Doane Grant Thornton

Financial Statements

Canadian Mental Health Association, Haliburton, Kawartha, Pine Ridge Branch

March 31, 2026

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Doane Grant Thornton

Independent Auditor's Report

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To the Members of
Canadian Mental Health Association,
Haliburton, Kawartha, Pine Ridge Branch

Qualified Opinion

We have audited the financial statements of Canadian Mental Health Association, Haliburton, Kawartha, Pine Ridge Branch (the "Organization"), which comprise the statement of financial position as at March 31, 2026, and the statement of operations, statement of changes in fund balances and statement of 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 effects of the matters 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 the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives part of its revenue from donations and 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 donations and fundraising revenue, excess of revenues over expenditures, and cash flows from operations for the years ended March 31, 2026 and 2025, current assets as at March 31, 2026 and 2025, and fund balances as at April 1 and March 31 for both the 2025 and 2026 years. Our audit opinion on the financial statements for the year ended March 31, 2025 was modified accordingly because of the possible effects of this limitation in scope.

Additionally, the Organization's capital assets funded by the Ministry of Health - Housing Program, as described in Note 2, are amortized each year at an amount equal to the mortgage principal repayment related to these assets. This policy is in accordance with the Ministry of Health accounting policies. This is not in accordance with ASNPO which requires that capital assets be recognized at cost at the time of acquisition and amortized over the useful life of the asset. Had the Organization amortized these assets in accordance with ASNPO policies, capital assets would have increased by $829,928 (2025 - $799,917), fund balances would have increased by $829,928 (2025 - $799,917), amortization would have decreased by $30,011 (2025 - $103,626), and excess of revenues over expenditures would have increased by $30,011 (2025 - $103,626). Our audit opinion on the financial statements for the year ended March 31, 2025 was also modified for the same issue.

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Independent Auditor's Report (continued)

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 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 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.

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Independent Auditor's Report (continued)

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.

Doane Grant Thornton LLP

Peterborough, Canada
July 29, 2026

Chartered Professional Accountants
Licensed Public Accountants

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Canadian Mental Health Association, Haliburton, Kawartha, Pine Ridge Branch
Statement of Financial Position

March 31	Operating Fund	Reserve Fund	**2026 Total**	2025 Total
Assets				
Current				
Cash and cash equivalents	$ 6,280,372	$ 1,296,628	**$ 7,577,000**	$ 7,345,539
Accounts receivable (Note 4)	904,032	-	**904,032**	509,341
Prepaid expenses	201,918	-	**201,918**	216,892
Interfund balances (Note 5)	(491,733)	491,733	**-**	-
	6,894,589	1,788,361	**8,682,950**	8,071,772
Capital assets (Note 6)	3,746,212	-	**3,746,212**	3,264,885
	$ 10,640,801	$ 1,788,361	**$ 12,429,162**	$ 11,336,657
Liabilities				
Current				
Accounts payable and accrued liabilities (Note 7)	$ 1,694,052	$ -	**$ 1,694,052**	$ 1,334,881
Due to the Province of Ontario (Note 8)	1,810,252	-	**1,810,252**	1,819,521
Deferred contributions (Note 9)	1,329,228	-	**1,329,228**	1,054,813
Scheduled cash repayments for long-term debt (Note 10)	619,177	-	**619,177**	123,992
Current liabilities before callable debt	5,452,709	-	**5,452,709**	4,333,207
Callable debt (Note 10)	467,985	-	**467,985**	-
	5,920,694	-	**5,920,694**	4,333,207
Long-term debt (Note 10)	-	-	**-**	618,450
Deferred capital contributions (Note 11)	1,692,840	-	**1,692,840**	1,848,022
	7,613,534	-	**7,613,534**	6,799,679
Fund balances				
Unrestricted	520,983	-	**520,983**	554,403
Internally restricted - Invested in capital assets	977,977	-	**977,977**	686,189
Internally restricted - Other (Note 5)	1,528,307	-	**1,528,307**	1,540,921
Externally restricted - Reserve	-	1,788,361	**1,788,361**	1,755,465
	3,027,267	1,788,361	**4,815,628**	4,536,978
	$ 10,640,801	$ 1,788,361	**$ 12,429,162**	$ 11,336,657

Commitments (Note 15)

