INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of

COMMUNITY LIVING UPPER OTTAWA VALLEY

Opinion

We have audited the financial statements of Community Living Upper Ottawa Valley (the organization), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2026 and the results of its operations, changes in net assets and 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 ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Welch LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

Pembroke, Ontario
June 23, 2026

COMMUNITY LIVING UPPER OTTAWA VALLEY

(Incorporated Without Share Capital Under the Laws of the Province of Ontario)

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2026

	2026	2025
ASSETS		
CURRENT ASSETS		
Cash	$ 1,811,419	$ 1,570,628
Term deposits	439,401	467,426
Accounts receivable	126,584	176,013
Prepaid expenses	67,437	117,467
Receivable from the replacement reserve fund	-	48,306
	2,444,841	2,379,840
CAPITAL ASSETS (Note 3)	491,377	615,061
NET ASSETS OF THE REPLACEMENT RESERVE FUND (Note 4)		
Cash	85,545	83,974
Term deposit	-	60,649
Due from (to) general fund	16,396	(48,306)
	101,941	96,317
	$ 3,038,159	$ 3,091,218
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 1,541,708	$ 1,533,500
Government remittances payable	2,109	1,781
Owing to replacement reserve fund	16,396	-
Long-term debt payable within one year	18,924	18,116
	1,579,137	1,553,397
LONG-TERM DEBT (Note 5)	80,907	99,023
Less amount due within one year	18,924	18,116
	61,983	80,907
DEFERRED CONTRIBUTIONS (Note 6)	413,257	500,558
TOTAL LIABILITIES	2,054,377	2,134,862
NET ASSETS		
Replacement reserve fund (Note 4)	101,941	96,317
Internally restricted (Note 7)	669,298	666,934
Capital fund	229,751	248,843
Unrestricted	(17,208)	(55,738)
	983,782	956,356
	$ 3,038,159	$ 3,091,218

Approved by the Board:

O. Fraser _____ Director

A. Palubiskie _____ Director

(See accompanying notes)

Welch LLP

An Independent Member of BKR International

COMMUNITY LIVING UPPER OTTAWA VALLEY

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2026

	2026	2025
REVENUE		
Contributions - Province of Ontario	$ 10,254,583	$ 9,981,874
- other	597,924	500,737
Rental income	108,840	123,841
Nevada fundraising	11,970	9,392
Fundraising and donations	32,915	37,491
Amortization of deferred contributions related to capital assets	86,477	99,791
Interest and miscellaneous	97,297	128,598
	11,190,006	10,881,724
EXPENDITURES		
Salaries	7,722,709	7,318,215
Employee benefits	1,665,109	1,628,373
Supplies and materials	88,936	88,465
Rent	158,340	143,139
Utilities and taxes	152,016	138,055
Repairs and maintenance	178,579	244,736
Information technology services	124,343	125,277
Insurance	93,440	91,548
Vehicle operating	60,334	51,987
Staff appreciation and events	24,292	28,810
Staff travel	82,892	82,513
Staff training	45,383	46,393
Minor furniture, equipment, and rentals	24,916	35,597
Purchased services	604,448	700,307
Advertising and promotion	415	435
Interest and bank charges	8,843	10,770
Interest on long-term debt	3,900	4,675
Amortization of capital assets	123,685	138,043
	11,162,580	10,877,338
NET REVENUE	$ 27,426	$ 4,386

(See accompanying notes)

COMMUNITY LIVING UPPER OTTAWA VALLEY

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2026

	Replacement Reserve Fund	Internally Restricted	Capital Fund	Unrestricted	2026	2025
NET ASSETS AT BEGINNING OF YEAR	$ 96,317	$ 666,934	$ 248,843	$ (55,738)	$ 956,356	$ 951,970
Net revenue (expenditures)	5,624	2,364	(19,092)	38,530	27,426	4,386
NET ASSETS AT END OF YEAR	$ 101,941	$ 669,298	$ 229,751	$ (17,208)	$ 983,782	$ 956,356

(See accompanying notes)

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COMMUNITY LIVING UPPER OTTAWA VALLEY

