TZR TRUSTER ZWEIG RAITHATHA

COMMUNITY LEGAL SERVICES OF OTTAWA

Financial Statements

Year Ended March 31, 2026

COMMUNITY LEGAL SERVICES OF OTTAWA

Index to Financial Statements

Year Ended March 31, 2026

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Community Legal Services of Ottawa

Opinion

We have audited the financial statements of Community Legal Services of Ottawa (the "organization"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, changes in fund balances and cash flows for the year 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 the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 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.

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 ASNPO, 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.

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Independent Auditor's Report to the Board of Directors of Community Legal Services of Ottawa
(continued)

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.

Truster Zweig Raithatha LLP

Markham, Ontario — Chartered Professional Accountants
July 14, 2026 — Licensed Public Accountants

COMMUNITY LEGAL SERVICES OF OTTAWA

Statement of Financial Position

March 31, 2026

	General Fund	Legal Disbursement Fund	Tangible Capital Assets Fund	Duty Counsel Fund	Donations Fund	Immigration Conference Fund	Connecting Ottawa Fund	Other Funds	**2026**	2025
ASSETS										
CURRENT										
Cash	$ 145,114	$ 5,092	$ -	$ -	$ 10,090	$ -	$ 556,827	$ 69,560	**$ 786,683**	$ 798,253
Accounts receivable	2,452	-	-	-	-	-	-	26,209	**28,661**	43,517
Government remittances	27,797	357	-	-	-	-	-	-	**28,154**	27,089
Prepaid expenses	30,247	-	-	1,622	-	-	5,675	786	**38,330**	31,785
Interfund receivable	-	-	-	-	3,066	9,888	6,038	10,388	**29,380**	-
	205,610	5,449	-	1,622	13,156	9,888	568,540	106,943	**911,208**	900,644
TANGIBLE CAPITAL ASSETS *(Note 3)*	-	-	17,285	-	-	-	-	-	**17,285**	29,762
	$ 205,610	$ 5,449	$ 17,285	$ 1,622	$ 13,156	$ 9,888	$ 568,540	$ 106,943	**$ 928,493**	$ 930,406
LIABILITIES AND FUND BALANCES										
CURRENT										
Accounts payable and accrued liabilities	$ 189,916	$ 2,500	$ -	$ 3,416	$ -	$ -	$ 24,411	$ 8,259	**$ 228,502**	$ 262,763
Deferred contributions *(Note 4)*	-	-	-	-	-	-	525,722	-	**525,722**	530,336
Interfund payable *(Note 5)*	13,892	14,776	-	712	-	-	-	-	**29,380**	-
	203,808	17,276	-	4,128	-	-	550,133	8,259	**783,604**	793,099
FUND BALANCES	1,802	(11,827)	17,285	(2,506)	13,156	9,888	18,407	98,684	**144,889**	137,307
	$ 205,610	$ 5,449	$ 17,285	$ 1,622	$ 13,156	$ 9,888	$ 568,540	$ 106,943	**$ 928,493**	$ 930,406

APPROVED ON BEHALF OF THE BOARD

____________________________*Director* ____________________________*Director*

COMMUNITY LEGAL SERVICES OF OTTAWA

Statement of Operations

Year Ended March 31, 2026

	General Fund	Legal Disbursement Fund	Tangible Capital Assets Fund	Duty Counsel Fund	Donations Fund	Immigration Conference Fund	Connecting Ottawa Fund	Other Funds	**2026**	2025
REVENUE										
LAO - direct	$ 3,575,327	$ 54,600	$ -	$ -	$ -	$ -	$ -	$ -	**$ 3,629,927**	$ 3,544,823
LAO - indirect *(Note 6)*	326,004	-	-	-	-	-	-	-	**326,004**	251,900
Tenant duty counsel	-	-	-	114,269	-	-	-	-	**114,269**	112,659
Recovered from clients	-	67,428	-	-	-	-	-	-	**67,428**	73,746
Memberships and donations	-	-	-	-	5,956	-	-	-	**5,956**	252
Other income	2,696	1	-	-	-	12,600	-	49,943	**65,240**	9,282
Employment and social development Canada (ESDC)	-	-	-	-	-	-	-	49,576	**49,576**	52,296
Administrative support	-	-	-	-	-	-	-	23,974	**23,974**	7,957
Law Foundation of Ontario	-	-	-	-	-	-	563,470	-	**563,470**	385,012
Department of Justice	-	-	-	-	-	-	-	104,440	**104,440**	9,564
	3,904,027	122,029	-	114,269	5,956	12,600	563,470	227,933	**4,950,284**	4,447,491
EXPENSES										
Accommodations	330,960	-	-	-	-	-	-	-	**330,960**	311,799
Amortization	-	-	12,478	-	-	-	-	-	**12,478**	21,378
Communications	16,782	-	-	-	-	-	-	-	**16,782**	25,708
Connecting Ottawa	-	-	-	-	-	-	545,893	-	**545,893**	341,476
Duty counsel	-	-	-	2,529	-	-	-	-	**2,529**	3,846
Employee benefits	506,867	-	-	22,725	-	-	-	4,727	**534,319**	492,026
Equipment	7,740	-	-	-	-	-	-	-	**7,740**	14,117
Indirect payments *(Note 6)*	326,004	-	-	-	-	-	-	-	**326,004**	251,900
Legal disbursements	-	144,989	-	-	-	-	-	-	**144,989**	115,816
Library	5,469	-	-	-	-	-	-	-	**5,469**	20,788
Professional dues	42,246	-	-	-	-	-	-	-	**42,246**	46,254
Professional fees	44,303	-	-	-	-	-	-	983	**45,286**	45,385
Salaries and wages	2,586,419	-	-	91,825	-	-	-	166,232	**2,844,476**	2,630,796
Supplies and services	28,216	-	-	-	2,192	12,343	-	22,521	**65,272**	37,091
Travel	11,647	-	-	-	-	1,030	-	-	**12,677**	10,474
	3,906,653	144,989	12,478	117,079	2,192	13,373	545,893	194,463	**4,937,120**	4,368,854
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	$ (2,626)	$ (22,960)	$ (12,478)	$ (2,810)	$ 3,764	$ (773)	$ 17,577	$ 33,470	**$ 13,164**	$ 78,637