Canadian Mental Health Association, Haliburton, Kawartha, Pine Ridge Branch
Statement of Changes in Fund Balances

Year ended March 31	Unrestricted	Internally Restricted - Investment in Capital Assets	Internally Restricted - Other	Externally Restricted	**2026 Total**	2025 Total
Balance, beginning of year	$ 554,403	$ 686,189	$ 1,540,921	$ 1,755,465	**$ 4,536,978**	$ 4,038,673
Excess of revenues over expenditures	234,368	-	-	44,282	**278,650**	498,305
Interfund transfers (Note 5)	(267,788)	291,788	(12,614)	(11,386)	**-**	-
Balance, end of year	$ 520,983	$ 977,977	$ 1,528,307	$ 1,788,361	**$ 4,815,628**	$ 4,536,978

See accompanying notes to the financial statements.

Canadian Mental Health Association, Haliburton, Kawartha, Pine Ridge Branch
Statement of Operations

Year ended March 31	Operating Fund	Reserve Fund	**2026 Total**	2025 Total
Revenues				
Grants (Note 12)	$ 19,380,777	$ 18,048	**$ 19,398,825**	$ 18,075,835
Rental income	1,188,498	-	**1,188,498**	1,104,578
Donations and fundraising	405,788	-	**405,788**	292,844
Other (Note 4)	278,766	-	**278,766**	140,537
Amortization of deferred capital contributions (Note 11)	229,538	-	**229,538**	237,321
Interest	175,153	35,151	**210,304**	316,766
Training	122,638	-	**122,638**	150,635
	21,781,158	53,199	**21,834,357**	20,318,516
Expenditures				
Salaries and benefits (Note 13)	14,343,424	-	**14,343,424**	13,241,849
Housing accommodation (Note 4)	3,814,908	-	**3,814,908**	3,041,936
Occupancy (Note 4)	536,804	-	**536,804**	811,918
Program	725,181	6,560	**731,741**	698,930
General office	594,890	-	**594,890**	541,696
Amortization	386,607	-	**386,607**	447,333
Staff training and travel	426,200	-	**426,200**	394,677
Professional fees - psychiatry	382,229	-	**382,229**	392,781
Professional fees - other	243,125	2,357	**245,482**	180,582
Interest on long-term debt	46,618	-	**46,618**	50,493
Fundraising	46,804	-	**46,804**	18,016
	21,546,790	8,917	**21,555,707**	19,820,211
Excess of revenues over expenditures	$ 234,368	$ 44,282	**$ 278,650**	$ 498,305

See accompanying notes to the financial statements.

Canadian Mental Health Association, Haliburton, Kawartha, Pine Ridge Branch
Statement of Cash Flows

Year ended March 31	Operating Fund	Reserve Fund	**2026 Total**	2025 Total
Increase (decrease) in cash				
Operating				
Excess of revenues over expenditures for the year	$ 234,368	$ 44,282	**$ 278,650**	$ 498,305
Add (deduct) items not requiring an outlay of cash:				
Amortization	386,607	-	**386,607**	447,333
Amortization of deferred capital contributions	(229,538)	-	**(229,538)**	(237,321)
	391,437	44,282	**435,719**	708,317
Changes in non-cash working capital items:				
Accounts receivable	(394,691)	-	**(394,691)**	75,071
Prepaid expenses	14,974	-	**14,974**	(16,842)
Interfund balances	(204,765)	204,765	**-**	-
Accounts payable and accrued liabilities	359,171	-	**359,171**	15,406
Due to Province of Ontario	(9,269)	-	**(9,269)**	643,915
Deferred contributions	274,415	-	**274,415**	(151,612)
	431,272	249,047	**680,319**	1,274,255
Financing				
Repayment of long-term debt	(124,132)	-	**(124,132)**	(213,145)
Proceeds of long-term debt	468,852	-	**468,852**	-
Capital contributions received	74,356	-	**74,356**	162,127
	419,076	-	**419,076**	(51,018)
Investing				
Purchase of capital assets	(856,548)	(11,386)	**(867,934)**	(505,374)
Increase in cash	(6,200)	237,661	**231,461**	717,863
Cash, beginning of year	6,286,572	1,058,967	**7,345,539**	6,627,676
Cash, end of year	$ 6,280,372	$ 1,296,628	**$ 7,577,000**	$ 7,345,539

See accompanying notes to the financial statements.

