Non-Consolidated Financial Statements of

COMMUNITY LIVING TORONTO

And Independent Auditor's Report thereon

Year ended March 31, 2026

KPMG LLP
100 New Park Place, Suite 1400
Vaughan, ON L4K 0J3
Canada
Tel 905 265 5900
Fax 905 265 6390

INDEPENDENT AUDITOR'S REPORT

To the Members of Community Living Toronto

Opinion

We have audited the non-consolidated financial statements of Community Living Toronto (the Entity), which comprise:

- the non-consolidated statement of financial position as at March 31, 2026
- the non-consolidated statement of operations for the year then ended
- the non-consolidated statement of changes in net assets for the year then ended
- the non-consolidated statement of cash flows for the year then ended
- and notes to the non-consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the non-consolidated financial position of the Entity as at March 31, 2026, and its non-consolidated results of 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 Financial Statements"*** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in the annual report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

Responsibilities of Management 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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 the 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 Entity'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 Entity'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 Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

June 30, 2026

COMMUNITY LIVING TORONTO

Non-Consolidated Statement of Financial Position
(Expressed in thousands of dollars)

March 31, 2026, with comparative information for 2025

	2026	2025
Assets		
Current assets:		
Cash and cash equivalents	$ 3,416	$ 2,681
Accounts receivable (note 2)	2,722	3,890
Capital funding receivable (note 3)	74	72
Prepaid expenses	2,521	2,440
Due from related parties (note 5(b))	145	126
Short-term investments (note 6)	9,864	10,899
	18,742	20,108
Capital funding receivable - long term (note 3)	86	160
Capital assets (note 7)	30,623	30,340
Due from related parties - long term (note 5(b))	2,427	2,390
	$ 51,878	$ 52,998
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 9)	$ 16,823	$ 18,849
Mortgages payable - current (note 11)	74	72
Deferred revenue	830	1,014
	17,727	19,935
Deficiency in subsidiary (note 4)	409	371
Mortgages payable - long term (note 11)	86	160
Long-term loan payable (note 12)	646	600
Deferred contributions - expenses of future periods (note 13(a))	8,719	7,828
Deferred contributions - capital assets (note 13(b))	1,802	1,943
	29,389	30,837
Net assets:		
Invested in capital assets (note 14)	28,821	28,397
Endowments (note 16)	85	85
Unrestricted	(6,417)	(6,321)
	22,489	22,161
Commitments (note 17)		
	$ 51,878	$ 52,998

See accompanying notes to non-consolidated financial statements.

On behalf of the Board:

S. Gaw _______________ Director

_______________ Director

COMMUNITY LIVING TORONTO

Non-Consolidated Statement of Operations
(Expressed in thousands of dollars)

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Revenue:		
Ministry of Children, Community and Social Services (note 10)	$ 91,144	$ 90,475
Operational and other income	6,162	4,701
User fees	5,965	5,682
Passport	3,663	3,551
City of Toronto	3,087	3,079
Ministry of Labour, Training and Skills Development	7	1,675
Recognition of deferred contributions (note 13(a))	1,084	1,237
Realized gain on short-term investments	479	383
United Way	903	901
Entrepreneurial ventures	535	534
Equity loss from investment in subsidiary (note 4)	(38)	(18)
Unrealized gain on short-term investments	286	389
Interest	194	215
	113,471	112,804
Expenses:		
Salaries and benefits (note 15)	78,168	72,023
Purchased services	14,303	20,735
Supplies	8,166	7,646
Occupancy costs	7,968	7,944
Other program costs	2,243	1,847
Travel and transportation	1,307	1,242
	112,155	111,437
Excess of revenue over expenses before the undernoted items	1,316	1,367
Amortization of deferred capital contributions (note 13(b))	140	140
Gain on sale of capital assets	–	7
Amortization of capital assets	(1,128)	(1,107)
	(988)	(960)
Excess of revenue over expenses	$ 328	$ 407

See accompanying notes to non-consolidated financial statements.

COMMUNITY LIVING TORONTO

Non-Consolidated Statement of Changes in Net Assets
(Expressed in thousands of dollars)

Year ended March 31, 2026, with comparative information for 2025

	Invested in capital assets	Endowments	Unrestricted	2026 Total	2025 Total
Net assets, beginning of year	$ 28,397	$ 85	$ (6,321)	$ 22,161	$ 21,753
Excess (deficiency) of revenue over expenses (note 14)	(988)	–	1,316	328	407
Net change in invested in capital assets (note 14)	1,412	–	(1,412)	–	–
Net change in endowments (note 16)	–	–	–	–	1
Net assets, end of year	$ 28,821	$ 85	$ (6,417)	$ 22,489	$ 22,161

See accompanying notes to non-consolidated financial statements.

