Community Living Dryden-Sioux Lookout

Non-Consolidated Financial Statements

March 31, 2026

Community Living Dryden-Sioux Lookout

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Independent Auditor's Report

To the Board of Community Living Dryden-Sioux Lookout:

Opinion

We have audited the non-consolidated financial statements of Community Living Dryden-Sioux Lookout (the "Organization"), which comprise the non-consolidated statement of financial position as at March 31, 2026, and the non-consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Organization as at March 31, 2026, and the results of its non-consolidated operations and its non-consolidated 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 Non-Consolidated 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 non-consolidated 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 Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated 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 Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated financial statements, including the disclosures, and whether the non-consolidated 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.

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Thunder Bay, Ontario

July 9, 2026

Community Living Dryden-Sioux Lookout
Non-Consolidated Statement of Financial Position
As at March 31, 2026

	Operating Fund	*Board Fund*	*2026*	*2025*
Assets				
Current				
Cash *(Note 3)*	**1,119,754**	**3,612**	**1,123,366**	1,117,970
Accounts receivable *(Note 4)*	**630,400**	**-**	**630,400**	662,751
Prepaid expenses	**102,397**	**-**	**102,397**	177,730
	1,852,551	**3,612**	**1,856,163**	1,958,451
Due from board fund	**1,252,008**	**(1,252,008)**	**-**	-
Investment in subsidiary *(Note 5)*	**-**	**3,664,174**	**3,664,174**	3,574,460
Capital assets *(Note 6)*	**2,589,029**	**-**	**2,589,029**	2,612,870
Due from subsidiary *(Note 9)*	**69,982**	**-**	**69,982**	133,080
	5,763,570	**2,415,778**	**8,179,348**	8,278,861
Liabilities				
Current				
Accounts payable and accrued liabilities *(Note 7)*	**2,246,177**	**-**	**2,246,177**	1,802,476
Deferred revenue *(Note 8)*	**61,340**	**-**	**61,340**	613,458
	2,307,517	**-**	**2,307,517**	2,415,934
Due to subsidiary *(Note 9)*	**-**	**35,000**	**35,000**	147,735
Deferred capital contributions *(Note 10)*	**125,901**	**-**	**125,901**	144,574
	2,433,418	**35,000**	**2,468,418**	2,708,243
Net Assets				
Unrestricted	**867,024**	**348,595**	**1,215,619**	1,070,139
Investment in tangible capital assets	**2,463,128**	**-**	**2,463,128**	2,468,296
Contributed surplus	**-**	**2,032,183**	**2,032,183**	2,032,183
	3,330,152	**2,380,778**	**5,710,930**	5,570,618
	5,763,570	**2,415,778**	**8,179,348**	8,278,861

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these non-consolidated financial statements

Community Living Dryden-Sioux Lookout
Non-Consolidated Statement of Operations
For the year ended March 31, 2026

	Operating Fund	*Board Fund*	*2026*	*2025*
Revenue				
Ministry of Children, Community and Social Services				
Operating	**16,406,254**	**-**	**16,406,254**	14,999,555
One-time funding	**606,894**	**-**	**606,894**	2,106
Canadian Red Cross Society	**-**	**-**	**-**	14,819
Rental revenue	**284,499**	**-**	**284,499**	296,235
Family Services Toronto	**659,709**	**-**	**659,709**	582,189
Public Health Agency of Canada	**-**	**-**	**-**	30,000
Surrey Place Centre	**234,506**	**-**	**234,506**	213,596
Management fee *(Note 9)*	**83,717**	**-**	**83,717**	64,407
Donations	**-**	**53,571**	**53,571**	9,030
Miscellaneous	**40,021**	**-**	**40,021**	78,713
Amortization of deferred capital contributions	**18,673**	**-**	**18,673**	18,673
	18,334,273	**53,571**	**18,387,844**	16,309,323
Expenses				
Staff salaries, wages and benefits	**12,446,409**	**-**	**12,446,409**	11,601,588
Staff training	**239,315**	**-**	**239,315**	157,817
Supplies and equipment	**177,483**	**-**	**177,483**	180,957
Building occupancy	**2,225,027**	**-**	**2,225,027**	1,146,803
Travel and communication	**991,431**	**-**	**991,431**	828,560
Other program service expenditure	**1,946,801**	**79**	**1,946,880**	1,178,257
Amortization	**310,701**	**-**	**310,701**	266,363
	18,337,167	**79**	**18,337,246**	15,360,345
Excess (deficiency) of revenue over expenses before other items	**(2,894)**	**53,492**	**50,598**	948,978
Other items				
Investment in 1000661215 Ontario Inc. *(Note 5)*	**-**	**89,714**	**89,714**	79,057
Impairment on investment in 1000661215 Ontario Inc. *(Note 5)*	**-**	**-**	**-**	(266,000)
Loss on disposal of tangible capital assets	**-**	**-**	**-**	(2,925)
Recovery of prior year surplus by MCCSS	**-**	**-**	**-**	(393)
	-	**89,714**	**89,714**	(190,261)
Excess (deficiency) of revenue over expenses	**(2,894)**	**143,206**	**140,312**	758,717