1. Nature of the entity

The Canadian Mental Health Association, Haliburton, Kawartha, Pine Ridge Branch (the "Organization") is a not-for-profit organization with a mission to work towards and foster a community in which all persons can obtain the best possible services and preventative resources for their mental health.

The Organization was incorporated in Ontario without share capital on April 1, 2013 and as such is prohibited from distributing any of its funds to, or for personal benefit, of its members. Upon dissolution of the Organization, any remaining assets are to be distributed to the Canadian Mental Health Association, Ontario Division. The Organization qualifies as a charitable organization as defined in the Federal and Ontario Income Tax Acts and, accordingly, is not subject to income taxes.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"), except where the Organization has elected to depart from ASNPO in its treatment of amortization of capital assets (see capital assets policy below). The departure consists of amortizing capital assets funded by the Ministry of Health - Housing Program at amounts equal to the annual mortgage principal repayment rather than over the assets' useful lives. The significant policies are detailed as follows:

Fund accounting

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Organization, the accounts are maintained in accordance with the principles of fund accounting. Under this method, the Organization reports the use of its resources in one of two funds as follows:

i. The reserve fund reports all externally restricted funding received from the Ministry of Health - Housing with stipulated use for repairs and replacements of Housing Program and other specific housing-related capital assets and related externally restricted investment income and the related expenditures.

ii. The operating fund accounts for the Organization's other activities including program delivery and administrative activities. This fund reports unrestricted revenues, externally restricted operating grants, other than those reported in the reserve fund, and resources internally restricted by the Board of Directors.

2. Summary of significant accounting policies (continued)

Revenue and expenditure recognition

Revenues and expenditures are recorded on an accrual basis. The Organization follows the restricted method of accounting for contributions. Contributions include grants, donations and fundraising. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Restricted contributions, other than for capital purchases, are recognized as revenue in the period in which the related expenses are incurred. Contributions restricted for capital purchases are deferred and amortized on the same basis and rate as the amortization of the related capital assets. Restricted contributions for which there is no separate restricted fund, are recognized as revenue in the operating fund in the period in which the related expenses are incurred.

The Province of Ontario provides operating funds which are recorded as revenue in the period to which they relate. Funds approved but not received at the end of the accounting period are recorded as an asset and any unused funds which must be repaid are recorded as a liability.

Rental income earned under lease agreements is recognized on a straight-line basis over the term of the lease.

Interest, training and other income is recognized when earned.

Cash and cash equivalents

Cash and cash equivalents is defined as cash held with Canadian chartered banks, petty cash, and funds held in investment savings accounts.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Capital assets, other than those funded by the Ministry of Health - Housing Program, are amortized on a straight-line basis over their estimated useful lives as follows:

2. Summary of significant accounting policies (continued)

Capital assets (continued)

Buildings	40 years
Automotive equipment	10 years
Furniture and equipment	5-25 years
Property improvements	5 years
Leasehold improvements	10 years
Computer equipment	5 years

As required by the Ministry of Health - Housing Program accounting policies, capital assets funded by this program are amortized at an amount equal to the mortgage principal repayment each year. The capital assets funded by this program are presented by location, rather than by asset class.

When conditions indicate that a capital asset is impaired, the net carrying amount is written down to the asset's fair value or replacement cost. The write-down is accounted for as an expense in the statement of operations in the year the impairment occurs. A write-down shall not be reversed. The Organization chooses fair value or replacement cost on an asset-by-asset basis to measure the writedown.

Operating leases

An operating lease is a lease whereby substantially all of the benefits and risks incidental to ownership of the property are not transferred to the Organization. Lease rentals under operating leases are included in the determination of excess of revenue over expenditures over the lease term on a straight-line basis.

Contributed materials and services

Contributed materials that are used in the normal course of operations and would otherwise have been purchased are recorded in the financial statements at the time of the contribution and a fair value can be reasonably estimated.

Volunteers contribute a significant amount of their time to assist the Organization in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

2. Summary of significant accounting policies (continued)

Government assistance

Government assistance is recorded as revenue when related expenditures are incurred.

Use of estimates

Management reviews the carrying value of items in the financial statements at each reporting date to assess the need for revisions or any possibility of impairment. Management determines estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Estimates are reviewed periodically and adjustments are made to revenue and expenditures as appropriate in the year they become known. The most significant items that involve the use of estimates are revenue recognized from grants and the useful life of capital assets.

