

# ACCESS IS OPPORTUNITY

CAV-ACS  
ANNUAL REPORT  
2017



**CAV-ACS**

Canadian Administrator of VRS (CAV), Inc.  
Administrateur canadien du SRV (ACS), inc.

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# MESSAGE FROM THE EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER



I am pleased to present the 2017 annual report for the Canadian Administrator of VRS, Inc. (CAV).

You may notice that the theme of this year's annual report – access is opportunity – is the same as last year's. Why? The answer is simple: because our many plans and activities continued to be driven by a belief that SRV Canada VRS is an enabling tool that provides Deaf and Hard of Hearing Canadians with easy access to greater opportunities.

At the beginning of the year, SRV Canada VRS was still very much in its infancy, with just three months in operation and still plenty to prove. So, we set ambitious goals for continuous growth and improvement for your VRS. In equal measures, we focused on building our customer base, making our technology

platform and video interpreter services more robust and reliable, and reaching into communities across Canada to raise awareness about our new and powerful communications tool.

Our confidence in the potential of SRV Canada VRS was perhaps no more evident than our planned scale-up in hours of operation through the year, culminating in 24/7 service across Canada on October 2.

I am equally proud of the progress of our community relations program. Through the year, we held more than 40 workshops and meetings across Canada, connecting with hundreds of people in ASL and LSQ communities. At these meetings, we raised awareness about SRV Canada VRS and helped people register and use the service. It also was an opportunity for us

to learn what our customers want and need. Many of the ideas they shared with us have informed service improvements and supporting information made throughout the year, like our “how to” video guides.

With the solid progress we made in 2017, we can proudly state that SRV Canada VRS is now a robust and professional national telecommunications service.

By year's end, SRV Canada VRS had more than 5,000 registered customers – an impressive figure on many levels. Our success could not have been possible without the confidence our customers placed in us, or the commitment of our technology and video interpreter providers to deliver high quality service even in a period of rapid growth and change. In addition, the trust and support of the CAV Board of Directors throughout the year was greatly appreciated.

SRV Canada VRS is an ongoing journey of learning and growth. I look forward to what the coming year has to bring.

A handwritten signature in black ink, appearing to read "Sue Decker". The signature is fluid and cursive.

**Sue Decker**

Executive Director and  
Chief Executive Officer

# MESSAGE FROM THE CHAIR



It was an honour to serve as Chair of the CAV Board of Directors during SRV Canada VRS' first full year of operations. Every year brings with it a new set of issues and opportunities. This year was perhaps the most exciting to date, as the Board worked together to support the pace of growth set by our Executive Director, Sue Decker and her team of professionals. In 2017, confirming a place in Canada for a robust national video relay service for the Deaf and Hard of Hearing was, on

its own, an important achievement. But it was much more than that. As you will see in the facts, figures and anecdotes on the pages of this year's annual report, SRV Canada VRS has quickly become an enabling tool for access to more opportunities - from simple conversations to conducting job interviews. The real power of SRV Canada VRS is not just that it is easy to use, it is about the potential it brings to open up the world.

I want to express my gratitude to the Board for its role in

supporting important decisions throughout the year: approving the work to scale up to 24/7 service so early in SRV Canada VRS' life-stage, and for supporting the increase in video interpreter services to accommodate the growth in the customer base and call volumes.

I also want to thank Sue Decker and her team for their energy and imagination - not to mention their strong work ethic - in making SRV Canada VRS a highly professional and reliable service on every level of its operations. Well done!

A handwritten signature in black ink, appearing to read 'Cynthia Benoit', with a long horizontal flourish extending to the right.

**Cynthia Benoit**

Chair of the Board of Directors

# THE 2017 BOARD OF DIRECTORS OF THE CANADIAN ADMINISTRATOR OF VRS (CAV)



**From left to right:** Tony D'Onofrio, Director; Cynthia Benoit, Chair of the Board of Directors; Anne Missud, Permanent Invitee; Eric Edora, Director; Sue Decker, Executive Director and Chief Executive Officer; Lisa Anderson-Kellett, Director; Jonathan Daniels, Director; Suzanne Laforest, Director; Marty Taylor, Permanent Invitee; Gary Birch, Director. Note: During 2017 Nigel Howard was appointed to replace Suzanne Laforest. Scott Fletcher, Secretary of the Board of Directors, is not shown.

## CAV STAFF



**From left to right:** Pamela Witcher, Community Relations Specialist; Sue Decker, Executive Director and Chief Executive Officer; Jonathan Masters, Acting Chief Financial Officer and Chief Operating Officer; Ellen Thomas, Executive Assistant, Martine Beauchemin, Product Manager (not pictured).

# ABOUT CAV



The Canadian Administrator of VRS (CAV), Inc., or CAV is a not-for-profit 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 or Hard of Hearing 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.

CAV and its Board of Directors are responsible for Canada's national VRS - SRV Canada VRS - which is available to ASL and LSQ users.

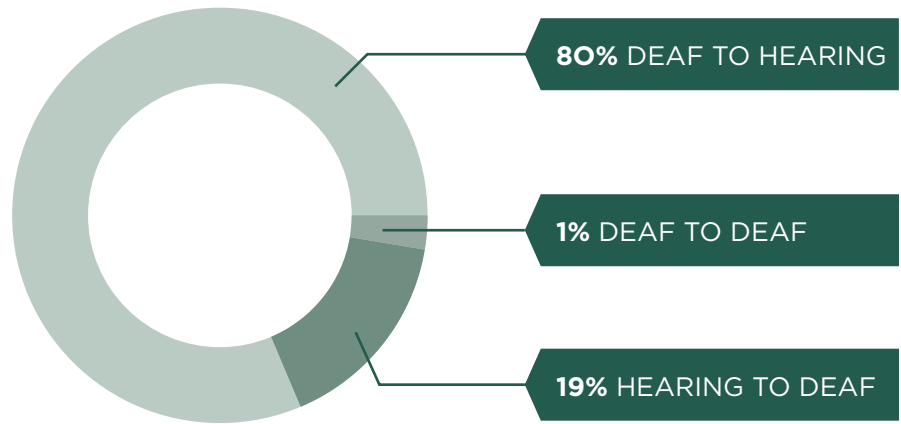
# THE YEAR IN REVIEW

The energy and pace that CAV set for itself in 2016 to launch SRV Canada VRS carried into its first full year of operations. Driving this commitment was a firm belief that Canada's Deaf and Hard of Hearing communities are equal among Canadians and deserve the same benefits afforded by today's communication technologies and related services.

