Central West Specialized Developmental Services

Financial Statements

For the year ended March 31, 2026

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For the year ended March 31, 2026

Contents

Adams + Miles | 100TH

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Independent Auditor's Report

To the Board of Directors of Central West Specialized Developmental Services

Opinion

We have audited the financial statements of Central West Specialized Developmental Services (the "Organization"), which comprise the statements of financial position of the Operating Fund, Charitable Donation Fund, and People Supported Trust Fund as at March 31, 2026, and the statements of revenue and expenditures and net assets of the Operating Fund, revenue and expenditures and net assets of the Charitable Donation Fund and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2026, and its results of operations and its cash flows for the year then ended in accordance with the financial reporting provisions in the Transfer Payment Operating Funds – Basis of Accounting established by the Ministry of Children, Community and Social Services.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Organization to comply with the financial reporting provisions in the Transfer Payment Operating Funds – Basis of Accounting established by the Ministry of Children, Community and Social Services. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements for the year ended March 31, 2025 were audited by another auditor, who expressed an unqualified opinion on those financial statements on June 17, 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 the basis of accounting as described in Note 1, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Adams & Miles LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
June 9, 2026

Central West Specialized Developmental Services
Statement of Financial Position
Operating Fund

March 31	2026	2025
Assets		
Current		
Cash (Note 2)	**$ 7,953,270**	$ 6,742,239
Accounts receivable (Note 6)	**1,484,328**	671,202
	$ 9,437,598	$ 7,413,441
Liabilities and Net assets		
Current		
Accounts payable and accrued liabilities (Notes 3 and 6)	**$ 8,171,245**	$ 6,337,177
Deferred revenue (Note 5)	**91,960**	-
Due to Province of Ontario (Note 1)	**179,238**	82,159
Recoverable by Province of Ontario (Note 1)	**911,904**	179,238
	9,354,347	6,598,574
Net assets	**83,251**	814,867
	$ 9,437,598	$ 7,413,441

On behalf of the Board:

DMitchell Chair

Treasurer

The accompanying notes are an integral part of these financial statements.

Central West Specialized Developmental Services
Statements of Financial Position

March 31		2026		2025
Charitable Donation Fund				
Asset				
Cash (Note 2)	$	**276,343**	$	254,902
Liabilities and Net Assets				
Net assets				
Restricted net assets		**127,897**		117,923
Unrestricted net assets		**148,446**		136,979
	$	**276,343**	$	254,902
People Supported Trust Fund				
Assets				
Cash (Note 2)	$	**714,646**	$	628,077
Liability				
Trust liability	$	**714,646**	$	628,077

On behalf of the Board:

DMitchell Chair

Treasurer

The accompanying notes are an integral part of these financial statements.

Central West Specialized Developmental Services
Statement of Revenue and Expenditures and Net Assets
Operating Fund

For the year ended March 31		2026		2025
Revenue				
MCCSS funding (Notes 6 and 8)	**$**	**49,114,096**	$	44,337,136
Passport funding (Note 4)		**1,170,476**		1,377,427
Accommodation funding		**948,157**		906,445
Grant funding (Note 5)		**113,410**		345,698
Other revenue		**235,559**		1,371
Administration (Note 1)		**-**		28,926
		51,581,698		46,997,003
Expenditures (Schedule)				
Administration (Note 1)		**961,959**		-
Building and property		**1,155,318**		1,274,250
Community Network of Specialized Care		**850,971**		1,020,288
Dual Diagnosis Services		**1,540,403**		1,369,780
Halton/Peel Support Services		**18,625,811**		14,778,360
Passport Administration (Note 4)		**2,401,823**		2,475,273
Respite		**1,146,256**		1,328,442
Supported Living and Treatment		**25,630,773**		24,286,313
		52,313,314		46,532,706
Excess (deficiency) of revenue over expenditures for the year		**(731,616)**		464,297
Net assets, beginning of year		**814,867**		350,570
Net assets, end of year	**$**	**83,251**	$	814,867

The accompanying notes are an integral part of these financial statements.

Central West Specialized Developmental Services
Statement of Revenue and Expenditures and Net Assets
Charitable Donation Fund

For the year ended March 31

		Restricted Net Assets		Unrestricted Net Assets		2026 Total		2025 Total
Revenue								
Donations	$	10,500	$	14,465	$	24,965	$	39,375
Expenditures								
Equipment		-		-		-		3,888
Recreation		526		2,998		3,524		3,601
		526		2,998		3,524		7,489
Excess of revenue over expenditures for the year		9,974		11,467		21,441		31,886
Net assets, beginning of year		117,923		136,979		254,902		223,016
Net assets, end of year	$	127,897	$	148,446	$	276,343	$	254,902

The accompanying notes are an integral part of these financial statements.

