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HALTON MULTICULTURAL COUNCIL INC.

FINANCIAL STATEMENTS

AS AT

MARCH 31, 2026

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Glenn Graydon Wright LLP

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Halton Multicultural Council Inc.

Qualified Opinion
We have audited the financial statements of Halton Multicultural Council Inc. ("the Council") which comprise the balance sheet as at March 31, 2026 and the statements of fund balances, revenue and expenditure, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the 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 Council 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 charitable organizations, the Council derives revenue from third party fund raising events, the completeness of which are not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Council and we were not able to determine whether any adjustments might be necessary to miscellaneous revenue, fund balances or cash and cash equivalents for the years ended March 31, 2026 and March 31, 2025. Our audit opinion on the financial statements for the year ended March 31, 2025 was modified because of the possible effects of this limitation in scope.

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 the Financial Statements section of our report. We are independent of the Council 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.

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 Council'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 Council or to cease operations, or has no realistic alternative but to do so.

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

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INDEPENDENT AUDITORS' REPORT, continued

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 Council'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 Council'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 Council 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.

Glenn Graydon Wright LLP

Chartered Professional Accountants
Licensed Public Accountants
Oakville, Ontario
June 23, 2026

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HALTON MULTICULTURAL COUNCIL INC.

(Incorporated under the Corporations Act of Ontario as a Non-Profit Organization)
Balance sheet
As at March 31, 2026

		2026	2025
Assets (Note 8)			
Current assets			
Cash and cash equivalents	$	1,113,876	350,561
Grants receivable		109,545	511,568
HST receivable		64,752	62,210
Prepaid expenses		110,239	115,659
		1,398,412	1,039,998
Unrestricted property, plant and equipment (Notes 4, 8)			
At cost		3,184,649	2,989,350
Less accumulated amortization		1,247,007	1,095,808
		1,937,642	1,893,542
Restricted property, plant and equipment (Notes 5, 6, 7)			
At cost		1,371,396	821,285
Less accumulated amortization		735,929	693,701
		635,467	127,584
Incorporation costs		100	100
	$	3,971,621	3,061,224
Liabilities and surplus			
Current liabilities			
Accounts payable and accrued liabilities	$	202,214	332,935
Deferred grants – operations (Note 9(a))		404,226	142,890
		606,440	475,825
Deferred grants – property, plant and equipment (Note 9(b))		731,439	226,806
		1,337,879	702,631
Fund balances			
Operating fund (Note 10)		791,974	564,175
Property, plant and equipment fund (Note 10)		1,841,768	1,794,418
		2,633,742	2,358,593
	$	3,971,621	3,061,224

Approved by the Board

Signed by:
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President

Signed by:
Mary Rose van Kesteren
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Treasurer

GGW Glenn Graydon Wright LLP

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HALTON MULTICULTURAL COUNCIL INC.

(Incorporated under the Corporations Act of Ontario as a Non-Profit Organization)
Statement of changes in fund balances
For the year ended March 31, 2026

		Operating fund	Property, plant and equipment fund	Total 2026	Total 2025
Fund balances, beginning of year	$	564,175	1,794,418	2,358,593	2,217,774
Excess of revenue over expenditure for year		433,178	-	433,178	270,812
Federal grants – property, plant and equipment		-	35,367	35,367	24,566
Amortization of property, plant and equipment		-	(193,396)	(193,396)	(154,559)
Purchase of property, plant and equipment		(205,379)	205,379	-	-
Fund balances, end of year	$	791,974	1,841,768	2,633,742	2,358,593

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HALTON MULTICULTURAL COUNCIL INC.

(Incorporated under the Corporations Act of Ontario as a Non-Profit Organization)
Statement of revenue and expenditure
For the year ended March 31, 2026

		2026	2025
Revenue			
Federal grants	$	5,763,325	5,281,449
Newcomer settlement program (Note 12)		142,533	282,971
Employment Ontario		876,341	414,323
Homelessness Prevention Program		-	256,872
Other grants		1,322,499	369,678
Fees		444,445	475,145
Rent		181,585	151,010
Miscellaneous revenue		101,042	146,401
		8,831,770	7,377,849
Expenditure			
Advertising		67,951	4,845
Amortization		193,396	154,559
Equipment rental		22,395	20,256
Events		16,798	80,843
HST expense		49,272	50,952
Insurance		23,796	21,948
Interest and bank charges		27,065	24,017
Meetings and workshops		20,724	18,457
Membership fees		15,363	15,066
Office		1,430	1,399
Professional fees		17,712	21,536
Program		961,839	719,554
Rent		533,161	578,165
Repairs and maintenance		58,167	84,519
Salaries and benefits		6,415,401	5,320,895
Telephone and internet		86,766	80,633
Travel		17,783	11,093
Utilities		27,602	28,293
		8,556,621	7,237,030
Excess of revenue over expenditure for year, before allocations		275,149	140,819
Allocation of Federal grants to property, plant and equipment fund		(35,367)	(24,566)
Allocation of amortization to property, plant and equipment fund		193,396	154,559
Excess of revenue over expenditure for year – operating fund	$	433,178	270,812

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HALTON MULTICULTURAL COUNCIL INC.