CAV's efforts in 2017 yielded sometimes surprising and very positive advances in service. Chief among them was a rapid expansion in hours of service. Equally important were the significant commitments to provide customers with practical information and support on how to use and get the most out of their VRS.

Service features were also enhanced and improved during the course of the year. A concerted effort was also made to engage directly with Canada's Deaf and Hard of Hearing community to understand their communication needs and how they want to use SRV Canada VRS.

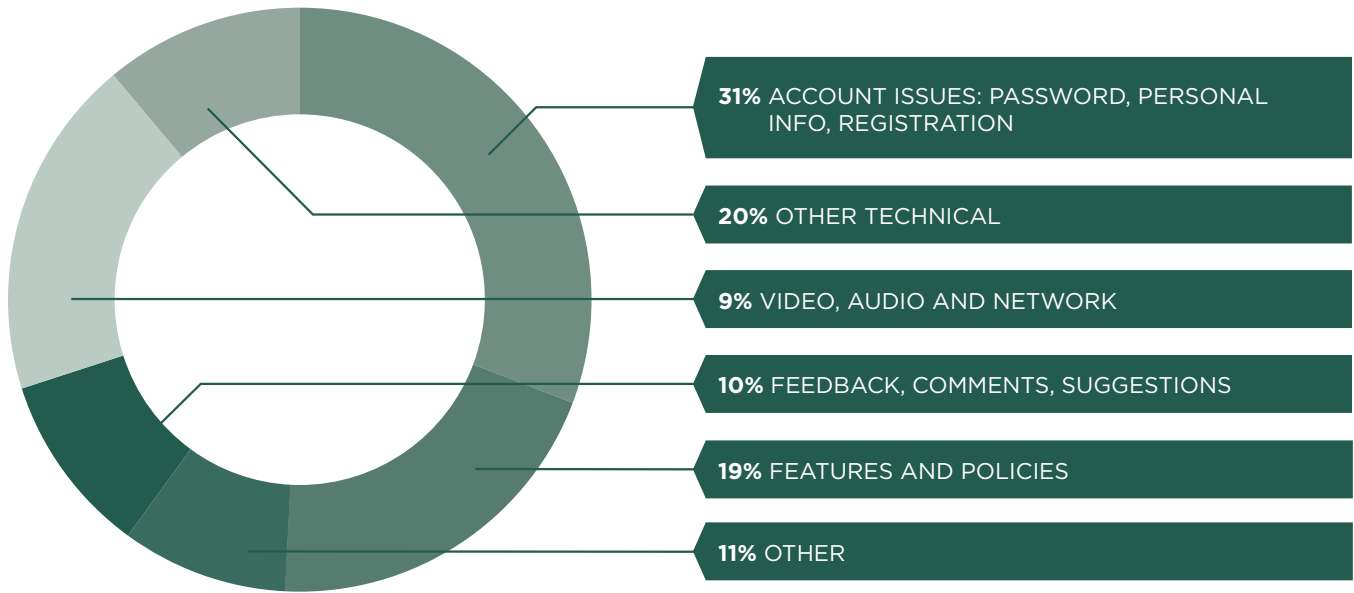
## | 2017 STATISTICS



\* The percentage of time the SRV Canada VRS system platform was operational counting normal hours of operation.

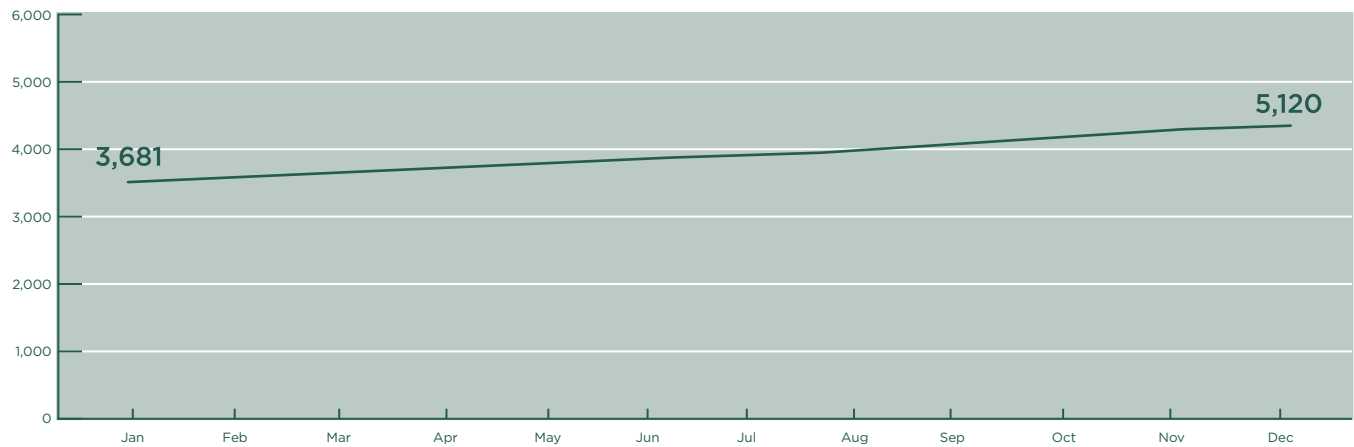
+ The average time a caller waited, starting when the call was received by the SRV Canada VRS system, before a VI answered.