The accompanying notes are an integral part of these non-consolidated financial statements

Community Living Dryden-Sioux Lookout
Non-Consolidated Statement of Changes in Net Assets
For the year ended March 31, 2026

	Operating Investment in Tangible Capital Assets	*Operating Unrestricted*	*Board Contributed Surplus*	*Board Unrestricted*	***2026***	*2025*
Balance, beginning of year	**2,468,296**	**864,750**	**2,032,183**	**205,389**	**5,570,618**	4,811,901
Excess (deficiency) of revenue over expenses for the year	**-**	**(2,894)**	**-**	**143,206**	**140,312**	758,717
Amortization	**(310,701)**	**310,701**	**-**	**-**	**-**	-
Amortization of deferred capital contributions	**18,673**	**(18,673)**	**-**	**-**	**-**	-
Purchase of tangible capital assets	**286,860**	**(286,860)**	**-**	**-**	**-**	-
Balance, end of year	**2,463,128**	**867,024**	**2,032,183**	**348,595**	**5,710,930**	5,570,618

The accompanying notes are an integral part of these non-consolidated financial statements

Community Living Dryden-Sioux Lookout
Non-Consolidated Statement of Cash Flows
For the year ended March 31, 2026

	2026	*2025*
Operating activities		
Excess of revenue over expenses for the year	**140,312**	758,717
Items not involving cash:		
Amortization of deferred capital contributions	**(18,673)**	(18,673)
Amortization of tangible capital assets	**310,701**	266,363
Loss on disposal of tangible capital assets	**-**	2,925
Investment in 1000661215 Ontario Inc.	**(89,714)**	(79,057)
Impairment on investment in 1000661215 Ontario Inc.	**-**	266,000
	342,626	1,196,275
Changes in non-cash working capital balances		
Accounts receivable	**32,351**	(115,380)
Prepaid expenses	**75,333**	(132,245)
Accounts payable and accrued liabilities	**443,701**	692,566
Deferred revenue	**(552,118)**	607,267
	341,893	2,248,483
Investing activities		
Purchase of tangible capital assets	**(286,860)**	(1,187,708)
Repayments to subsidiary	**(49,637)**	(116,686)
	(336,497)	(1,304,394)
Increase (decrease) in cash during the year	**5,396**	944,089
Cash resources, beginning of year	**1,117,970**	173,881
Cash resources, end of year	**1,123,366**	1,117,970

The accompanying notes are an integral part of these non-consolidated financial statements

1. Nature and purpose of organization

Community Living Dryden-Sioux Lookout is a registered charity, incorporated under the Province of Ontario Corporations Act without share capital and a registered charity under the Income Tax Act. The Organization is governed by a voluntary elected Board of Directors whose mission is to serve the needs of adults who have a developmental disability in Dryden, Sioux Lookout and the surrounding area.

2. Significant accounting policies

Charitable Institution

The Organization is a registered Canadian Charitable Institution (#106720436RR0001) and, as such, is not required to file federal or provincial income tax returns.

Basis of accounting

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

Description of funds

Operating Fund
The Operating Fund consists of the ongoing operations and one-time funding programs funded by various agencies for specific projects required to be completed within a designated time frame.

Board Fund
The Board Fund consists of money available for use at the specific direction of the Board of Directors and is not available to fund the general operations of Community Living Dryden-Sioux Lookout without specific board approval.

Revenue recognition

The Organization uses the deferral method of accounting for contributions and reports on a fund accounting basis. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue in the Operating Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from general donations is recorded on a cash basis as received. All other revenue, including rental income, is recognized as revenue of the Operating Fund on an accrual basis as earned.

Restricted contributions for the purchase of tangible capital assets that will be amortized are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired tangible capital asset.

