

RYGIEL SUPPORTS FOR COMMUNITY LIVING

FINANCIAL STATEMENTS

For the year ended March 31, 2026

RYGIEL SUPPORTS FOR COMMUNITY LIVING

For the year ended March 31, 2026

INDEX

	Page
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations - Unrestricted Net Assets	4
Statement of Operations - Capital Assets Fund	5
Statement of Operations - Capital Donation Fund	6
Statement of Changes in Net Assets	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 15

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Rygiel Supports for Community Living

Qualified Opinion

We have audited the financial statements of Rygiel Supports for Community Living (the 'Organization'), which comprise the statement of financial position as at March 31, 2026, and the statements of operations (unrestricted, capital asset fund, and capital donation fund) 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2026, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2026, current assets as at March 31, 2026, and net assets as at April 1 and March 31 for the March 31, 2026 year end.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Other Matter

The financial statements for the Organization for the year ended March 31, 2025 were audited by another auditor who expressed a qualified opinion, as explained in the *Basis for Qualified Opinion* section of the report, on those financial statements on July 15, 2025.

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

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

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

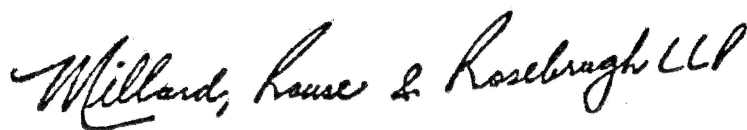
Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.



June 22, 2026
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

RYGIEL SUPPORTS FOR COMMUNITY LIVING

STATEMENT OF FINANCIAL POSITION

As at March 31	2026	2025
ASSETS		
Current Assets		
Cash	1,480,753	879,836
Term deposits (Note 5)	1,000,000	1,000,000
Accounts receivable (Note 6)	431,341	526,943
HST recoverable	50,492	101,013
Prepaid expenses	178,773	65,782
	3,141,359	2,573,574
Capital Assets (Note 7)	2,916,370	2,908,162
	6,057,729	5,481,736
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (Note 8)	2,243,083	1,833,037
Replacement reserve fund (Note 3)	199,377	190,737
Deferred revenue	24,133	-
	2,466,593	2,023,774
Deferred Contributions Related to Capital Assets (Note 10)	1,361,877	1,334,635
	3,828,470	3,358,409
NET ASSETS (Page 7)		
Unrestricted fund	25,490	10,175
Capital asset fund	77	37,818
Capital donation fund	2,203,692	2,075,334
	2,229,259	2,123,327
	6,057,729	5,481,736

Approved on behalf of the Board of Directors

..... Director
 Director

RYGIEL SUPPORTS FOR COMMUNITY LIVING

STATEMENT OF OPERATIONS - UNRESTRICTED NET ASSETS

For the year ended March 31	2026	2025
Revenue		
MCCSS/CYMH funding	19,820,728	18,086,149
ODSP and OAS	1,405,828	1,349,590
MYSLP funding	508,507	-
Other revenue	933,510	445,824
Investment income	26,695	43,218
	22,695,268	19,924,781
Expenditures		
Administrative	708,692	630,556
Building and property	1,169,067	1,250,758
Developmental services	20,653,177	17,866,272
Travel	123,017	91,069
	22,653,953	19,838,655
Excess of Revenue over Expenditures	41,315	86,126

RYGIEL SUPPORTS FOR COMMUNITY LIVING

STATEMENT OF OPERATIONS - CAPITAL ASSETS FUND

For the year ended March 31	2026	2025
Revenue		
Amortization of deferred contributions	107,275	60,037
Expenditures		
Amortization of capital assets	161,221	114,886
Loss on disposal of capital assets	9,795	-
	171,016	114,886
Excess (Deficiency) of Revenue over Expenditures	(63,741)	(54,849)