See notes to financial statements

COMMUNITY LEGAL SERVICES OF OTTAWA
Statement of Changes in Fund Balances
Year Ended March 31, 2026

	General Fund	Legal Disbursement Fund	Tangible Capital Assets Fund	Duty Counsel Fund	Donations Fund	Immigration Conference Fund	Connecting Ottawa Fund	Other Funds	**2026**	2025
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	$ 10,010	$ 11,133	$ 29,763	$ 304	$ 9,392	$ 10,661	$ 830	$ 65,214	**$ 137,307**	$ 66,277
Excess (deficiency) of revenue over expenses	(2,626)	(22,960)	(12,478)	(2,810)	3,764	(773)	17,577	33,470	**13,164**	78,637
Funds returned to Legal Aid Ontario	(5,582)	-	-	-	-	-	-	-	**(5,582)**	(7,607)
FUND BALANCES - END OF YEAR	$ 1,802	$ (11,827)	$ 17,285	$ (2,506)	$ 13,156	$ 9,888	$ 18,407	$ 98,684	**$ 144,889**	$ 137,307

COMMUNITY LEGAL SERVICES OF OTTAWA

Statement of Cash Flows

Year Ended March 31, 2026

		2026		2025
OPERATING ACTIVITIES				
Excess of revenue over expenses	**$**	**13,164**	$	78,641
Items not affecting cash:				
Amortization		**12,478**		21,378
Funds returned to Legal Aid Ontario and other		**(5,582)**		(7,607)
		20,060		92,412
Changes in non-cash working capital:				
Accounts receivable		**14,856**		(41,629)
Government remittances		**(1,065)**		(1,226)
Prepaid expenses		**(6,543)**		2,462
Accounts payable and accrued liabilities		**(34,268)**		45,495
Deferred contributions		**(4,610)**		322,631
		(31,630)		327,733
INCREASE (DECREASE) IN CASH FLOW		**(11,570)**		420,145
Cash - beginning of year		**798,253**		378,108
CASH - END OF YEAR	**$**	**786,683**	$	798,253

See notes to financial statements

1. PURPOSE OF THE ORGANIZATION

Community Legal Services of Ottawa (the "organization") was formed to provide equal access to quality legal services for the citizens of Ottawa.

The organization is incorporated without share capital under the Not-for-profit Corporations Act in the Province of Ontario, and as such, is exempt from corporate income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. These standards are in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

Financial instruments

The organization initially measures its financial assets and liabilities at fair value. The organization subsequently measures all financial assets and financial liabilities at cost or amortized cost.

Financial assets measured at cost consist of cash, accounts receivable, government remittances and interfund receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and interfund payable.

Fund accounting

All the funds described below, except as noted, are restricted as to use by various agreements between the organization and Legal Aid Ontario ("LAO") and title to the organization assets vests with the funder.

The General Fund is used to provide a range of legal and paralegal services, including information, advice and representation to low-income individuals and families.

The Legal Disbursements Fund is used to provide for certain direct expenses incurred in representing organization clients in legal proceedings.

The Tangible Capital Assets Fund holds the tangible capital assets of the organization that have been funded by LAO.

The Duty Counsel Fund is used to pay caseworker services in providing advice to tenants appearing at the Landlord and Tenant Board.

The Donations Fund comes from donations to the organization and are used at the discretion of the Board of Directors.

The Immigration Conference Fund holds funds for the annual Immigration Conference.

The Connecting Ottawa Fund is used for the Connecting Ottawa project to maintain an Ottawa-based network of community agencies and to deliver services dedicated to increasing the ability of people who do not speak English or French, or who have communication impairments, to more easily obtain legal information and legal assistance.