The amount due to funders and related revenue recognized from grants requires a number of estimates. If the Organization does not meet the terms of its funding agreements, the grantors have the right to adjust funding repayable by the Organization. The grantors are not required to communicate certain funding adjustments until after the completion of the financial statements. Accordingly, the amount due to funders and related funding revenue recognized during the year may be increased or decreased subsequent to year end. The amount due to funders and related revenue recognized in these financial statements represents management's best estimate of amounts that have been earned during the year.

2. Summary of significant accounting policies (continued)

Financial instruments

Financial instruments from arm's length transactions
The Organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Organization accounts for the following as financial instruments:

- cash and cash equivalents
- accounts receivable
- accounts payable
- due to Province of Ontario
- long-term debt

A financial asset or liability is recognized when the Organization becomes a party to a contractual provision of the instrument.

The Organization initially measures its financial assets and financial liabilities at fair value. The Organization subsequently measures all of its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in net income.

Financial instruments from related party transactions
Financial assets and financial liabilities in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. The Organization's only financial instrument in related party transactions consists of accounts receivable, as disclosed in Note 4, which is initially measured at cost. The Organization does not have any financial liabilities in related party transactions. The Organization does not have any financial assets or financial liabilities in related party transactions which are initially measured at fair value.

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how the Organization initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets. Financial instruments initially measured at fair value, of which the Organization has none, would be subsequently measured at amortized cost or fair value based on certain conditions.

Gains or losses arising on initial measurement differences are generally recognized in net income when the transaction is in the normal course of operations, and in equity when the transaction is not in the normal course of operations, subject to certain exceptions.

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized on the statement of operations.

3. Financial instruments risks

The Organization is exposed to various risks associated with its financial instruments as described below. Unless otherwise noted, there has been no change in risk exposure from the prior year.

(a) **Liquidity risk**

Liquidity risk is the risk that the Organization will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the Organization's cash requirements.

(b) **Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market interest rates. The Organization is subject to interest rate risk on its long-term debt. This risk is limited to changes in interest rates on renewal since the credit facilities have fixed rates (Note 10).

(c) **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 on the accounts receivable from its clients. The maximum exposure to credit risk is the carrying value of certain accounts receivable. The allowance for doubtful accounts is $9,304 (2025 - $9,304).

4. Related party transactions

The Organization exercises significant influence over Auburn Homestead Non-Profit Housing Corporation ("AH NPHC") (previously known as Canadian Mental Health Association Non Profit Housing Corporation of Peterborough) by virtue of its ability to influence decisions such as the properties to be purchased and also provides significant contributions towards the properties purchased. AH NPHC was established to provide, acquire, develop and operate non-profit residential accommodation and real estate including incidental facilities and uses thereto. AH NPHC provides residential accommodation to clients of the Organization as well as other tenants that are not clients of the Organization. AH NPHC is incorporated without share capital under Letters Patent issued by the Province of Ontario and qualifies as a non-profit organization as defined in the Income Tax Act and is therefore not subject to income tax.

During the year, the Organization paid rent (included in housing accommodation and occupancy expenditures) to AH NPHC in the amount of $281,159 (2025 - $261,913), of which $173,958 (2025 - $157,326) was for residential rent and $107,201 (2025 - $104,587) was for commercial rent. AH NPHC paid maintenance and administrative fees (included in other revenue) to the Organization in the amount of $28,500 (2025 – $28,500). These transactions are recorded at the exchange amount, which is the amount agreed to by the related parties. As of March 31, 2026, there is a balance of $39,611 (2025 – $40,054) owing from AH NPHC to the Organization (included in accounts receivable) which is unsecured, non-interest bearing with no specified repayment terms.

5. Interfund balances, transfers and internally restricted fund

Interfund balances are non-interest bearing with no set terms of repayment.