RYGIEL SUPPORTS FOR COMMUNITY LIVING

STATEMENT OF OPERATIONS - CAPITAL DONATION FUND

For the year ended March 31	2026	2025
Revenue		
Donations	122,063	95,687
Investment income	29,636	48,560
	151,699	144,247
Expenditures		
Net capital transactions	14,701	102,023
Replacement reserve	8,640	8,640
	23,341	110,663
Excess of Revenue over Expenditures	128,358	33,584

RYGIEL SUPPORTS FOR COMMUNITY LIVING

STATEMENT OF CHANGES IN NET ASSETS

As at March 31	Unrestricted Fund	Capital Assets Fund	Capital Donation Fund	2026
Net Assets - Beginning of Year	10,175	37,818	2,075,334	2,123,327
Excess (deficiency) of revenue over expenditures	41,315	(63,741)	128,358	105,932
Interfund transfers	(26,000)	26,000	-	-
Net Assets (Deficit) - End of Year	25,490	77	2,203,692	2,229,259

As at March 31	Unrestricted Fund	Capital Assets Fund	Capital Donation Fund	2025
Net Assets - Beginning of Year	(75,951)	92,667	2,041,750	2,058,466
Excess (deficiency) of revenue over expenditures	86,126	(54,849)	33,584	64,861
Interfund transfers	-	-	-	-
Net Assets - End of Year	10,175	37,818	2,075,334	2,123,327

RYGIEL SUPPORTS FOR COMMUNITY LIVING

STATEMENT OF CASH FLOWS

For the year ended March 31	2026	2025
Cash Flows From Operating Activities		
Excess of Revenue over Expenditures	105,932	64,861
Charges (credits) to income not involving cash		
Amortization of capital assets	161,221	114,886
Amortization of deferred contributions	(107,275)	(60,037)
Loss on disposal of assets	9,795	-
Replacement reserve	8,640	8,640
	178,313	128,350
Net change in non-cash working capital balances related to operations (Note 15)	467,311	106,524
	645,624	234,874
Cash Flows Used In Investing Activities		
Purchase of capital assets	(182,320)	(367,874)
Proceeds on disposal of capital assets	3,096	-
Increase in deferred contributions related to capital assets	134,517	414,238
	(44,707)	46,364
Net Increase (Decrease) in Cash	600,917	281,238
Opening Cash	879,836	598,598
Closing Cash	1,480,753	879,836

See accompanying notes

RYGIEL SUPPORTS FOR COMMUNITY LIVING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2026

1. PURPOSE OF THE ORGANIZATION

Rygiel Supports for Community Living (the "Organization") is a not-for-profit organization which was incorporated on October 30, 2006 without share capital by letters of patent under the laws of the Province of Ontario and is a registered charitable organization under the Income Tax Act (Canada). As such, it is exempt from income taxes and is able to issue donation receipts. The Organization's mandate is to support individuals in the community, who have multiple disabilities, by providing residential and respite services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFP) and include the following significant accounting policies.

(a) Use of Estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

(b) Revenue Recognition

The Organization follows the deferral method of accounting for contributions.

Restricted contributions related to expenses of future periods are recorded as deferred revenue and are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred, generally short term in nature due to a project contract. Contributions restricted for the purchase of capital assets are classified as long term, deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

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

Administration and parent fees are recognized in the period in which the related services are provided.

Interest income is recognized as revenue in the period earned.

RYGIEL SUPPORTS FOR COMMUNITY LIVING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2026

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Capital Assets

The Organization's policy is to capitalize all acquisitions of 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 expense. Betterments which extend the estimated useful life of an asset are capitalized. When a capital asset no longer contributes to the Organization's ability to provide services, its carrying amount is written down to its residual value.