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2026

	2026	2025
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net revenue	$ 27,426	$ 4,386
Adjustments for:		
Amortization of capital assets	123,685	138,043
Amortization of deferred contributions related to capital assets	(86,477)	(99,791)
Net revenue of replacement reserve fund	(5,624)	(1,407)
	59,010	41,231
Changes in non-cash working capital components:		
Accounts receivable	49,429	(40,295)
Receivable from the replacement reserve fund	48,306	(5,121)
Prepaid expenses	50,030	(48,677)
Accounts payable and accrued liabilities	8,208	(120,724)
Government remittances payable	328	383
Owing to replacement reserve fund	16,396	-
Deferred operating contributions	(825)	-
	230,882	(173,203)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Purchase of capital assets	-	(371,812)
Redemption of term deposits	28,025	139,229
	28,025	(232,583)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Repayment of long-term debt	(18,116)	(17,343)
Deferred contributions related to capital assets	-	146,093
	(18,116)	128,750
INCREASE IN CASH	240,791	(277,036)
CASH AT BEGINNING OF YEAR	1,570,628	1,847,664
CASH AT END OF YEAR	$ 1,811,419	$ 1,570,628

(See accompanying notes)

NOTE 1 ORGANIZATION AND PURPOSE

Community Living Upper Ottawa Valley is incorporated without share capital under the laws of the Province of Ontario and is a registered charity under the Income Tax Act.

The organization provides individualized supports and services to people with developmental disabilities so they may enjoy safe, secure, productive lives. Furthermore, the organization promotes acceptance and the elimination of barriers to community living.

The vision of the organization is that all persons live in a state of dignity, share in all elements of living in the community and have the opportunity to participate effectively.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared by management in accordance with policies established by the Accounting Standards Board of the Canadian Institute for Chartered Professional Accountants as they apply to not-for-profit organizations.

Capital assets and amortization

Purchased capital assets are recorded at cost and amortized in the year the asset is put into productive use.

Amortization for capital assets is provided on a straight-line basis over their estimated useful lives generally using annual rates of 5% for buildings and 20% for all other capital assets excluding land and leasehold improvements. Leasehold improvements are amortized over the life of the lease plus one renewal period.

Contributed materials

Contributed materials are recorded at fair value at the date of contribution, if determinable and only recognized if they are used in the normal course of operations and would otherwise have been purchased.

Compensated absences

Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue recognition

Under several provincial acts and the regulations thereto, the organization is funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministry of Children, Community and Social Services. These financial statements reflect agreed funding arrangements approved by the Ministry with respect to the year ended March 31, 2026.

The organization follows the deferral method of accounting for contributions which include donations and government grants.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Where a portion of an externally restricted contribution relates to a future period, it is deferred and recognized in the subsequent period. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

Rental and fundraising revenue is recognized when earned and collection is reasonably assured.

Interest and miscellaneous revenue is recognized as earned.

Nevada fundraising revenue and membership fees are recogized as revenue when received.

Financial instruments

The organization initially measures all financial assets and liabilities at fair value. Cash and cash equivalents are subsequently measured at fair value at the statement of financial position date. All other financial instruments are subsequently measured at their amortized cost at the date of the statement of financial position.

Contributed services

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

Pension plan

All employees of the organization are eligible to be members of the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. OMERS is financed by employer and employee contributions and by investment earnings of the OMERS Fund.

The organization accounts for the plan as a defined contribution plan due to insufficient information to account for it as a defined benefit plan.

Contributions for current service are recorded as expenditures in the year in which they became due.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Management makes accounting estimates when determining significant accruals and the estimated useful life of its capital assets. Actual results could differ from these estimates.

NOTE 3 CAPITAL ASSETS

Capital assets and accumulated amortization consist of the following:

	2026		2025	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Real Estate				
Dedicated Housing Support Program	$ 411,982	$ 411,982	$ 411,982	$ 411,982
New Places to Live	456,695	384,648	456,695	384,648
Heritage Drive	296,290	266,290	296,290	266,290
Hunter Street	205,786	166,741	205,786	164,369
Steffen Street	407,827	377,827	407,827	358,936
Leasehold improvements	429,213	250,324	429,213	236,991
Furniture and equipment	465,629	459,857	465,629	455,227
Computer equipment	188,797	157,074	188,797	138,895
Vehicles	506,992	403,091	506,992	336,812
	3,369,211	$ 2,877,834	3,369,211	$ 2,754,150
Less accumulated amortization	2,877,834		2,754,150	
	$ 491,377		$ 615,061	

NOTE 4 REPLACEMENT RESERVE FUND

As specified by the Ministry of Children, Community and Social Services the organization must maintain a replacement reserve fund for the Dedicated Housing Support Program. The amount and disposition of the reserve fund is subject to the direction and approval of the Ministry.

During the year funding of $2,791 (2025 - $2,791) was received from the Ministry for the replacement reserve fund and $NIL (2025 - $6,182) was spent from the reserve fund for repairs and maintenance as approved by the Ministry.