## | CUSTOMER SERVICE INQUIRIES BY CATEGORY



## | 2017 GROWTH

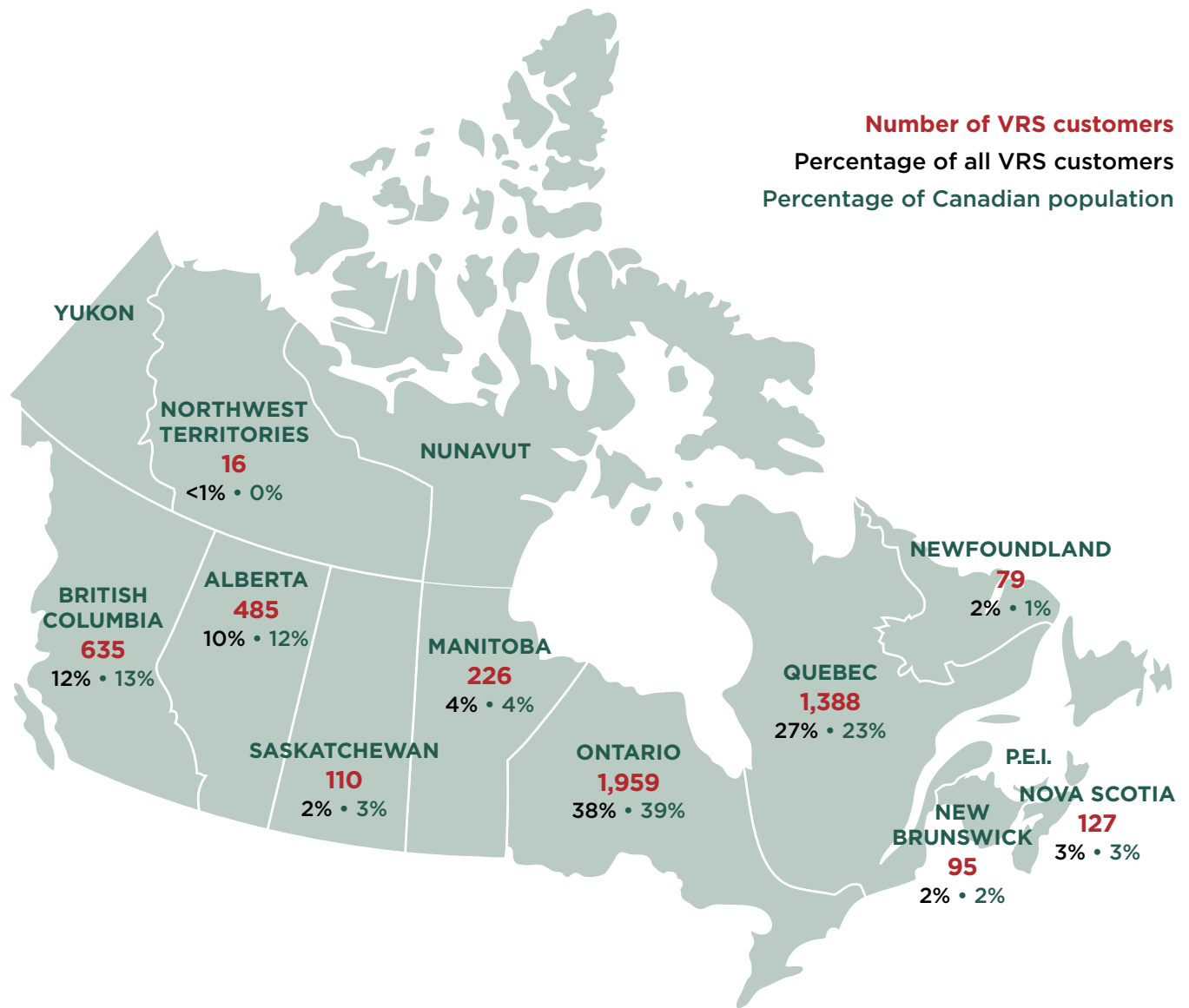
Customers growth rate +3.3% per month





## | TOTAL REGISTRATIONS BY PROVINCE/TERRITORY: 5,120

SRV Canada VRS grew rapidly in 2017. By year's end, there were 5,120 registered customers. Of this number, 70% were ASL customers, with the balance of 30%, LSQ users.





**PAMELA,  
CAV'S COMMUNITY  
RELATIONS  
SPECIALIST**

## **WITNESS TO EMPOWERMENT**

Pamela Witcher travelled to communities across Canada in 2017 to raise awareness about SRV Canada VRS. Customer Service Representatives also travelled with her to assist customers with registering for a new VRS number and to answer technical questions.

Helping to build an emerging national communication service has been a revealing experience. Through in-person and remote video-based sessions, Pamela witnessed people from every walk of life with a keen interest in the power of VRS and with many different reasons for appreciating the service.

## | ENHANCING SERVICE OFFERINGS

CAV's agenda for the growth and improvement of SRV Canada VRS in 2017 was ambitious. This agenda was divided along two basic lines: improvements to the technology platform and software, and in the areas of operations that enhance customer support and the overall user experience.

## | IMPROVING OUR TECHNOLOGY AND SOFTWARE

Introducing a new service requires paying close attention to what customers want and need. In 2017, the primary focus for improvements was to enhance the video and audio quality of the service. In addition to planned network, technical and software improvements, the customer experience for SRV Canada VRS became a simpler and more rewarding one.

Improvements are ongoing. CAV continues to work with IVès - our video platform provider - to make SRV Canada VRS more robust, reliable and worry-free for customers.

## | STRENGTHENING INTERPRETER RESOURCES

When SRV Canada VRS was launched, ASL and LSQ video interpreter (VI) resources played a key role in delivering on the CRTC-mandated hours of operation. With the expansion of service hours and the steady increase in call volumes, it was also important for VI services to grow accordingly.

Throughout 2017, CAV worked closely with Convo, SLIAO and Sivet - SRV Canada VRS' VI service providers - to ensure they would keep pace with growing customer demand. For them, this meant staffing around the clock, managing rigorous scheduling maintenance, ensuring appropriate ASL and LSQ VI resources were available during hours with low call volumes, and managing 9-1-1 emergency calls efficiently.

In addition, a new LSQ service provider was brought on board during the year to support the expansion in hours. Interprétation Signes et Paroles (ISEP) is an Ottawa-based company with expertise in visual interpretation services.

For Canada's interpreter community, the emergence of SRV Canada VRS as a communication service for Canada's Deaf and Hard of Hearing community

is a "win-win". For customers, it opens access to easier, more efficient and convenient communication. For interpreters, it is a source of rewarding employment.

## | MOVING TO 24/7 SERVICE

When the CRTC mandated a video relay service for Canada's Deaf and Hard of Hearing Community, it included providing 72 hours of service per week across Canada. To that end, when SRV Canada VRS was launched in September 2016, it was able to surpass the mandated minimum number of hours to offer 76 hours of service per week, weekdays from 8 a.m. to 8 p.m. (Eastern) and weekends from 11:00 a.m. to 7:00 p.m. (Eastern)

With the mandate for service hours capably met, CAV quickly aspired to make SRV Canada VRS available to customers on a 24/7 basis. In quick succession, more hours were added. Three hours per day were added on April 6 and again on June 30. Then, on SRV Canada VRS' first anniversary, CAV announced it would move to 24/7 beginning on October 2. Communication would now be fully convenient for customers and place them on an equal footing with the hearing world.