Capital assets are recorded at cost and are being amortized over their estimated useful lives at the following annual rates and methods:

Buildings	40 year straight-line
Building improvements	40 year straight-line
Computer equipment	6 year straight-line
Equipment	20% declining balance method
Vehicles	20% declining balance method

(d) Contributed Services

Volunteers contributed an indeterminable number of hours per year to assist the Organization in carrying out its service delivery activities. Given the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

(e) Financial Instruments

Measurement and financial instruments

The Organization initially measures its financial assets and financial liabilities originated or exchanged in arm's length transactions at fair value, except for certain non-arm's length transactions. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include, cash, term deposits, accounts receivable and sales tax recoverable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. Reversals are recognized in net income.

Transaction costs

The Organization recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transactions costs that are directly attributable to their organization, issuance or assumption.

RYGIEL SUPPORTS FOR COMMUNITY LIVING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2026

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Replacement Reserve

The replacement reserve balance is an accumulation of an annual charge against earnings as opposed to a transfer of surplus.

(g) Employee Future Benefits

The Organization participates in a defined contribution pension plan for their employees. The costs of the defined contribution pension plan representing the Organization's required contributions are charged to earnings in the year incurred.

3. INTERNALLY RESTRICTED CASH	2026	2025
Replacement reserves, funded, - beginning of the year	190,737	182,097
Current year appropriations	8,640	8,640
Replacement reserves, funded - end of year	199,377	190,737

The Board of Directors has established a replacement reserve to provide for funding of future major maintenance on owned properties which is to be funded at a rate of \$960 per location per year. Currently, the Organization owns nine (2025 - nine) locations. As approved by the board of directors in the current year, the replacement reserve is to be generated out of the capital donation fund, see Note 11 for further details.

The Organization has internally restricted the Bingo cash account which is to be used for the purchase of vehicles, vehicles accessories and any vehicle repairs and maintenance. As at March 31, 2026, the restricted cash balance is \$66,256 (2025 - \$38,549).

4. BANK FACILITY

The Organization has an operating line of credit facility available to a maximum of \$400,000 bearing interest at the bank's prime rate plus 1.0% per annum. The facility is secured by a general security agreement over all present and future personal property of the Organization and is guaranteed by another non-profit organization to a maximum of \$620,000. As at March 31, 2026, the Organization has utilized \$nil (2025 - \$nil) of this facility.

5. TERM DEPOSITS

Term deposit consists of the guaranteed investment certificate bearing interest at variable rate of Prime less 2% per annum (2.45% as at March 31, 2026) and maturing on March 26, 2027. These investments are internally restricted for capital expenditures and accordingly classified as short term.

RYGIEL SUPPORTS FOR COMMUNITY LIVING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2026

6.	ACCOUNTS RECEIVABLE	2026	2025
	Accounts receivable	431,600	527,202
	Less: allowance for doubtful accounts	(259)	(259)
		431,341	526,943

7.	CAPITAL ASSETS	Cost	Accumulated Amortization	2026	2025
	Land	1,752,759	-	1,752,759	1,752,759
	Buildings	1,303,021	895,073	407,948	440,524
	Buildings improvements	760,609	560,382	200,227	207,953
	Computer equipment	248,581	167,833	80,748	104,844
	Equipment	1,290,361	1,121,473	168,888	157,020
	Vehicles	451,003	214,400	236,603	245,062
	Construction in progress	69,197	-	69,197	-
		5,875,531	2,959,161	2,916,370	2,908,162

8.	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	2026	2025
	Accounts payable and accrued liabilities	1,109,605	1,024,504
	Government liabilities	729,567	620,239
	Ministry payables	403,911	188,294
		2,243,083	1,833,037

9. PERSONAL NEEDS TRUST

The Personal Needs Allowance Program, which was established by the MCCSS, provides discretionary income to eligible adult recipients under the Developmental Services Act. These allowances cannot be used to supplement the Organization budget nor to pay for goods and services considered to be the responsibility of the Organization. The balance in this account represents the accumulated excess of personal needs allowance received over the actual expenditures to date.