NOTE 5 LONG-TERM DEBT

Long-term debt consists of a mortgage payable due March 2028 and repayable in monthly instalments of $1,840 including interest at 4.408% per annum, secured by specified asset with a carrying value of $NIL.

Principal payments during the remaining years on existing long-term debt are as follows:

2027	$ 18,924
2028	$ 61,983

NOTE 6 DEFERRED CONTRIBUTIONS

Deferred contributions for capital assets

Deferred contributions related to capital assets represent the unamortized amount of contributions received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations at a rate corresponding with the amortization rate for the related capital assets.

Deferred contributions related to capital assets consist of the following:

	2026	2025
Balance at beginning of year	$ 267,196	$ 220,894
Ministry capital contributions during the year	-	146,093
Less: amounts amortized to revenue	(86,477)	(99,791)
Balance at end of year	180,719	267,196

Deferred operating contributions

Contributions related to operations in future periods consist of Ministry of Children, Community and Social Services Bee Successful program funding.

Balance at beginning of year	233,362	233,362
Less: amounts recognized as revenue	(824)	-
	232,538	233,362
	$ 413,257	$ 500,558

NOTE 7 INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets of $669,298 (2025 - $666,934) represents fundraising, bequests and donations designated by the Board of Directors to be applied towards expenditures in future years. This internally restricted amount is not available for unrestricted purposes without approval of the Board of Directors and is comprised of the following:

	Nevada Fundraising	Fundraising & Bequests	Outcomes	Total 2026	Total 2025
Balance at beginning of year	$ 25,944	$ 489,168	$ 151,772	$ 666,934	$ 662,492
Net revenue (expenditures)	1,749	4,037	(3,422)	2,364	4,442
Balance at end of year	$ 27,693	$ 493,205	$ 148,350	$ 669,298	$ 666,934

NOTE 8 COMMITMENT

The organization has entered into a commitment in respect of the lease of premises for the administrative office. The lease provides for an annual rental of $65,000 to November 30, 2027 plus municipal taxes and other occupancy charges with an option to renew for an additional five year period at a rent to be negotiated. The administrative office rent is allocated to programs as applicable based on usage.

NOTE 9 PENSION PLAN

The organization is required to make current service contibutions to OMERS for the 2026 calendar year of 9.0% (2025 - 9.0%) of pensionable earnings up to the years maximum pensionable earnings under the Canada Pension Plan and 14.6% (2025 - 14.6%) on pensionable earnings above the amount. Employees of the organization are required to make current service contributions of the same amount.

Total service contributions by the organization to OMERS during the year was $622,546 (2025 - $612,502). These contributions were matched with identical employee contributions for both years.

OMERS requires the organization to have a letter of credit of $431,481. Term deposits in the amount of $439,401 are designated for this purpose.

At December 31, 2025, OMERS disclosed an actuarial deficit of $6.127 billion.

NOTE 10 FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, term deposits, accounts receivable, accounts payable and accrued liabilities and long-term debt. There have been no changes in risk from the prior year and as a result, it is management's opinion that the organization is not exposed to significant liquidity, interest rate, currency, market, or other price risks arising from its financial instruments.

a) *Credit risk*

The organization provides credit to select groups of clients in the normal course of operations. The organization reviews outstanding amounts on a continuing basis the balance of which is $NIL at year end (2025 - $NIL). Due to the limited group of clients who require credit, the organization does not believe there are significant concentrations of credit risks.

NOTE 11 COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform to the presentation adopted for the current year.

COMMUNITY LIVING UPPER OTTAWA VALLEY

SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM

YEAR ENDED MARCH 31, 2026

	Administrative Office		Community Accomodation	
	2026	2025	2026	2025
REVENUE				
Contributions - Province of Ontario	$ -	$ -	$ 8,249,119	$ 8,120,022
- other	47,587	48,645	15,069	5,252
Rental Income	-	-	87,879	106,722
Fundraising and donations	-	25	2,220	-
Amortization of deferred contributions related to capital assets	45,464	45,463	41,013	54,328
Interest and miscellaneous	94,462	123,797	-	-
	187,513	217,930	8,395,300	8,286,324
EXPENDITURES				
Salaries	655,279	489,518	5,827,397	5,904,684
Employee benefits	125,735	108,663	1,271,313	1,303,534
Supplies and materials	11,129	21,763	5,754	5,518
Rent	67,561	67,560	80,722	64,104
Utilities and taxes	34,713	32,570	63,150	61,238
Repairs and maintenance	18,833	29,754	127,088	172,538
Information technology services	58,218	48,137	53,248	62,227
Insurance	9,258	9,444	67,445	66,025
Vehicle operating	-	-	17,841	25,158
Staff appreciation and events	24,292	28,810	-	-
Staff travel	2,297	8,208	26,489	21,828
Staff training	21,365	23,867	16,648	18,283
Minor furniture, equipment and rentals	78	6,027	4,126	11,300
Purchased services	75,394	180,651	99,207	89,735
Advertising and promotion	415	435	-	-
Interest and bank charges	8,793	10,770	-	-
Amortization of capital assets	80,300	75,022	43,385	63,021
Overhead allocation	(1,033,405)	(943,301)	835,284	756,091
	160,255	197,898	8,539,097	8,625,284
NET REVENUE (EXPENDITURES)	$ 27,258	$ 20,032	$ (143,797)	$ (338,960)