Investment in subsidiary

The Organization’s investment in its wholly-owned subsidiary,1000661215 Ontario Inc., is accounted for using the equity method.

This profit-oriented enterprise that holds the buildings that the Organization rents is not consolidated in the Organization's financial statements.

2. Significant accounting policies *(Continued from previous page)*

Capital assets

Capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution and are amortized, unless fair value is not determinable in which case contributed capital assets are recorded at nominal value at the date of contribution. Expenses for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of tangible capital assets are capitalized.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives. Estimated useful lives are as follows:

	Rate
Computers	3 years
Furniture and equipment	5 years
Office equipment	5 years
Leasehold improvements	15 years
Automotive equipment	7 years
Buildings	20 years

When tangible capital assets no longer have any long-term service potential to the Organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Any unamortized deferred contribution amount related to the tangible capital asset is recognized in revenue in the statement of operations, provided that all restrictions have been complied with.

When tangible capital asset is disposed of, the difference between the net proceeds on disposition and the net carrying amount is recognized in the non-consolidated statement of operations. Any unamortized deferred contribution amount related to the tangible capital asset disposed of is recognized in revenue in the non-consolidated statement of operations, provided that all restrictions have been complied with.

Deferred revenue

The Organization is the recipient of certain approved program grants which specify project purpose, maximum allowable contributions and are for specific time periods. Unexpended funds are included on the statement of financial position as cash and deferred revenue until the programs are completed. At the completion of the program, unexpended funds are returned to the funding agency. Funds expended in excess of allowable capital grants must be provided from general funds.

Financial instruments

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm’s length transaction (“arm’s length financial instruments”) are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm’s length financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market at fair value. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

2. Significant accounting policies *(Continued from previous page)*

Use of estimates

The preparation of non-consolidated 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 revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Accounts payable and accrued liabilities are stated from management's best estimates. Amortization is based on the estimated useful lives of capital assets.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the non-consolidated financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

3. Credit facility

The Organization has an authorized line of credit in the amount of $300,000, that bears interest at prime plus 1% (5.45% at year-end). As at March 31, 2026 the unused portion of the line was $300,000 (2025- $300,000). The Organization's property at 41-43 King Street in Sioux Lookout serves as collateral, as well as a general security agreement. The credit facility is also guaranteed by the subsidiary, 1000661215 Ontario Inc through a general security agreement and a first charge mortgage on properties owned by the subsidiary.

Under the terms of the lending agreement, the Company must maintain a debt service coverage ratio of not less than 100% on a combined basis with 1000661215 Ontario Inc. It is management's opinion that the Company is likely to remain in compliance with the covenant throughout the next twelve months subsequent to March 31, 2027. The Organization was in compliance with the covenant at year end.

4. Accounts receivable

	2026	*2025*
Government remittances receivable - Public service bodies' rebate	**379,704**	301,090
Family Services Toronto	**173,640**	145,338
Miscellaneous	**77,056**	92,273
Ministry of Children, Community and Social Services	**-**	124,050
	630,400	662,751

5. Investment in subsidiary

Investment in subsidiary accounted for using the equity method

	2026	*2025*
100% of common shares in 1000661215 Ontario Inc.	**100**	100
Accumulated earnings from date of transfer	**168,771**	79,057
100% of class 'E' shares in 1000661215 Ontario Inc.	**3,761,303**	3,761,303
Less: allowance for impairment of class 'E' shares	**(266,000)**	(266,000)
	3,664,174	3,574,460

5. Investment in subsidiary *(Continued from previous page)*

Non-coterminous Fiscal Periods

The Organization's investment in 1000661215 Ontario Inc. is accounted for on the equity basis utilizing financial information of 1000661215 Ontario Inc. prepared as of July 31, 2025.

There were no significant events or financial transactions that occurred during the intervening period that were deemed to be material; therefore, nothing related to 1000661512 Ontario Inc.'s operations were recorded in these financial statements.