RYGIEL SUPPORTS FOR COMMUNITY LIVING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2026

10. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred capital contributions reported in the Capital Asset Fund include the unamortized portions of contributed capital assets, contributions not utilized and restricted contributions relating to the Province of Ontario capital grants used to acquire various residences and other capital assets. The changes for the year in the deferred contributions balance reported in the Capital Asset Fund are as follows:

	2026	2025
Balance - beginning of year	1,334,635	980,434
Amounts amortized into income - Capital Asset Fund	(107,275)	(60,037)
Grants received (repayable) in the current year	134,517	414,238
Balance - end of year	1,361,877	1,334,635

11. INTERFUND TRANSFERS

The Board of Directors had approved, if deemed necessary, an interfund transfer from the Capital Donation Fund to the Unrestricted Fund but it was deemed as not necessary in the current year (2025 - \$nil). All monies generated for the replacement reserve continue to be paid out of the Capital Donation Fund. This is to ensure that more general funds be available to cover the operating expenses that have not been funded.

12. MCCSS/CYMH FUNDED PROGRAMS

The Organization has various contracts with the Ministry of Children, Community and Social Services (MCCSS) and Ministry of Child and Youth Health (CYMH) (collectively the Ministries). These contracts require that all surplus and deficits resulting from operational activities of the Organization can be subject approval and direction of the Ministries. One requirement of the Organization's contracts with the Ministry is the production by management of Transfer Payment Annual Reconciliation Reports (TPAR) which summarizes all revenues and expenditures and any resulting surplus or deficits that relate to the contracts. All TPAR reports up to 2023 have been approved. The current year payable of \$21,141 (2025 - \$132,954) is subject to approval and the amount may change based on the discretion of the Ministries. As at March 31, 2026 the total payable is \$403,911 (2025 - \$188,294). The current year payable is a result of unspent family allocations.

13. PAY EQUITY

Although not contributed to by the Ministry or otherwise funded by any other source, the Organization continues to meet the challenges of its annual Pay Equity obligations under the Ontario Pay Equity Act through prudent management of expenditures. This practice is precarious in nature and not sustainable.

RYGIEL SUPPORTS FOR COMMUNITY LIVING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2026

14. COMMITMENTS

Rygiel Supports for Community Living has entered into lease agreements for its premises and equipment rental. Minimum lease payments, inclusive of certain common costs, in the aggregate and for each of the next four years are as follows:

Years ended March 31,	2027	507,518
	2028	387,518
	2029	387,518
	2030	387,518
		<u>1,670,072</u>

15. CASH FLOW FROM OPERATIONS

	2026	2025
Accounts receivable	95,602	(265,869)
HST recoverable	50,521	(27,288)
Prepaid expenses	(112,991)	20,840
Accounts payable and accrued liabilities	410,046	409,025
Deferred revenue	24,133	(30,184)
	<u>467,311</u>	<u>106,524</u>

16. FINANCIAL INSTRUMENTS

The Organization has identified the following financial risks:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivables. The Organization does not obtain collateral or other security to support the accounts receivables subject to credit risk but mitigates this risk by dealing only with what management believes to be financial sound counterparties and accordingly, does not anticipate significant loss from non-performance.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization's exposure to interest rate risk relates to its short term investments.

Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due. Trade accounts payable and accrued liabilities are generally paid within 30 days.

RYGIEL SUPPORTS FOR COMMUNITY LIVING

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2026

17. ECONOMIC DEPENDENCE

The Organization derives a significant portion of its contributions from MCCSS which is subject to annual compliance requirements and consequently the ongoing operations are considered to be dependent on the continued funding from MCCSS.

18. COMPARATIVE FIGURES

Certain of the prior year's figures, provided for purposes of comparison, have been reclassified to conform to the financial statement presentation adopted in the current year.

19. EMPLOYEE FUTURE BENEFITS

The defined contribution plan is funded jointly by employer and employee contributions. The Organization's contribution to the plan for the year was \$385,246 (2025 - \$328,016).