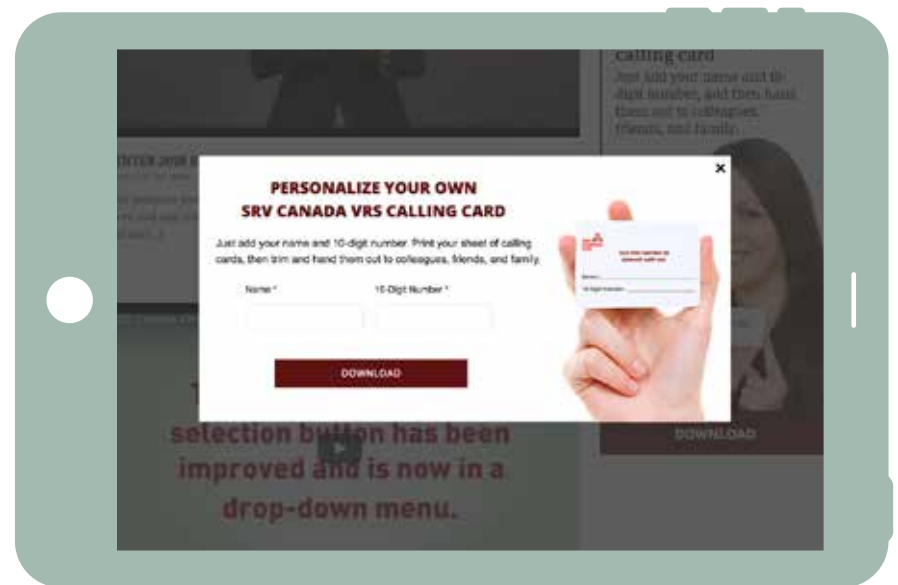
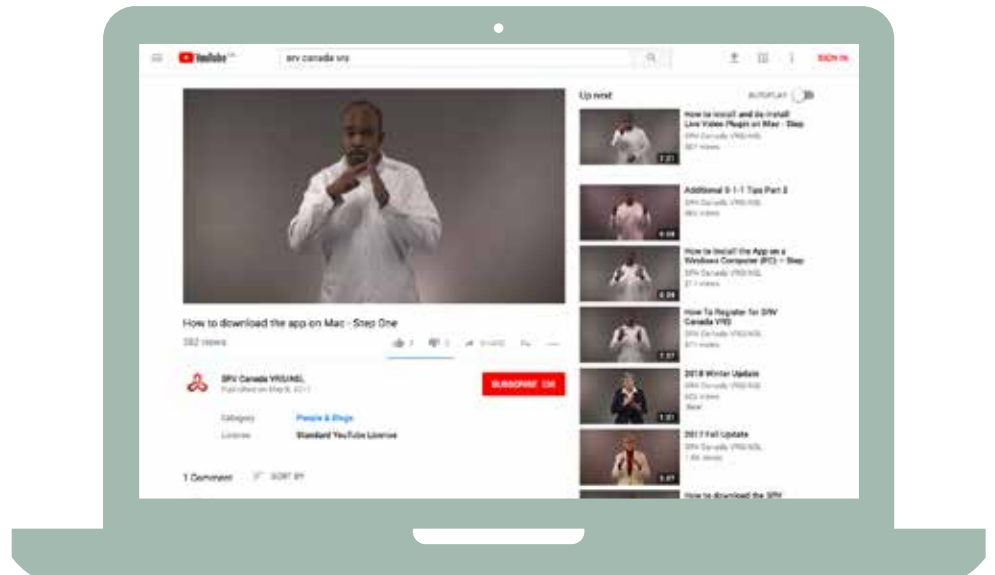
## | WELCOMING CHILDREN AND YOUTH

In 2017, CAV made and delivered on a commitment to offer video relay service to Deaf children and youth under the age of majority. On May 10, service was opened to youth with parental or guardian consent. Facilitating young Deaf people to be connected and self-sufficient at a young age will have life-long health and social benefits.

## | ADVANCES IN COMMUNICATIONS TOOLS

Even before the launch of SRV Canada VRS, CAV's priority was to provide clear and regular communication about the progress of the new service. This priority included a commitment to equality – to offer bilingual service and information in English/ASL and French/LSQ in all points of contact.

These early commitments were sustained in 2017 across all our platforms - email, web and social media – and when we connected with people in person through our customer service teams or as part of outreach opportunities. In addition to the regular video and email updates established in 2016, information



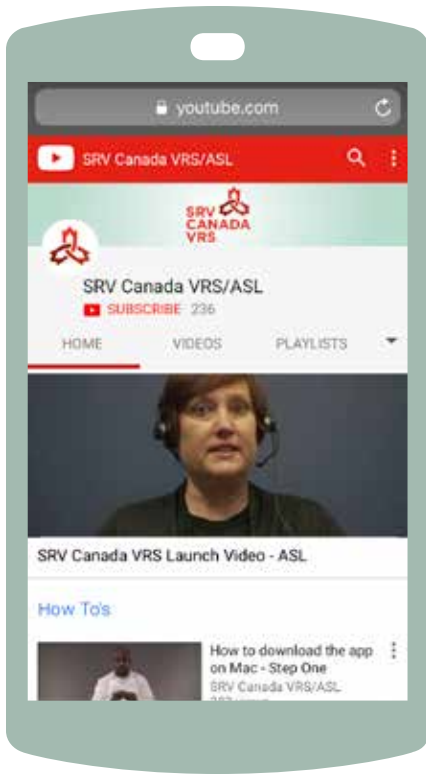
Bilingual 'how-to' videos. | SRV Canada VRS Calling Card

evolved to include new and practical information to help people become aware of the services, how to register and make the most of them.