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2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Other funds are non-LAO clinic operating funds and are used for the purposes specified by the funders and Community Legal Services of Ottawa.

Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates:

Computer equipment	3 years
Office equipment	5 years
Telephone equipment	8 years
Leasehold improvements	term of the lease

Tangible capital assets are tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. If any potential impairment is identified, then the amount of the impairment is quantified by comparing the carrying value of the equipment to its fair value. Any impairment of tangible capital assets is charged to operations in the period in which the impairment occurs. An impairment loss is not reversed if the fair value of the equipment subsequently increased.

Revenue recognition

The organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

The revenue recovered from clients relates to various reimbursed expenses that the organization may incur on behalf of their clients. Revenue is recognized when the reimbursement is received.

Other income is recognized when earned or received.

Contributed services

Contributed materials and services which are used in the normal course of the organization's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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 revenues and expenses for the reporting period. Significant areas requiring the use of estimates include the measurement of book value of tangible capital assets, accounts payable and accrued liabilities, deferred contributions and revenue recognition. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the period in which they become known.

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2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Interfund transfers

Transfers between funds are made when resources of one fund have been authorized by the Board of Directors to finance activities and acquisitions in another fund.

Employee benefit plan

As of June 1, 2022, the organization offers a defined benefit pension plan to its employees under a multi-employer defined benefit pension plan. The plan provides benefits that are based on a contribution of a percentage of the participants' plan earnings. However, the organization's contributions are accounted for as if the plan were a defined contribution plan with the organization's contributions being expensed in the period in which they become due.

As at January 1, 2026, the contributions of the plan were invested with CAAT Pension Plan, under a Master plan "The Colleges of Applied Arts and Technology Pension Plan".

The organization's total expense under this plan during the year was $292,403 (2025 - $274,277) and is included in salaries and benefits.

Capital management

The organization's objective is to have sufficient resources to continue operations in accordance with its mission. The need for sufficient resources is considered when preparing an annual budget and monitoring its cash flows.

3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	**2026 Net book value**	2025 Net book value
Computer equipment	$ 353,032	$ 353,032	**$ -**	$ 8,900
Office equipment	77,526	71,218	**6,308**	7,207
Telephone equipment	12,628	10,935	**1,693**	3,272
Leasehold improvements	202,088	192,804	**9,284**	10,383
	$ 645,274	$ 627,989	**$ 17,285**	$ 29,762

4. DEFERRED CONTRIBUTIONS

Changes in Connecting Ottawa Fund deferred contributions is as follows:

	2026	2025
Balance, beginning of the year	**$ 530,336**	$ 207,701
Add: amounts received for the subsequent year	**558,856**	707,647
Less: amounts recognized as revenue in the year	**(563,470)**	(385,012)
Balance, end of the year	**$ 525,722**	$ 530,336

5. INTERFUND RECEIVABLE (PAYABLE)

The amounts owing between funds are non-interest bearing, unsecured and have no fixed terms of repayment.

6. INDIRECT PAYMENTS AND RECEIPTS

Legal Aid Ontario administers and makes payments on behalf of the organization for the following expenses:

	2026	2025
General Fund		
Pension and group insurance	**$ 556**	$ 347
Supplies and services	**110,069**	85,604
Library	**11,612**	1,169
IT support	**203,767**	164,780
	$ 326,004	$ 251,900

7. CONTRACTUAL OBLIGATIONS

The organization leases its premises under leases expiring in June 2028. Future minimum lease payments (exclusive of other occupancy costs) for the next three years are as follows:

2027	$ 125,777
2028	126,239
2029	38,854
	$ 290,870

8. ECONOMIC DEPENDENCE

The organization derives a major portion of its revenue from LAO. During the year, LAO revenue represents 80% (2025 - 85%) of total revenues. Should this funding not be continued or it can't be replaced, then the organization would not be able to continue its operations at the current level.

9. EMPLOYEE FUTURE BENEFITS

Each year, an independent actuary determines the funding status of the Colleges of Applied Arts and Technology Pension Plan ("CAAT") by comparing the actuarial value of invested assets to the estimated value of all pension benefits that members have earned to date. The results of the most recent valuation as at January 1, 2026 disclosed a surplus of $6,749,000 (in thousands). The result of this valuation disclosed total actuarial liabilities and pension obligations of $28,090,000 (in thousands) in respect of benefits accrued for service with actuarial assets at that date of $34,839,000 (in thousands). The organization does not recognize any share of the CAAT surplus or deficit.

10. FINANCIAL RISK MANAGEMENT

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2026.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk for its accounts receivables. The majority of the organization's receivables are from government sources and the organization works to ensure they meet all eligibility criteria in order to qualify to receive the corresponding funding.

The organization is also exposed to credit risk from all of its bank accounts being held at one financial institution.

There has been no change to the financial instrument risk from the previous year.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, and deferred contributions. The organization generally settles its liabilities within thirty days. Obligations reported as deferred contributions are generally fulfilled within the next fiscal year.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The organization is not exposed to any of these risks.