(Unaudited)

COMMUNITY LIVING UPPER OTTAWA VALLEY

SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM

YEAR ENDED MARCH 31, 2026

	Community Support Services		Dedicated Housing Support	
	2026	2025	2026	2025
REVENUE				
Contributions - Province of Ontario	$ 1,958,958	$ 1,815,359	$ 46,506	$ 46,493
- other	26,432	26,917	-	-
Rental income	-	-	20,961	17,119
Interest and miscellaneous	-	-	2,833	4,798
	1,985,390	1,842,276	70,300	68,410
EXPENDITURES				
Salaries	993,866	732,790	-	-
Employee benefits	218,822	180,094	-	-
Supplies and materials	1,147	525	169	633
Rent	10,057	11,475	-	-
Utilities and taxes	1,646	1,620	14,685	14,263
Repairs and maintenance	4,031	3,629	28,627	38,815
Information technology services	12,877	14,913	-	-
Insurance	9,851	9,317	6,886	6,762
Vehicle operating	42,493	26,829	-	-
Staff travel	19,204	20,362	-	-
Staff training	7,370	4,243	-	-
Minor furniture, equipment and rentals	-	-	1,884	1,581
Purchased services	335,700	324,152	456	2,962
Interest on long-term debt	-	-	3,900	4,675
Overhead allocation	193,512	182,960	4,609	4,250
	1,850,576	1,512,909	61,216	73,941
NET REVENUE (EXPENDITURES)	$ 134,814	$ 329,367	$ 9,084	$ (5,531)

(Unaudited)

COMMUNITY LIVING UPPER OTTAWA VALLEY

SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM

YEAR ENDED MARCH 31, 2026

	Nevada Fundraising		Fundraising and Bequests	
	2026	2025	2026	2025
REVENUE				
Fundraising and donations	$ 11,970	$ 9,392	$ 22,375	$ 21,162
Interest and miscellaneous	2	3	-	-
	11,972	9,395	22,375	21,162
EXPENDITURES				
Supplies and materials	8,145	3,414	9,263	8,299
Purchased services	2,028	11,775	9,075	18,000
Interest and bank charges	50	-	-	-
	10,223	15,189	18,338	26,299
NET REVENUE (EXPENDITURES)	$ 1,749	$ (5,794)	$ 4,037	$ (5,137)

	Project Search		Outcomes	
	2026	2025	2026	2025
REVENUE				
Contributions - Province of Ontario	$ -	$ -	$ -	$ -
- other	40,474	-	-	1,000
Fundraising and donations	-	-	8,320	16,304
	40,474	-	8,320	17,304
EXPENDITURES				
Salaries	31,919	-	-	-
Employee benefits	8,370	-	-	-
Supplies and materials	7	-	-	-
Staff travel	178	-	-	-
Purchased services	-	-	11,742	1,931
	40,474	-	11,742	1,931
NET (EXPENDITURES) REVENUE	$ -	$ -	$ (3,422)	$ 15,373

(Unaudited)

COMMUNITY LIVING UPPER OTTAWA VALLEY

SUPPLEMENTARY SCHEDULE OF OPERATIONS - BY PROGRAM

YEAR ENDED MARCH 31, 2026

	March of Dimes	
	2026	2025
REVENUE		
Contributions - other	$ 468,362	$ 418,923
EXPENDITURES		
Salaries	214,248	191,223
Employee benefits	40,869	36,082
Supplies and materials	53,322	48,313
Utilities and taxes	37,822	28,364
Staff travel	34,724	32,115
Minor furniture, equipment, and rentals	18,828	16,689
Purchased services	70,846	71,101
	470,659	423,887
NET EXPENDITURES	$ (2,297)	$ (4,964)

(Unaudited)