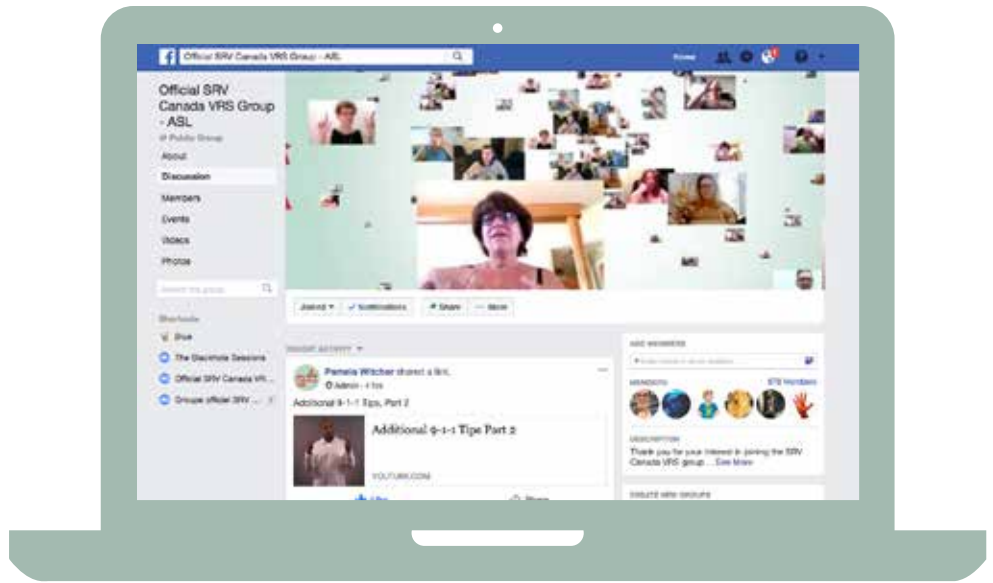
During the year, a series of bilingual 'how-to' videos - many inspired by customers, was developed to bring users up the SRV Canada VRS learning curve. They included videos on everything from how the service works, how to register for it and make calls, to how to connect to

9-1-1 services in an emergency and tips from VIs on how to get the most from the service.

In 2017, CAV also introduced the SRV Canada VRS Calling Card – a simple business card tool to enable customers to encourage their Deaf and hearing friends, family members, employers and service providers to reach them via VRS. Appearing as a pop-up on the SRV Canada VRS community page website, the Calling Card is a great way for customers



YouTube channel



Facebook page

to share their 10-digit number. More significantly, it sends a signal to the hearing world that they can reach their Deaf and Hard of Hearing friends, family and colleagues through a simple-to-use service.

## | OPENING MORE CHANNELS

In its first few months of operation, information and news about SRV Canada VRS was available primarily through the service website and via regular email messages to subscribers. Early in the year, ASL and LSQ Facebook and YouTube channels were launched to reach and communicate regularly with customers. By the end of the

year, they had become an important means to disseminate information and a significant part of the SRV Canada VRS communications culture.

## | COMMITMENTS TO COMMUNITY ENGAGEMENT

In early 2017, CAV signaled its commitment to build stronger links with the Deaf and Hard of Hearing community across Canada by hiring its first Community Relations Specialist.

In just the few short months since Pamela Witcher joined the SRV Canada VRS team, she has traveled from coast to coast, holding more than 40 workshops

and events with hundreds of participants, and placing SRV Canada VRS firmly on the map.

The impact of Pamela's direct contact with the Deaf and Hard of Hearing communities both in large cities and smaller communities can't be underestimated. Notwithstanding the power of modern channels to communicate – through email, texting, YouTube, Facebook, FaceTime and other means – there is no substitute for face-to-face meetings to raise awareness of the value and effectiveness of the made-for-Canada VRS, to help people along the learning curve of a new service, and to discover what people want and need as customers of SRV Canada VRS.

Through Pamela's tremendous efforts, many barriers to communication have fallen. From actions as simple as helping people register for the service to pointing customers in the direction of YouTube for videos that provide practical support, Pamela is helping people to connect with their personal and professional communities of interest in ways they could not in the past.

In addition to empowering individuals with effective tools to communicate with their families, friends, employers and service providers, Pamela Witcher's work as Community Relations Specialist is informing SRV Canada VRS' day-to-day operations and decision making. Her workshops and meetings are important first-hand intelligence-gathering opportunities that help the organization tailor information and resources about everything from registering for the service to placing 9-1-1 calls in an emergency. It is, in short, an invaluable investment in the quality of SRV Canada VRS and its future growth.

## | 1<sup>ST</sup> SERVICE YEAR CELEBRATION

On September 28, CAV took a moment out of its hectic schedule



Pamela Witcher at an SRV Canada VRS workshop.

**“Feeling the care and sense of empowerment from people as they receive the communication tools which can assist them is truly gratifying. Our customers range from very tech literate, to owners of their first computer. Registering for SRV Canada VRS and getting a personal 10-digit number is a landmark in self-sufficiency. I have seen also a sense of pride when we point people to our YouTube channel where information has been created – just for them – to use VRS.”**

Pamela Witcher, Community Relations Specialist

to mark SRV Canada VRS' first service year anniversary. In just a single year, it had more than 5,000 registered customers, and its 245 Video Interpreters located in 13 call centres had managed 280,000 VRS calls and logged 25,000 hours of VRS conversations.

With so much to celebrate, CAV hosted an open house at its office in Ottawa where members

of the region's Deaf and Hard of Hearing community mixed with staff, members of the Board of Directors, representatives from the CRTC and the video interpreter community, and many others to celebrate an important moment in history and for the empowerment and opportunity that comes with the access that VRS enables.



## | A MODEL FOR OTHER COUNTRIES

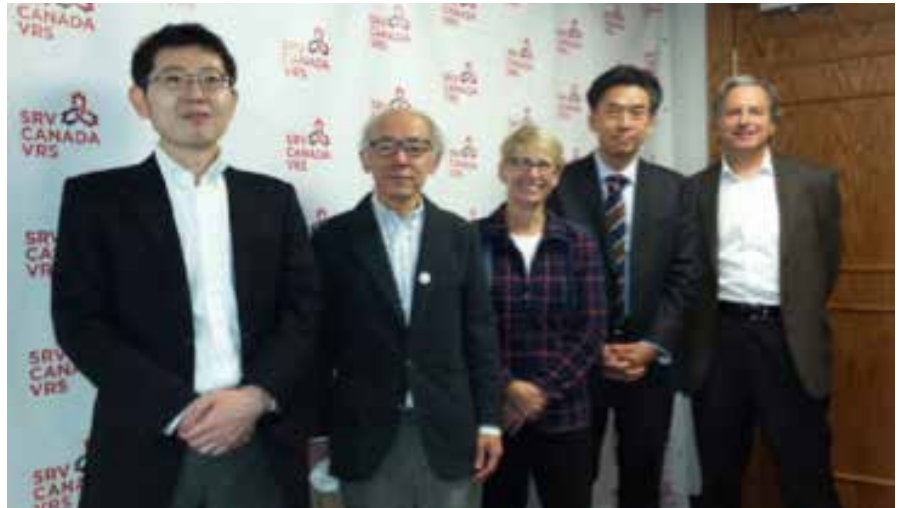
When word gets out that a high-quality video relay service has been built for a nation's Deaf citizens, people take notice.