The Board of Directors has approved interfund transfers as follows:

	Unrestricted	Internally restricted - Invested in capital assets	Internally restricted - Other	Externally restricted
Amortization expense	$ 386,607	$ (386,607)	$ -	$ -
Capital asset purchases	(856,546)	867,932	-	(11,386)
Capital contributions received	74,356	(74,356)	-	-
Amortization of deferred contributions	(229,538)	229,538	-	-
Repayment of debt	(124,133)	124,133	-	-
Issuance of debt	468,852	(468,852)	-	-
Transfer of internally restricted - other funds	12,614	-	(12,614)	-
	$ (267,788)	$ 291,788	$ (12,614)	$ (11,386)

5. Interfund balances, transfers and internally restricted fund (continued)

The internally restricted fund - other and interfund transfers within are comprised of the following:

	Balance beginning of year	Interfund transfers	Balance end of year
MMHAC	$ 418,184	$ -	$ 418,184
Fundraising	333,089	72,454	405,543
Making It Work	179,218	-	179,218
CAMH 988	98,153	3,995	102,148
Urgent Response	82,674	-	82,674
Durham region	73,601	(3,994)	69,607
MCIT	60,996	(7,331)	53,665
Alternative Business	53,964	-	53,964
Housing Bricks and Mortar Maintenance	42,908	(42,908)	-
DDCC Clinics	38,162	(10,722)	27,440
EPI training	35,674	-	35,674
Flex Funds	33,500	-	33,500
Community Training	32,056	(29,565)	2,491
OTN Clinical Sessions	19,980	-	19,980
Trans Peer Outreach	14,931	-	14,931
Admin	8,584	(4,239)	4,345
APS/TAY	7,945	-	7,945
Cleaning services	4,110	-	4,110
City of Peterborough Outreach	3,192	-	3,192
798 George Street	-	9,696	9,696
	$ 1,540,921	$ (12,614)	$ 1,528,307

6. Capital assets

Capital assets and related accumulated amortization are classified as follows:

	2026 Cost	2026 Accumulated Amortization	2025 Cost	2025 Accumulated Amortization
Housing program:				
Land, buildings and equipment:	**$ 3,249,300**	**$ 3,170,445**	$ 3,237,914	$ 3,074,926
Other programs:				
Land	**325,000**	**-**	325,000	-
Buildings	**2,710,634**	**769,779**	2,059,838	714,344
Automotive equipment	**1,873,375**	**944,003**	1,799,019	775,126
Furniture and equipment	**411,123**	**211,856**	352,916	197,641
Property improvements	**130,295**	**98,936**	118,313	96,881
Leasehold improvements	**165,116**	**39,533**	165,116	23,021
Computer equipment	**204,939**	**89,018**	143,733	55,025
	5,820,482	**2,153,125**	4,963,935	1,862,038
Total	**9,069,782**	**5,323,570**	8,201,849	4,936,964
Net book value	**$ 3,746,212**		$ 3,264,885	

Included in computer equipment is $nil (2025 - $8,732 in computer equipment) and included in the housing program is $11,386 (2025 - $341,632) of capital assets not in use or deposits on capital assets which are not being amortized.

7. Government remittances

Included in accounts payable and accrued liabilities are government remittances of $138,431 (2025 - $143,103).

8. Due to the Province of Ontario

This balance consists of grant funding repayable to the Province of Ontario for multiple fiscal years and ministries.

9. Deferred contributions

Deferred contributions consist of grants and donations received for restricted operating purposes which have yet to be spent.

	2026	2025
Balance - beginning of year	**$ 1,054,813**	$ 1,206,425
Funding received	**732,829**	65,522
Funding spent	**(458,414)**	(217,134)
Balance - end of year	**$ 1,329,228**	$ 1,054,813

10. Long term debt

	2026	2025
Mortgage loans payable to Scotiabank		
Bearing interest at 1.72%, repayable in blended monthly payments of $5,028, due May 1, 2026	**$ 10,035**	$ 69,058
Bearing interest at 5.12%, repayable in blended monthly payments of $890, due April 1, 2025	**-**	1,696
Mortgage loan payable to the Great-West Life Assurance Company		
Bearing interest at 6.49%, repayable in blended monthly payments of $2,023, due January 1, 2026	**-**	19,647
Mortgage loans payable to the People's Trust Company		
Bearing interest at 7.25%, repayable in blended monthly payments of $1,616, due November 1, 2025	**-**	12,587
Bearing interest at 6.29%, repayable in blended monthly payments of $2,579, due April 1, 2025	**-**	2,565
Mortgage loans payable to the Royal Bank of Canada		
Bearing interest at 7.36%, repayable in blended monthly payments of $4,298, due December 16, 2026	**426,977**	446,424
Bearing interest at 7.36%, repayable in blended monthly payments of $1,834, due December 16, 2026	**182,165**	190,465
Mortgage demand loan payable to the Bank of Montreal		
Bearing interest at 4.42%, repayable in blended monthly payments of $2,594	**467,985**	-
	1,087,162	742,442
Less current portion:		
Cash repayments required within 12 months	**(629,838)**	(123,992)
Callable debt	**(457,324)**	-
Long term portion	**$ -**	$ 618,450

10. Long term debt (continued)

The mortgage loans payable and mortgage demand loan payable are secured by specific charges on the land and buildings of the Organization and their related party.