COMMUNITY LIVING TORONTO

Non-Consolidated Statement of Cash Flows
(Expressed in thousands of dollars)

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Cash flows from operating activities:		
Excess of revenue over expenses	$ 328	$ 407
Adjusted for the following non-cash items:		
Unrealized gain on short-term investments	(286)	(389)
Recognition of deferred contributions - expense of future periods (note 13(a))	(1,084)	(1,237)
Amortization of deferred capital contributions (note 13(b))	(140)	(140)
Amortization of capital assets	1,128	1,107
Gain on sale of capital assets	–	(7)
Change in non-cash operating working capital (note 18)	(1,123)	2,948
Deferred contributions received related to future periods (note 13(a))	1,975	1,603
Equity loss from investment in subsidiary (note 4)	38	18
Cash flows from operating activities	836	4,310
Cash flows from financing activities:		
Increase in long-term loan	46	600
Capital funding receivable	74	141
Decrease in bank indebtedness	–	(4,190)
Decrease of mortgages payable	(74)	(141)
Deferred capital contributions	–	–
Cash flows from (used in) financing activities	46	(3,590)
Cash flows from investing activities:		
Due from related parties (note 5)	(56)	(126)
Purchase of capital assets	(1,412)	(644)
Proceeds on sale of capital assets	–	20
Redemption of short-term investment	1,321	2,617
Cash flows from (used in) investing activities	(147)	1,867
Increase in cash and cash equivalents	735	2,587
Cash and cash equivalents, beginning of year	2,681	94
Cash and cash equivalents, end of year	$ 3,416	$ 2,681

See accompanying notes to non-consolidated financial statements.

Community Living Toronto ("CLTO") is a not-for-profit organization, incorporated without share capital under the Ontario Not-For-Profit Corporations Act. CLTO is principally involved in serving people with developmental disabilities. CLTO is a registered charity under the Income Tax Act (Canada) and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) are met.

1. Significant accounting policies:

These non-consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants of Canada Handbook.

(a) Revenue recognition:

CLTO follows the deferral method of accounting for contributions.

(i) Restricted contributions are recognized as revenue in the year in which the related expenses are recognized. 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. Purchases of land from restricted contributions are accounted for as direct increases to net assets.

(ii) Endowment contributions are recognized as direct increases in endowment net assets. Restricted income from endowments is shown as deferred contributions and recognized as revenue in the year in which related expenses are incurred. Unrestricted income from endowments is recognized as revenue in the year earned.

(iii) 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.

(iv) Other revenue consists primarily of residential user fees, user fee per diems and miscellaneous services provided to customers through agencies. Revenue related to these services are recognized when received or receivable if the amount to be received can be reasonably estimated, collection is reasonably assured, and amounts have been earned.

---

1. Significant accounting policies (continued):

(b) Cash and cash equivalents:

Cash and cash equivalents include operating accounts and guaranteed investment certificates which are highly liquid with original maturities of less than three months.

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs. These costs are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, CLTO determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount CLTO expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment charge.

(d) Contributed materials and services:

During the year, CLTO received contributions of materials and services. Because of the difficulty in determining their fair value, contributed materials and services are not recognized in the non-consolidated financial statements.

1. Significant accounting policies (continued):

(e) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expenses. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to CLTO's ability to provide services, its carrying amount is written down to its residual value. Capital assets are amortized on a straight-line basis based on the following useful life:

Buildings	15 - 25 years
Equipment, computer hardware and software	5 - 10 years

(f) Pension:

CLTO remit all required employer contributions to the College of Applied Arts and Technology Pension Plan ("CAAT Plan") in accordance with the terms of the plan. CLTO expenses its cash contributions to the CAAT Plan under the accounting requirements for a multi-employer plan.

(g) Use of estimates:

The preparation of the non-consolidated financial statements 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 non-consolidated financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets and employee related obligations. Actual results could differ from those estimates.

(Expressed in thousands of dollars)

1. Significant accounting policies (continued):

(h) Controlled profit-oriented enterprise:

These non-consolidated financial statements include CLTO's interest in a wholly owned profit-oriented enterprise using the equity method.

(i) Controlled not-for-profit organizations:

CLTO does not consolidate investments in controlled not-for-profit organizations. CLTO reports controlled not-for-profit organizations by disclosing summarized financial information.