In October, The Nippon Foundation of Japan paid a visit to SRV Canada VRS to learn about the Canadian VRS model. The Nippon Foundation has been managing a VRS pilot for some time, and was looking for ideas on how the SRV Canada VRS model might apply to their own country's context.

It was an honour to host the delegation. Separated by thousands of kilometres and differences in language and culture, Canada and Japan share in common a vision for empowering their Deaf citizens with tools to communicate and open the world to new opportunities. In addition to leaving with some good ideas, the Japanese delegation took with them SRV Canada VRS' best wishes for success.

## | TRUSTED PARTNER

The CRTC travelled every step of the way with CAV in 2017 on the progress achieved with SRV Canada VRS. As a trusted partner, CAV and the CRTC met



**From left to right:** Daiji Tateishi, Researcher; Yasunobu Ishii, Senior Program Director with The Nippon Foundation; Sue Decker, Executive Director of CAV; Kenji Takii, Special Advisor with The Nippon Foundation; and Jonathan Masters, Acting Chief Operations Officer, CAV.



**From left to right:** Jonathan Masters, Acting Chief Financial Officer and Chief Operating Officer; Nanao Kachi, Director, Policy Development and Research, CRTC; Sue Decker, Executive Director of CAV; Caroline Simard, Vice-Chair, Broadcasting, CRTC; Christine Laizner, Vice-Chair, Telecommunications, CRTC; and Ian Scott, Chair, CRTC.

regularly, and the latter participated in a number of special events including the first anniversary of SRV Canada VRS in September and the visit of the Nippon Foundation.

In addition, in December, CAV had the pleasure to welcome the CRTC's new Chair, Ian Scott, and members of his senior management team to learn about SRV Canada VRS and to offer their ongoing support.



**HOLLY GREEN,  
SRV CANADA VRS  
CUSTOMER**

## **EMPOWER TO SURPRISE**

When I got my VRS number set up, I thought “why not call my mother?” When I texted and asked her for her landline number, she was worried, saying “you’ve never asked me for that before, are you in trouble?”

When the interpreter explained the service to my mother, who can hear but is able to sign, she was so excited that we were able to use VRS instead of the 7-1-1 service!

The experience with my mother was so good I decided I could also call my grandmother, who’s in her 70s and is familiar with TTY but doesn’t like the delays and the awkward, chopped up conversations.

Phoning her was a sweet moment. Now we chat every week and we get caught up on each other’s news.

**SRV Canada VRS has changed my life!**



# A SNAPSHOT OF CUSTOMER SATISFACTION IN 2017

At the end of 2017, a survey of ASL and LSQ customers was conducted to gauge their satisfaction with the key features of SRV Canada VRS in its first year of operations.

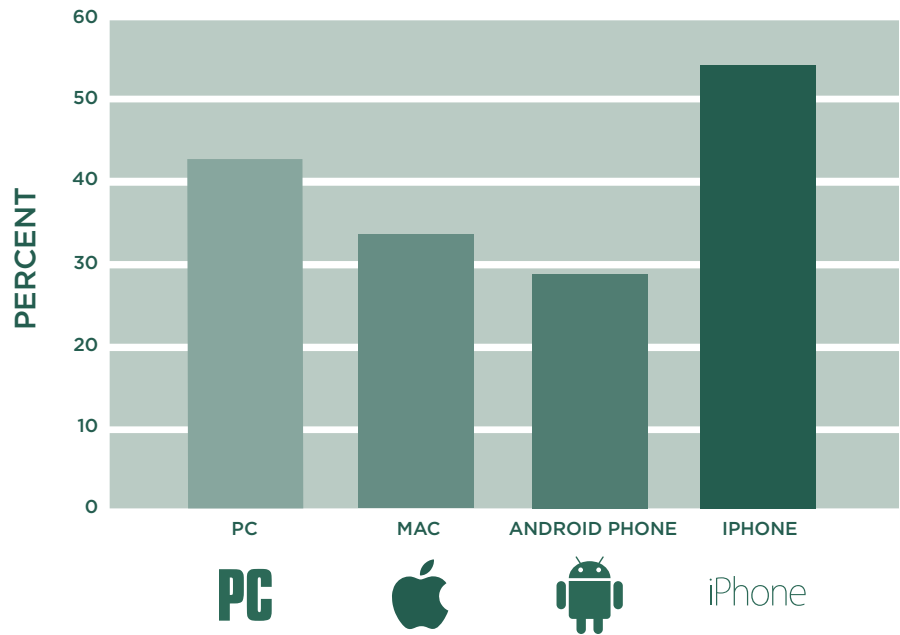
Distributed to every registered customer in English and French, with ASL and LSQ videos for each question, the survey response rate was excellent.

Overall, as the numbers below show, the survey conclusions validated both the vision and the hard work to build and deliver a consistently high-quality VRS across Canada, every day.

- 82% rate technical quality as good or excellent
- 88% rate video interpretation as good or excellent
- 94% say their lives have improved, with 74% stating their lives improve a lot or significantly

Other numbers in the survey results showed that CAV understood what its customers wanted in a made-for-Canada VRS and how they would use the service. For example, as the chart on this page indicates, SRV Canada VRS customers want the option not just to communicate via the web, but to use both mobile and desktop devices to reach their friends and family, and to make important transactions at work and in their personal lives.

## HOW SRV CANADA VRS CUSTOMERS USE THEIR VRS APP



**“Overall,... the survey conclusions validated both the vision and the hard work to build and deliver a consistently high-quality VRS across Canada, every day.”**

# LOOKING AHEAD TO 2018

In 2017, CAV worked all of its levers to advance and improve operations, its technology platform, customer service and experience, and community relations. In short, CAV succeeded in building SRV Canada VRS into a trusted and reliable Canadian telecommunications service.

Similar commitments – driven by the same energy and passion shown in the last year – are being planned for implementation in 2018.

## | GROWTH

While CAV continues to make inroads into the Deaf and Hard of Hearing community to increase registration and use of SRV Canada VRS services, there are also strategies in place to build awareness among key groups in both the Deaf and hearing communities.

Deaf and Hard of Hearing children and youth under the age of majority remain an important target for growth. Engagement with this demographic began in 2017, but opportunities for further advances will be explored and implemented.

The academic community and service providers like banks and

medical organizations are key partners in SRV Canada VRS's future success. In 2018, CAV will implement a national public service campaign to build awareness about how SRV Canada VRS works.

