments

The minimum payments under the operating lease for CAV's headquarters and contract services, excluding the contracts disclosed under contracts for direct operations for the Organization are as follows:

2022	\$287,203
2023	\$85,243
2024	\$86,560
2025	\$87,876
2026	\$22,051
	\$568,933

### Contracts For Direct Operations

The Organization has entered into five contracts with various service providers who provide the technology platform and interpretation services being offered to the public. The contracts are generally four years in length with one to two year extensions signed in subsequent years and commenced in later 2015 to mid 2017. The projected payment amounts are between \$14.4 million and \$68.8 million depending on the assumptions for length of contracts, system usage and legal environments. The projected costs are based on current trends in growth of the subscriber base and the per customer use of the systems.

## 9. Related Party Transactions

In 2021, the Organization remitted \$nil (2020 - \$27,120) for quality assurance services received from a permanent invitee of the Board of Directors. The costs are included in direct operations expenses in the statement of operations. The transaction was in the normal course of operations and is recorded at the exchange amount, which is the amount agreed upon by the related parties.

## 10. Financial Instrument Risk

### Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of its short-term investments. This risk has not changed from prior year.

# NOTES TO FINANCIAL STATEMENTS (CONT)

## 11. Economic Dependence

The Organization's budget is approved annually by the CRTC and is paid through the National Contribution Fund (NCF) based on a submission by the Organization to the CRTC made in the year prior to the funding year. One twelfth of the annual approved funding is disbursed each month. In 2021, as per Telecom Decision CRTC 2020 394, the approved funding level was \$27,251,477 (2020 - \$16,032,739) or \$2,270,956 (2020 - \$1,336,061) per month, starting in January of 2021. Interim Funding was approved for the 2022 calendar year as per Telecom Decision CRTC 2021-429.

In July of 2021, the Organization filed its 2022 budget with the CRTC. Given the increase in call volumes the projected requirements for 2022 were \$32.5 million, which amount included a \$3 million contingency over and above the projected spend.

This \$3 million amount was adopted as a matter of prudent financial policy by the Board of Directors on February 25, 2021. However, the Organization was limited to \$30 million of funding per year as per Telecom Regulatory Policy CRTC 2014-187. Therefore, the request for 2022 funding was for \$30 million, with the statement that if the Organization were to find itself short of funds, additional emergency requests might follow.

The Organization also undertook several cost savings measures, the most significant of which was to renegotiate its contracts with its VI Service providers. The budget filed with the CRTC included the approximately \$1 million in savings from the reduced prices for the year.

On 17 November 2021, in Telecom Decision 2021-429, the CRTC approved the Organization's 2022 funding request for \$30M dollars, on an "interim basis". A final decision is expected in 2022.

The Organization will file its 2023 budget in July of 2022 as per the usual process. Since the 2022 budget projection (including the reserve of \$3 million) exceeded the funding cap of \$30 million, it is quite likely that the 2023 budget will also exceed the cap. Adding to the general increased usage of VRS is an accelerated inflationary environment. It is the Organization's expectation that, as an outcome of its review, the CRTC will raise the Organization's funding cap. However, the adjustment will likely not be in time to be incorporated into the 2023 budget submission. Therefore, the Organization may have to take additional actions such as requesting additional interim funding (which approval is not guaranteed) or limiting expenditures, which could have short or longer term service impacts.

## 12. Notice of Consultation

In Telecom Regulatory Policy CRTC 2014-187, the CRTC determined that the Organization should undergo a review of Canada VRS 3 years following the launch of the service. Because of delays attributable to COVID and other factors, the current review (CRTC 2021-102) started March 11, 2021. A final decision is expected to come in 2023.

# NOTES TO FINANCIAL STATEMENTS (CONT)

The review is a public proceeding and the CRTC requested and received extensive operational information as well as the Organization's assessments of the impact of current and future projected operations on the amount of funding that will be required.

Once the CRTC issues its decision, the Organization will have a better idea of any potential impacts of changes in service requirements or other factors mandated by the CRTC decision.

## 13. COVID-19 Impact

On March 11, 2020 the World Health Organization declared the outbreak of the coronavirus (COVID-19) pandemic. CRTC identified the Organization as an essential service, and therefore not subject to closure during the pandemic. Call time and costs increased substantially during 2020 starting in March, such that the growth from 2019 to 2020 was 51% in call time and 31% in total costs. From 2020 to 2021 (both mostly COVID years), the growth rate of both call time and overall expenditures was in the 12% range, similar to pre-COVID growth rates. This may indicate that the growth rate has stabilized, albeit growing from a higher baseline.

In order to meet the increased demand and also provide safety for the video interpreters (VIs) providing the VRS service, the Organization implemented a program to allow and support VIs working remotely. As of the end of the 2021, over 80% of the service was being provided remotely. Given the daily evolution of the COVID-19 outbreak and the global response to curb its spread, the Organization is not able to estimate the full effects of COVID-19 outbreak on its future operations at this time.