The Province of Ontario negotiates and renews the Housing program loans and the Organization does not participate in the negotiations as the mortgage payments are funded by the province.

Although the loans payable to the Bank of Montreal are due on demand, management does not believe that the demand feature will be exercised in the current period. Assuming payment of the callable debt is not demanded, regular principal payments required on all the long-term debt is as follows:

	Total
Estimated principal repayments are as follows:	
2027	$ 629,838
2028	11,104
2029	446,220
	$ 1,087,162

11. Deferred capital contributions

Deferred capital contributions represent unspent and unamortized grants and donations received for the purchase of capital assets.

	2026	2025
Balance - beginning of year	**$ 1,848,022**	$ 1,923,216
Funding received	**74,356**	162,127
Amortization of deferred capital contributions	**(229,538)**	(237,321)
Balance - end of year	**$ 1,692,840**	$ 1,848,022

11. Deferred capital contributions (continued)

Balance - end of year consists of:		
Unspent	**$ 11,770**	$ 11,770
Unamortized	**1,681,070**	1,836,252
	$ 1,692,840	$ 1,848,022

12. Grants

Grants are comprised of the following:

	Operating Fund	Reserve Fund	2026 Total	2025 Total
Ontario Health East	**$ 11,942,690**	**$ -**	**$ 11,942,690**	$ 10,376,764
Ministry of Health - Housing - Rent supplement	**2,083,451**	**-**	**2,083,451**	1,770,101
Ministry of Health - Housing - Community Homes for Opportunity	**923,436**	**-**	**923,436**	818,963
Ministry of Health - Housing - Private Non-Profit	**493,750**	**18,048**	**511,798**	699,622
Ministry of Children, Community and Social Service	**1,325,081**	**-**	**1,325,081**	1,339,034
Ministry of Health - Centre of Excellence	**-**	**-**	**-**	991,188
Municipal	**270,842**	**-**	**270,842**	450,030
Fleming Employment Services	**370,000**	**-**	**370,000**	340,000
United Way of Peterborough and District	**246,571**	**-**	**246,571**	225,663
Centre for Addiction and Mental Health	**850,441**	**-**	**850,441**	787,487
CMHA Toronto	**225,583**	**-**	**225,583**	178,416
A Point in Time	**521,451**	**-**	**521,451**	53,127
Other	**127,481**	**-**	**127,481**	45,440
	$ 19,380,777	**$ 18,048**	**$ 19,398,825**	$ 18,075,835

13. Pension plan

Substantially all of the employees of the Organization are eligible to be members of the Healthcare of Ontario Pension Plan ("HOOPP"), which is a multi-employer final average pay contributory pension plan. Employer contributions made to the plan by the Organization during the year amounted to $860,329 (2025 - $892,211). These amounts are included in salaries and benefits expenditures in the statement of operations.

The most recent valuation for financial reporting purposes completed by HOOPP was as of December 31, 2025 and disclosed the following (in $ millions) for 2025 and 2024 respectively:

	2025	2024
Net assets available for benefits	$ 131,936	$ 123,017
Accrued pension benefit obligation	(120,833)	(112,579)
Pension surplus	$ 11,103	$ 10,438

14. Economic dependence

The Organization receives a significant amount of funding from the Province of Ontario and as such is economically dependent on this source of revenue.

15. Commitments

The Organization has entered into long-term residential lease agreements for housing clients under the rent supplement program. The agreements have varying terms. The Organization has also entered into a long-term commercial lease agreement for the use of office space.

The total future minimum lease payments in the next five years are as follows:

2027	$ 398,771
2028	360,663
2029	349,485
2030	422,268
2031	275,268
Thereafter	1,082,139
Total	$ 2,888,594

16. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.