## | SERVICE IMPROVEMENTS

With 24/7 VRS service now in place, CAV's commitment for 2018 and beyond will be to improve and refine existing services, and to develop and offer new service features. As Canada's telecommunications service for the Deaf and Hard of Hearing, CAV is committed to:

- Increasing access and ease of use of the service and applications.
- Making the technology platform more robust and reliable.
- Working with Video Interpreters to sustain and improve quality of service.
- Continuing to develop learning tools and make them widely available through web-based channels to enable customers to get the most out of their VRS.

## | COMMUNITY RELATIONS

Reaching communities through workshops and meetings will continue in the coming year. Because the country is so large and with customers spread out in every province and territory, a plan will be implemented during the year to add more community relations specialists to represent SRV Canada VRS and equip them with the training, information and tools they need to help new and existing customers with the service.



**ROXANNE,  
DIRECTOR OF VIDEO  
INTERPRETING  
SLIAO**

## **EMPOWERED TO CLARIFY**

As Director of Video Interpreting at Sign Language Interpreting Associates Ottawa (SLIAO) and an ASL-English interpreter, Roxanne Whiting is witnessing firsthand the increasingly creative ways customers are using SRV Canada VRS.

Sometimes, VRS is used in combination with text messaging. A Deaf customer will text a friend or contact in a business or service organization to arrange a time for a VRS call, and ask them not to hang up when they see an unfamiliar number on the call display or hear the video interpreter introduce the call.

In other cases, VRS is used to ensure a customer gets exactly what they want when they sit for a hair appointment. They call their stylist in advance and by describing what they want through an interpreted discussion, they can reduce or eliminate miscommunication, surprise or disappointment in their haircut.

SRV Canada VRS enables more meaningful conversations — with professors at universities, during job interviews or between employees and their manager, and even in the most intimate psychology counselling sessions.

Roxanne sums it up perfectly: Canada's VRS "empowers customers to clarify their wishes, intentions and feelings.

# FINANCIAL STATEMENTS

**CANADIAN ADMINISTRATOR OF VRS (CAV), INC.**

**For year ended**

**DECEMBER 31, 2017**



**CAV-ACS**

Canadian Administrator of VRS (CAV), Inc.  
Administrateur canadien du SRV (ACS), inc.

# INDEPENDENT AUDITOR'S REPORT

To the directors of

**CANADIAN ADMINISTRATOR  
OF VRS (CAV), INC./  
ADMINISTRATEUR CANADIEN  
DU SRV (ACS), INC.**

We have audited the accompanying financial statements of Canadian Administrator of VRS (CAV), Inc./ Administrateur canadien du SRV (ACS), inc., which comprise the statement of financial position as at December 31, 2017, the statement of operations and net assets, and the statement of cash flows for the year then 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 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.

**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 appro-

priateness 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 audit opinion.

**OPINION**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Administrator of VRS (CAV), Inc./Administrateur canadien du SRV (ACS), inc. as at December 31, 2017 and the results of its operations, the changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



*Chartered Professional Accountants  
Licensed Public Accountants*

**Ottawa, Ontario  
May 3, 2018**

# STATEMENT OF FINANCIAL POSITION

## DECEMBER 31, 2017

<b>ASSETS</b>	<b>2017</b>	<b>2016</b>
CURRENT ASSETS		
<b>Cash</b>	\$ 1,117,612	\$ 2,139,377
<b>Investments (note 4)</b>	15,615,706	—
<b>Prepaid expenses</b>	54,531	14,952
<b>Total</b>	<b>\$ 16,787,849</b>	<b>\$ 2,154,329</b>
TANGIBLE CAPITAL ASSETS (NOTE 5)		
	46,999	27,137
INTANGIBLE CAPITAL ASSETS (NOTE 6)		
	401,591	535,573
	448,590	562,710
<b>Total</b>	<b>\$ 17,236,439</b>	<b>\$ 2,717,039</b>
<b>LIABILITIES AND NET ASSETS</b>	<b>2017</b>	<b>2016</b>
CURRENT LIABILITIES		
<b>Accounts payable and accrued liabilities (note 7)</b>	1,401,587	861,035
NET ASSETS, END OF THE YEAR		
<b>Unrestricted</b>	15,386,262	1,293,294
<b>Invested in tangible and intangible capital assets - internally restricted</b>	448,590	562,710
	15,834,852	1,856,004
<b>Total</b>	<b>\$ 17,236,439</b>	<b>\$ 2,717,039</b>

# STATEMENT OF OPERATIONS AND NET ASSETS YEAR ENDED DECEMBER 31, 2017

REVENUE	2017	2016
NET REVENUE		
<b>Contributions (note 10)</b>	\$ 26,086,098	\$ 25,500,000
<b>Interest</b>	122,719	6,462
<b>Total</b>	<b>26,208,817</b>	<b>5,506,462</b>
EXPENSES		
<b>Direct operations</b>	10,152,298	2,665,580
<b>General and administration</b>	1,876,526	1,729,659
<b>Amortization</b>	198,740	188,962
<b>Interest and bank charges</b>	2,405	2,749
<b>Total</b>	<b>12,229,969</b>	<b>4,586,950</b>
NET REVENUE		
	13,978,848	919,512
NET ASSETS, BEGINNING OF THE YEAR		
	1,856,004	936,492
NET ASSETS, END OF THE YEAR		
<b>Total</b>	<b>\$ 15,834,852</b>	<b>\$ 1,856,004</b>

# STATEMENT OF CASH FLOWS

## YEAR ENDED DECEMBER 31, 2017

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2017</b>	<b>2016</b>
NET REVENUE		
	\$ 13,978,848	\$ 919,512
ADJUSTMENTS FOR AMORTIZATION		
<b>Tangible capital assets</b>	10,602	5,337
<b>Intangible capital assets</b>	188,138	183,625
<b>Total</b>	<b>14,177,588</b>	<b>1,108,474</b>
CHANGES IN LEVEL OF:		
<b>Interest receivable</b>	(61,000)	—
<b>Prepaid expenses</b>	(39,579)	(6,672)
<b>Accounts payable and accrued liabilities</b>	540,552	533,576
<b>Total</b>	<b>\$ 14,617,561</b>	<b>\$ 1,635,378</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>2017</b>	<b>2016</b>
<b>Purchase of tangible capital assets</b>	(30,464)	(29,350)
<b>Purchase of intangible capital assets</b>	(54,156)	(367,250)
<b>Total</b>	<b>(84,620)</b>	<b>(396,600)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>2017</b>	<b>2016</b>
<b>Purchase of term deposits</b>	(15,554,706)	—
INCREASE (DECREASE) IN CASH		
	(1,021,765)	1,238,778
CASH AT BEGINNING OF YEAR		
	2,139,377	900,599
CASH AT END OF YEAR		
<b>Total</b>	<b>\$ 1,117,612</b>	<b>\$ 2,139,377</b>