Central West Specialized Developmental Services
Statement of Cash Flows

For the year ended March 31	2026	2025
Cash flows from operating activities		
Excess of revenue (deficiency) over expenditures for the year	**$ (710,175)**	$ 496,183
Changes in non-cash working capital balances		
Accounts receivable	**(813,126)**	(216,343)
Accounts payable and accrued liabilities	**1,834,068**	1,867,849
Due to Province of Ontario	**97,079**	42,328
Deferred revenue	**91,960**	-
Recoverable by Province of Ontario	**732,666**	97,079
	1,232,472	2,287,096
Net increase in cash	**1,232,472**	2,287,096
Cash, beginning of year	**6,997,141**	4,710,045
Cash, end of year	**$ 8,229,613**	$ 6,997,141
Represented by		
Cash – Operating Fund	**$ 7,953,270**	$ 6,742,239
Cash – Charitable Donation Fund	**276,343**	254,902
	$ 8,229,613	$ 6,997,141

**The above Statement of Cash Flows does not include the cash balance of the People Supported Trust Fund as these amounts are held in Trust.*

1. Significant Accounting Policies

Nature of Organization

Central West Specialized Developmental Services (the “Organization” or “Central West”) is a not-for-profit organization, incorporated without share capital under the laws of Ontario on June 11, 1975, and continued under the Ontario Not-for-Profit Corporations Act effective October 2021. Central West provides residential and community-based support programs to people with intellectual and developmental disabilities and to their families across a number of regions.

Central West is a registered charity under the Income Tax Act.

Basis of Accounting

The financial statements have been prepared in accordance with the financial reporting provisions in the Transfer Payment Operating Funds - Basis of Accounting established by the Ministry of Children, Community and Social Services, using the significant accounting policies set out below. The basis of accounting used in these financial statements differs from Canadian accounting standards for not-for-profit organizations (ASNPO) in the following ways:

Capital assets purchased on a cash basis are charged to operations in the year the expenditure is incurred rather than being capitalized on the statement of financial position and amortized over their estimated useful lives.

Revenue and expenditures are accrued using the modified accrual basis of accounting. This method requires the inclusion of short-term accruals in the determination of operating results provided they are payable or receivable within 30 days of the budget year-end.

Provisions or reserves for unused vacation, sick leave and wage settlements are inadmissible expenditures. The costs become an admissible expenditure when the actual payments are made within 30 days of the year end, or approved by the Ministry of Children, Community and Social Services.

Revenue Recognition

Central West follows the restricted fund method of accounting for contributions. Unrestricted contributions, including government and other funding, are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted grant funding of the Operating Fund is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Any externally restricted grant funding not spent in the year received or receivable is recoverable by the grantor unless approved for carryforward by the grantor. Externally restricted contributions of the Charitable Donation Fund are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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

1. Significant Accounting Policies (Continued)

Central West is funded by the Province of Ontario through the Ministry of Children, Community and Social Services on the basis of subsidies for approved expenditures.

Community and individualized funding are funds that Central West administers and flows to individuals, families and Agencies.

Central West incurs administrative and overhead costs that are allocated to various funded programs in accordance with the terms of approved funding agreements. The amount allocated to each program is limited to the percentage or amount permitted under the applicable agreement. Administration recoveries are recognized as revenue in the year in which the related administrative services are provided, the amount is measurable, and collection is reasonably assured. Where the amount of eligible administrative costs incurred exceeds the amount recoverable or allocable under the applicable funding agreements, the excess is recognized as administration expense in the year. Conversely, where recoveries exceed the related administrative costs allocated, the excess is recognized as administration revenue.

Fund Accounting

The Operating Fund accounts for the operations of all programs and contracts administered by Central West.

The Charitable Donation Fund accounts for restricted and unrestricted contributions. The donor-restricted funds are to be used for purposes specified by the donor. The unrestricted funds consist of donation income.

The People Supported Trust Fund includes cash held in trust for the residents of the Organization's supportive living communities.

Contributed Goods and Services

Volunteers contribute significant amounts of time to assist Central West in carrying out its service delivery activities. Central West also, from time to time, receives donations of goods. Because of the difficulty of determining their fair value, contributed goods and services are not recognized in the financial statements.