2. Accounts receivable:

	2026	2025
Accounts receivable	$ 2,767	$ 3,974
Less allowance for doubtful accounts	45	84
	$ 2,722	$ 3,890

3. Capital funding receivable:

This balance represents amounts due from the Ministry of Children, Community and Social Services ("MCCSS") to fund the purchases of various buildings and houses. These amounts are received annually when related mortgage payments are made.

4. Deficiency in subsidiary:

GroundWorks Solutions Toronto Inc. ("GWS"), a wholly owned, profit-oriented subsidiary incorporated on May 25, 2020, was established to generate profit through various initiatives. GWS has since entered into three partnerships. On April 17, 2023, GWS and Corbrook created a partnership called 14944569 CANADA INC. as a social purpose enterprise and developed two initiatives, Social Brew and Athari Global Workforce Solutions.

(Expressed in thousands of dollars)

4. Deficiency in subsidiary (continued):

StockABLE (formed July 2020 with a third party) - a social purpose enterprise focused on PPE and infection prevention, with proceeds directed to support people with intellectual or developmental disabilities. The partnership was dissolved on December 4, 2024.

Elles Partnership (formed January 2023 with 2424369 Ontario Limited) - a general partnership for the development, marketing, construction, and sale of a four-phase residential condominium at Ellesmere Road and Grangeway Ave. (the current Lawson location). As at December 31, 2025, all phases are held for future development, to be marketed based on purchaser demand.

14944569 Canada Inc. (formed April 2023 with Corbrook) - a social purpose enterprise with two initiatives: Social Brew, a coffee importer employing people with intellectual or developmental disabilities through online sales and café/kiosk channels; and Athari Global Workforce Solutions, a program recruiting, training, and sponsoring Kenyan nationals to work in Ontario's disability sector.

GWS has been recognized in CLTO's non-consolidated financial statements using the equity method. A summary of the financial information for GWS as at and for the year ended March 31 is as follows:

	2026	2025
Statement of financial position:		
Total assets	$ 33	$ 16
Total liabilities	495	433
	$ (462)	$ (417)
Statement of operations:		
Total revenue	$ –	$ 50
Total expenses	38	68
	$ (38)	$ (18)
Statement of cash flows:		
Cash flows used in operating activities	$ (33)	$ (89)
Cash flows from investing activities	37	84

(Expressed in thousands of dollars)

4. Deficiency in subsidiary (continued):

Deficiency in subsidiary as at March 31 is as follows:

	2026	2025
Balance, beginning of year	$ 371	$ 353
Deficit during the year	38	18
Balance, end of year	$ 409	$ 371

5. Related party balances and transactions:

(a) GroundUp Toronto ("GUT"):

GUT was incorporated in fiscal 2020 under the Canada Not-for-Profit Corporations Act to provide and operate supportive, inclusive, and accessible housing including any associated public, recreational, or commercial space primarily for persons with disabilities. CLTO controls GUT through its right to appoint the majority of GUT's Board of Directors.

GUT has not been consolidated in CLTO's non-consolidated financial statements. A Summary of the financial information for GUT as at and for the year ended March 31, is as follows:

	2026	2025
Statement of financial position:		
Total assets	$ 4,644	$ 4,668
Total liabilities	4,847	4,902
	$ (203)	$ (234)
Statement of operations:		
Total revenue	$ 324	$ 324
Total expenses	292	314
	$ 32	$ 10

(Expressed in thousands of dollars)

5. Related party balances and transactions (continued):

	2026	2025
Statement of cash flows:		
Cash flows from operating activities	$ 163	$ 121
Cash flows used in financing activities	(61)	(18)

(b) Related party balances and transactions:

Due from related parties includes the following balances as at March 31:

	2026	2025
Due from GUT (i)	$ 2,335	$ 2,316
Due from GWS (ii)	237	200
	2,572	2,516
Less current portion	145	126
	$ 2,427	$ 2,390

(i) The balance relates to the payment of various invoices by CLTO on behalf of GUT. The balance is non-interest bearing with no fixed terms of repayment.

(ii) The balance relates to the payment of various invoices by CLTO on behalf of GWS. The balance is non-interest bearing with no fixed terms of repayment.