(See accompanying notes)



## 1. NATURE OF OPERATIONS

In April of 2014, the Canadian Radio-television and Telecommunications Commission (“CRTC”) released Telecom Regulatory Policy Decision CRTC 2014 187 which established the Video relay service administrator (“VRS administrator”). The mandate of the VRS administrator was set out in CRTC Telecom Regulatory Policy CRTC 2014 659 to: provide national video relay service (“VRS”) in Canada, in both American Sign Language and Langue des signes québécoise; ensure that Deaf and Hard of Hearing individuals can communicate on a functionally equivalent basis 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.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### BASIS OF ACCOUNTING

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

### REVENUE RECOGNITION

The organization is funded by contributions from the National Contribution Fund as mandated by the CRTC. The organization recognizes contribution revenue in the period it is receivable. Interest income is recognized as it is earned.

### FINANCIAL INSTRUMENTS

The organization’s financial assets and liabilities are initially recognized at fair value and are subsequently measured at amortized cost at the financial statement date.

### USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations often 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 revenues

and expenses during the reporting period. Management makes estimates when determining the useful life of its capital assets. Actual results could differ from those estimates.

### TANGIBLE CAPITAL ASSETS AND AMORTIZATION

Tangible capital assets are recorded at acquisition cost. Amortization is provided on a straight line basis over five years in the case of furniture and equipment; three years in the case of computer equipment; and over the life of the lease in the case of leasehold improvements. In the year of acquisition, amortization is pro rated over the number of months the asset is owned. Artwork is non depreciable.

### INTANGIBLE CAPITAL ASSETS AND AMORTIZATION

Software licence fees are capitalized and amortized on a straight line basis over the initial term of the agreement.

### 3. FINANCIAL INSTRUMENTS

The organization is exposed to and manages various financial risks resulting from its operations and does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

The organization's main financial risk exposure and its financial management policies are as follows:

#### CREDIT RISK

The organization is exposed to credit risk in respect of its cash and investments. The organization's cash and term deposits are deposited with a Canadian chartered bank and, as a result, management believes the risk of loss on this item to be remote.

#### LIQUIDITY RISK

Liquidity risk is the risk that the organization cannot meet a demand for cash or fund its obligations as they become due. The organization has secured funding which is expected to be sufficient to meet budgeted expenditures as they come due.

#### MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes

in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

#### (I) CURRENCY RISK

Currency risk refers to the risk that the fair value of instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

The organization holds all funds in Canadian dollars. However, \$335,000 (2016 \$303,000) of expenditures were originally denominated in US dollars.

#### (II) INTEREST RATE RISK

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the financial instruments will fluctuate due to changes in market interest rates. The organization manages this risk through the implementation of prudent investment policies.

The organization receives interest, calculated with respect to the Bank's composite prime interest rate, on its daily bank balance and on its investments which have set rates with Canadian institutions. The organization's risk for interest rates is negligible.

#### (III) OTHER PRICE RISK

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated therewith will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

The organization is not exposed to other price risk.

#### CHANGES IN RISK

There have been no significant changes in the organization's risk exposures during the past year.

### 4. INVESTMENTS

Investments consist of term deposits having effective yields in the range of 1.45% to 1.67% and maturity dates ranging from of January 2018 to June 2018. The fair market value of the investments is \$15,615,706, which is comprised of the investments' cost of \$15,554,706 plus accrued interest of \$61,000.

## 5. TANGIBLE CAPITAL ASSETS

Tangible capital assets are comprised of:

	2017			2016
TANGIBLE CAPITAL ASSETS ARE COMPRISED OF:	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	NET BOOK VALUE
<b>Artwork</b>	\$ 5,250	\$ —	\$ 5,250	\$ —
<b>Furniture and equipment</b>	39,990	8,853	31,137	22,905
<b>Computer equipment</b>	18,245	7,633	10,612	4,232
<b>Total</b>	<b>\$ 63,485</b>	<b>\$ 16,486</b>	<b>\$ 46,999</b>	<b>\$ 27,137</b>

## 6. INTANGIBLE ASSETS

Intangible capital assets are comprised of:

	2017			2016
INTANGIBLE CAPITAL ASSETS ARE COMPRISED OF:	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	NET BOOK VALUE
<b>Software licenses</b>	\$ 788,656	\$ 387,065	\$ 401,591	\$ 535,573

## 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities is \$133,500 (2016 \$147,000) owing to governments in respect of sales and payroll taxes.

## 8. AVAILABLE CREDIT

The organization has access to credit through a VISA credit card with a total credit limit of \$20,000. The credit card is paid in full each month.

## 9. COMMITMENTS

### 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 two possible one year extensions and commenced in late 2015 to mid 2017. The projected future minimum payment level and most likely payment level under all of the contracts are approximately \$30.4 million and \$91.3 million respectively (plus sales tax) or, on average, \$6 million to \$15 million per year. The projected costs are based on current trends in growth of the subscriber base and the per customer use of the system.

### PREMISE LEASE

The organization has entered into a lease agreement for office premises expiring March 2021. Annual payments, inclusive of HST are as follows:

<b>2018</b>	\$ 71,105
<b>2019</b>	\$ 73,232
<b>2020</b>	\$ 75,424
<b>2021</b>	\$ 18,994
<b>Total</b>	<b>\$ 238,755</b>

### 10. SECURED FUNDING

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 2017, as per Telecom Decision CRTC 2016 472, the approved funding level was \$26,086,098, or \$2,173,842 per month, starting in January of 2017. Funding was approved for the 2018 calendar year as per Telecom Decision CRTC 2017 437 in the amount of \$7,463,868, or \$621,989 per month. This amount represents projected expenditures of \$20,153,416, less the projected surplus (at the time of the submission) from 2017 of \$12,610,257 and the estimated investment income for 2018 of \$79,291. It is expected that the 2018 funding plus the net asset balance at December 31, 2017 will be sufficient to cover budgeted expenditures for 2018.