Summary of financial information of unconsolidated 1000661215 Ontario Inc. as at July 31, 2025 and for the year then ended is as follows:

	2025
Financial Position	
Total assets	5,537,881
Total liabilities	6,692,359
Total shareholder's deficit	(1,154,478)
Results of Operations	
Total revenues	447,672
Total expenses	357,958
Excess (deficiency) of revenue over expenses	89,714
Cash Flows	
Cash from operations	416,077
Cash used in financing activities	257,586
Cash used in investing activities	(668,038)
Increase in cash	5,625

6. Capital assets

			2026	*2025*
	Cost	***Accumulated amortization***	***Net book value***	*Net book value*
Computers	**16,923**	**12,452**	**4,471**	8,832
Furniture and equipment	**176,037**	**127,325**	**48,712**	25,762
Office equipment	**250,217**	**223,581**	**26,636**	65,531
Leasehold improvements	**1,733,924**	**178,379**	**1,555,545**	1,575,934
Automotive equipment	**715,349**	**464,755**	**250,594**	150,812
Buildings	**1,602,388**	**899,317**	**703,071**	785,999
	4,494,838	**1,905,809**	**2,589,029**	2,612,870

Leasehold improvements includes prefab building shells with a carrying value of $88,382 (2025 - Nil). No amortization of this asset has been recorded during the current year because it is currently under development.

7. Accounts payable and accrued liabilities

	2026	*2025*
Trade accounts payable	**1,580,716**	1,278,587
Accrued salaries, wages and benefits	**665,461**	523,827
Trade accounts payable - Board Fund	**-**	62
	2,246,177	1,802,476

8. Deferred revenue

	2026	*2025*
Operating Fund		
Family Services Toronto	**3,551**	3,501
MCCSS - Infrastructure Funding	**-**	606,894
Ministry of Employment and Social Development Canada	**57,789**	-
Rent	**-**	3,063
	61,340	613,458

The net change during the year in deferred revenue balances is detailed as follows:

	2026	*2025*
Balance, beginning of year	**613,458**	6,191
Transfers from revenue in the current year - Operating Fund	**61,340**	615,564
Transfers to revenue in the current year - Operating Fund	**(613,458)**	(8,297)
	61,340	613,458

9. Due to subsidiary and related party transactions

At year end, the Organization was owed $69,982 ($2025 - $133,080) from its wholly owned subsidiary, 1000661215 Ontario Inc. The balance is unsecured, non-interest bearing and not due within the next year with no specific terms of repayment.

At year end, the Organization owed $35,000 (2025 - $147,735) to its wholly owned subsidiary, 1000661215 Ontario Inc. The balance is unsecured, non-interest bearing and not due within the next year with no specific terms of repayment.

During the year, the Organization paid $570,965 (2025 - $380,088) for property leases, received a $30,000 (2025 - Nil) donation and charged $83,717 (2025 - $64,407) for administrative services to 1000661215 Ontario Inc.

All of these transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

10. Deferred capital contributions

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

	2026	*2025*
Balance, beginning of year	**144,574**	163,247
Less: Amounts amortized to revenue during the year	**(18,673)**	(18,673)
Balance, end of year	**125,901**	144,574

11. Commitments

The Organization has operating leases for five of its premises totaling approximately $27,607 plus HST per month and $19,379 per month, under leases expiring between January 2034 and January 2035.

The minimum annual lease payments for the next five years are as follows:

2027	563,832
2028	563,832
2029	563,832
2030	563,832
2031	563,832

12. Guarantee

The Organization has guaranteed a term loan of its subsidiary, 1000661215 Ontario Inc., in the event of default, in the amount of $2,700,000. The amount drawn at March 31, 2026 was $2,619,000. The Organization's property located at 41-43 King Street in Sioux Lookout serves as collateral for this guarantee, as well as a general security agreement.

13. Economic dependence

The Organization derives a significant portion of its operating revenue is from the Ministry of Children, Community and Social Services. The continued operation of the major programs of the Organization is dependent upon this funding.

14. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

15. Financial instrument risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is subject to interest rate risk on its line of credit as the interest rate is variable. It is management's opinion that the Organization is not exposed to significant interest rate risk on the line of credit as it was not used during the year. There have not been any changes in risk from the prior year.

15. Financial instrument risk *(Continued from previous page)*

Credit Risk

Credit risk is the risk of financial loss to the Organization if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Organization's receivables. The majority of the Organization's receivables are from government sources and the Organization works to ensure they meet all eligibility criteria in order to qualify to receive funding, therefore the Organization does not believe it is subject to any significant risk on excess deposits over the amount not covered by the Canada Deposit Insurance Corporation (CDIC). There have not been any changes in risk from the prior year.

Liquidity risk

Liquidity risk is the risk that the Organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes risk that, as a result of operational liquidity requirements, the Organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities. Management is of the opinion that they are not exposed to significant liquidity risk. There have not been any changes in risk from the prior year.