6. Short-term investments:

	2026		2025	
	Cost	Fair value	Cost	Fair value
Cash and short-term note equivalents	$ 1,198	$ 1,231	$ 2,806	$ 2,828
Equities	2,663	3,271	2,676	2,946
Fixed income	5,300	5,362	5,000	5,125
Other funds	468	–	468	–
	$ 9,629	$ 9,864	$ 10,950	$ 10,899

(Expressed in thousands of dollars)

7. Capital assets:

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Land	$ 17,067	$ –	$ 17,067	$ 17,067
Buildings	29,430	16,666	12,764	12,511
Equipment, computer hardware and software	6,971	6,179	792	762
	$ 53,468	$ 22,845	$ 30,623	$ 30,340

8. Credit facilities:

On August 23, 2019, CLTO entered into an agreement with TD Canada Trust ("TD") for credit facilities. On March 24, 2020, CLTO obtained a restated credit agreement with TD to include GUT as a borrower under the agreement. The credit agreement was subsequently amended at various times.

The credit facilities were amended during the year to include a $6,000 operating loan for CLTO and GUT at bank prime rate plus 0.5%. As at March 31, 2026, CLTO had drawn nil (2025 - nil) and GUT has borrowed nil (2025 - nil) under this facility.

As part of the facility, GUT also has access to a committed reducing term facility up to a maximum of $6,000 (2025 - $6,000) and a reduced term period to July 12, 2026 (2025 - July 12, 2026). As at March 31, 2026, GUT has $2,498 (2025 - $2,565) outstanding under this facility.

The amended credit facilities are secured by the following:

- Continuing collateral mortgage representing a first charge on certain real property beneficially owned by and registered in the name of CLTO and GUT in the principal amount of $11,200.

- General security agreement.

- Assignment of fire insurance, rents and leases on certain property.

(Expressed in thousands of dollars)

8. Credit facilities (continued):

- Unlimited guarantee of advances executed by CLTO in support of GUT or by GUT in support of CLTO.

- General hypothecation of stocks and bonds with a Securities Control Agreement and power of attorney on marketable securities held at TD Waterhouse.

Under the terms of the credit facilities agreement, CLTO and GUT are required to comply with certain financial and non-financial covenants.

9. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable as follows:

	2026	2025
Payroll remittances	$ 873	$ 2,179
Workplace Safety and Insurance Board	100	–
	$ 973	$ 2,179

10. Ministry of Children, Community and Social Services:

CLTO's final amount to be received from or repayable to the MCCSS for the year ended March 31, 2026 will not be determined until MCCSS has reviewed CLTO's financial and statistical returns for that period. The management of CLTO considers the amounts receivable from or repayable to MCCSS to include all proper adjustments for non-allowable costs.

11. Mortgages payable:

Mortgages payable consists of three (2025 - four) mortgages, which bear interest at varying rates from 4.094% to 6.466% (2025 - 4.094% to 8.00%). These mortgages mature at various dates from August 1, 2027, to July 1, 2028 (2025 - January 1, 2025, to July 1, 2028). Total interest expense on mortgages payable is $16 (2025 - $11).

Future principal payments required on mortgages for the next two years are as follows:

2027	$ 74
2028	86
	$ 160

Property	Particulars: Interest rate	Renewal date	Monthly payment inclusive of interest	Principal balance, March 31, 2026	Principal balance, March 31, 2025
			(Actual amount)	(000)	(000)
Annette	4.44%	July 1, 2028	$ 1,834	$ 49	$ 68
Aspenwood	6.47%	December 1, 2028	2,226	67	89
Roundwood	4.09%	August 1, 2027	2,651	44	73
Margaret	8.00%	June 1, 2025	–	–	2
Total			$ 6,711	160	232
Less current portion				74	72
Total long-term portion				$ 86	$ 160

During fiscal year 2026, the mortgages relating to Margaret was discharged as the accounts were paid in full.

12. Long-term loan payable:

During prior year, a long-term loan was provided by Community Forward Fund to Community Living Toronto amounting to $600 to finance pre-development activities in relation to the Lawson Redevelopment Site (the "Project"). The outstanding principal and all accrued but unpaid interest thereon shall be due and payable on the date that is the earlier of 36 months after the date of the Advance and the date on which the Borrower draws down on a construction loan facility in respect of the Project. Interest is payable on the outstanding loan at the rate equal to 6.5% per annum calculated monthly. Prepayment of loan is allowed based on conditions stipulated in the agreement. Under the terms of the loan agreement, CLTO is required to comply with certain financial and non-financial covenants. As at March 31, 2026, CLTO was in compliance with the covenants.

Community Living Toronto has received a loan under the Canada Mortgage and Housing Corporation (CMHC) Seed Funding Program to support the development of affordable housing. As of March 31, 2026, the outstanding balance of the loan is $46 (2025 - nil). The total approved loan amount under the agreement is up to $307,200. The loan is non-interest bearing until the maturity date, which is the earlier of: (i) the date on which project financing is received, (ii) the third anniversary of the effective date of the agreement (September 23, 2028), or (iii) other events as defined in the agreement. Interest, if applicable, will accrue at Canada Prime Rate plus 2% per annum, commencing 30 days after the maturity date. The loan is secured by a second-ranking mortgage on the property at 1712 Ellesmere Road, Scarborough, and is repayable in full upon maturity or upon receipt of project financing, as outlined in the agreement.