Employee Future Benefits

Central West participates in a multi-employer defined benefit pension plan, however, sufficient information is not available to use defined benefit accounting. To comply with the stated basis of accounting, Central West accounts for the plan as if it were a defined contribution plan, recognizing contributions as expenditures in the year to which the contributions relate.

Due to and recoverable by Province of Ontario

Amounts due to Province of Ontario includes payable balance related to the prior year. Amounts recoverable by Province of Ontario includes payable balance related to the current year. Both balances relate to externally restricted grant funding not spent in the year and as a result is payable to the grantor.

1. Significant Accounting Policies (Continued)

Financial Instruments
Financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, amount due to Province of Ontario, and amount recoverable by Province of Ontario.

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment, if applicable.

Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are charged to operations in the year the expenditures are incurred.

Use of Estimates
The preparation of financial statements in accordance with the financial reporting provisions in Transfer Payment Operating Funds – Basis of Accounting established by the Ministry of Children, Community and Social Services requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Cash

Central West's bank accounts are held at RBC.

The cash balance for the People Supported Trust Fund represents restricted cash held in Trust for the residents of the Organization's living communities.

Central West has an unused $100,000 (2025 - $100,000) operating credit facility bearing interest at the bank's prime rate. The credit facility is secured by a general security agreement.

3. Accounts payable and accrued liabilities

As at March 31, 2026, accounts payable and accrued liabilities includes $838,429 (2025 - $1,086,775) for retroactive wages and benefits.

4. Passport Program

During the fiscal year, Passport program invoices of $11,138 (2025 - $27,051) related to the prior year were processed. Central West received $11,138 (2025 - $27,051) of funding for payment of these invoices during the year. The funding and expenditures have been included in the current year's statement of revenue and expenditures.

5. Grant Funding

In fiscal 2026, Central West received $156,000 in fiscal funding to support programs and projects. Of the amounts received, $113,410 was recognized into grant funding, $28,830 was clawed back, with the remaining balance of $13,760 recorded in deferred revenue.

6. Special Services at Home Program

During the year, Central West received $992,693 (2025 - $1,437,135) fiscal funding to administer the Special Services at Home ("SSAH") program. The SSAH services totalled $1,044,728 (2025 - $1,264,000) resulting in a receivable of $52,035 (2025 – payable of $173,135). The SSAH program funding and expenses are administered on behalf of the Ministry of Children, Community and Social Services.

7. Employee Future Benefits

Central West is a member of the Healthcare of Ontario Pension Plan (HOOPP), a multi-employer defined benefit pension plan. The pension expense for this plan for the year was $948,365 (2025 - $1,434,622).

HOOPP is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of participating organizations in Ontario and their employees. As a result, Central West does not recognize any share of the HOOPP pension surplus or deficit. The plan has reported a $11.1 billion actuarial surplus at the end of December 2025 (2024 - $10.4 billion surplus), based on actuarial liabilities of $120.8 billion (2024 - $112.6 billion) and actuarial net assets of $131.9 billion (2024 - $123 billion).

8. Economic Dependence

The Organization depends on the Ministry of Children, Community and Social Services to provide funding in order to continue to operate.

9. Financial Instrument Risks

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss to the other party by failing to discharge an obligation. Central West is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligation. Central West's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable balances. This risk has been determined to be nominal and has not changed from the prior year.

9. Financial Instrument Risks (Continued)

Liquidity Risk

Liquidity risk is the risk that Central West encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, Central West will not have sufficient funds to settle a transaction on the due date, will be forced to sell financial assets at a value, which is less than what they are worth, or may be unable to settle or recover a financial asset. Liquidity risk arises from Central West's accounts payable and accrued liabilities balances. This risk has not changed from the prior year.

10. Comparative amounts

Certain comparative amounts have been reclassified to conform to the current year's financial statement presentation.

Central West Specialized Developmental Services
Schedule of Expenditures
Operating Fund

For the year ended March 31	2026	2025
Salaries and benefits (Note 7)		
Building and property	**$ 145,049**	$ 292,239
Community programs	**2,353,558**	2,766,562
Halton/Peel Support Services	**996,411**	1,145,560
Passport (Note 4)	**1,019,601**	1,296,869
Supported Living and Treatment	**13,506,279**	19,473,790
	18,020,898	24,975,020
Non-salary		
Building and property	**1,010,269**	982,011
Community programs	**1,184,072**	885,153
Halton/Peel Support Services	**17,629,400**	13,699,594
Passport (Note 4)	**1,382,223**	1,178,404
Supported Living and Treatment	**13,086,452**	4,812,524
	34,292,416	21,557,686
Total expenditures	**$ 52,313,314**	$ 46,532,706