(Expressed in thousands of dollars)

13. Deferred contributions:

(a) Expenses of future periods:

Deferred contributions related to expenses of future periods represent unspent externally restricted grants and donations.

	2026	2025
Balance, beginning of year	$ 7,828	$ 7,462
Amount received related to future period	1,975	1,603
Amount recognized as revenue	(1,084)	(1,237)
Balance, end of year	$ 8,719	$ 7,828

(b) Capital assets:

Deferred contributions related to capital assets represent the unamortized amount received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the non-consolidated statement of operations.

	2026	2025
Balance, beginning of year	$ 1,943	$ 2,083
Less amounts amortized to revenue	(140)	(140)
Balance, end of year	$ 1,803	$ 1,943

(Expressed in thousands of dollars)

14. Invested in capital assets:

Invested in capital assets is calculated as follows:

	2026	2025
Capital assets	$ 30,623	$ 30,340
Amounts financed by:		
Deferred contributions	(1,802)	(1,943)
Mortgages payable	(160)	(232)
Capital funding receivable	160	232
	$ 28,821	$ 28,397

Change in net assets invested in capital assets is calculated as follows:

	2026	2025
Excess (deficiency) of revenue over expenses:		
Amortization of deferred capital contributions	$ 140	$ 140
Amortization of capital assets	(1,128)	(1,107)
Gain on sale of capital assets	–	7
	$ (988)	$ (960)
Net change in invested in capital assets:		
Purchase of capital assets	$ 1,412	$ 644
Deferred capital contributions	–	–
Proceeds on sale of capital assets	–	(20)
Repayment of mortgage	(74)	(141)
Capital funding received	74	141
	$ 1,412	$ 624

(Expressed in thousands of dollars)

15. Pension plan:

Effective October 1, 2019, CLTO remits all required employer contributions to the CAAT Plan in accordance with the term of the plan. As the CAAT Plan is a multi-employer defined benefit pension plan, any pension plan surpluses or deficits are joint responsibility of all eligible organizations and their employees. As a result, CLTO does not recognize any share of the CAAT Plan surplus or deficit, as CLTO's portion of the amount is not determinable.

The most recent actuarial valuation filed with pension regulators as at January 1, 2026 indicated an actuarial surplus on a going concern basis of $6.7 billion. CLTO made contributions to the CAAT Plan of $4,139 (2025 - $3,876) which has been included as an expense in the non-consolidated statement of operations.

16. Endowments:

Endowments consist of the following:

	2026	2025
Endowments, the income from which is externally restricted	$ 56	$ 56
Endowments, the income from which is unrestricted	29	29
	$ 85	$ 85

17. Commitments:

The following is a schedule of future annual minimum lease payments required under operating leases for premises used as day programs and residences that have initial lease terms in excess of one year, as at March 31, 2026:

2027	$ 787
2028	793
2029	810
2030	811
2031	398
Thereafter	648
	$ 4,247

(Expressed in thousands of dollars)

18. Non-consolidated statement of cash flows:

Change in non-cash operating working capital comprise the following items:

	2026	2025
Accounts receivable	$ 1,168	$ 71
Prepaid expenses	(81)	(757)
Accounts payable and accrued liabilities	(2,026)	4,398
Deferred revenue	(184)	(764)
	$ (1,123)	$ 2,948

19. Financial risks:

(a) Interest rate risk:

CLTO's credit facilities have a variable interest based on the bank's prime lending rate (note 8) and a fixed interest rate loan as disclosed in note 12. As a result, CLTO is exposed to interest rate risk due to fluctuations in this rate. There has been no significant change to the risk exposure from 2025.

(b) Liquidity risk:

Liquidity risk is the risk that CLTO will encounter difficulty in meeting obligations associated with financial liabilities. CLTO manages its liquidity risk by monitoring its operating requirements. CLTO prepares budget and cash flow forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no significant change to the risk exposure from 2025.

20. Economic dependence:

The future viability of CLTO is dependent upon continued support from the MCCSS.

CLTO receives a substantial amount of funding from the MCCSS, pursuant to a Service Contract entered into by both parties. For the year ended March 31, 2026, 80% (2025 - 80%) of revenues came from MCCSS. The funding agreement for 2026 with the MCCSS has not yet been finalized.