(Incorporated under the Corporations Act of Ontario as a Non-Profit Organization)
Statement of cash flows
For the year ended March 31, 2026

		2026	2025
Cash flows from (used in) operating activities			
Excess of revenue over expenditure for year	$	275,149	140,819
Adjustments for			
Amortization of deferred grants - property, plant and equipment		(35,367)	(24,566)
Amortization of unrestricted property, plant and equipment		151,168	114,022
Amortization of restricted property, plant and equipment		42,228	40,537
		433,178	270,812
Changes in non-cash working capital			
Decrease (increase) in grants receivable		402,023	(217,321)
Increase in HST receivable		(2,542)	(16,360)
Decrease in prepaid expenses		5,420	125,904
(Decrease) increase in accounts payable and accrued liabilities		(130,721)	58,078
Increase (decrease) in deferred grants – operations		261,336	(143,470)
Cash flows from operating activities		968,694	77,643
Cash flows from (used in) investing activities			
Acquisition of unrestricted property, plant and equipment		(195,268)	(1,251,973)
Acquisition of restricted property, plant and equipment		(550,111)	(2,243)
Cash flows used in investing activities		(745,379)	(1,254,216)
Cash flows from (used in) financing activities			
Deferred grants – property, plant and equipment		540,000	-
Cash flows from financing activities		540,000	-
Net increase (decrease) in cash and cash equivalents during year		763,315	(1,176,573)
Cash and cash equivalents, beginning of year		350,561	1,527,134
Cash and cash equivalents, end of year	$	1,113,876	350,561

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HALTON MULTICULTURAL COUNCIL INC.

(Incorporated under the Corporations Act of Ontario as a Non-Profit Organization)
Notes to financial statements
As at March 31, 2026

1. Purpose of the Council

Halton Multicultural Council Inc. (the "Council") is a non-profit organization incorporated without share capital. It is a community agency dedicated to enabling every individual, regardless of racial or ethnic origin, to participate as a full and creative member of the Halton community through fostering mutual respect and understanding of one another.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies where alternatives are available:

a) Management estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

b) Basis of accounting

The Council follows the deferral method of accounting for contributions.

c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, net of bank overdrafts and highly liquid temporary money market instruments with original maturities of three months or less. Bank borrowings are considered to be financing activities.

d) Property, plant and equipment – unrestricted and restricted

Property, plant and equipment are recorded at acquisition cost. Amortization is recorded in the accounts at rates intended to write off the cost of the assets over their estimated useful life. In the year of acquisition, property, plant and equipment are amortized at one-half of the normal rate. Restricted property, plant and equipment are purchased for specific projects using monies specified by the supporting agency. At the end of the project, the assets are disposed of according to the supporting agency's directions. Methods and rates used are:

Buildings Straight-line basis over 25 years	Computer equipment 30% and 100% diminishing balance basis
Office equipment and furniture 20% diminishing balance basis	Leasehold improvements Straight-line basis over the remaining term of the lease

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HALTON MULTICULTURAL COUNCIL INC.
(Incorporated under the Corporations Act of Ontario as a Non-Profit Organization)
Notes to financial statements
As at March 31, 2026

2. Significant accounting policies – continued

e) Revenue recognition

Operations

Grants are recognized as revenue in the year in which the related expenses are incurred and in the year specified in the terms and conditions of each respective grant.

Fees are recognized as revenue once the service has been provided and collection is reasonably assured.

Rental and miscellaneous revenues are recognized when received.

Capital

Deferred grants are recognized as revenue over the useful life of the related asset.

f) Contributed materials and services

The value of contributed materials and services is not reflected in these financial statements.

3. Financial instruments

a) Fair value

The Council initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The entity subsequently measures all its financial assets and financial liabilities at cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value.

b) 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 underlying market factors. The Council is exposed to credit risk.

i) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation.

The Council is subject to credit risk. 51% of year end grants receivable is from three customers (2025 - 79% from two customers). To mitigate this, the Council actively manages and monitors its receivables and obtains security where warranted. Bad debt experience has not been significant.

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3. Financial instruments – continued

c) Liquidity risk

Liquidity risk is the risk that the Council cannot meet a demand for cash or fund its obligations as they come due. Unless otherwise noted, the Council is not subject to significant liquidity risk. The Council manages liquidity risk by:

- maintaining access to a number of sources of funding which are sufficient to meet anticipated funding requirements.
- having committed borrowing facilities or other lines of credit that it can access to meet liquidity needs.

4. Unrestricted property, plant and equipment

	2026			2025
	Cost	Accumulated amortization	Net	Net
Buildings	$ 2,203,061	691,094	1,511,967	1,600,090
Office equipment and furniture	169,743	148,557	21,186	25,223
Computer equipment	149,814	115,859	33,955	18,656
Leasehold improvements	662,031	291,497	370,534	249,573
	$ 3,184,649	1,247,007	1,937,642	1,893,542

Amortization recorded during the year amounted to $151,168 (2025 - $114,022).

During the year, unrestricted property, plant and equipment were acquired for cash at an aggregate cost of $195,268 (2025 - $1,251,973).

5. Restricted property, plant and equipment

	2026			2025
	Cost	Accumulated amortization	Net	Net
Buildings	$ 545,111	10,902	534,209	-
Office equipment and furniture	331,747	270,153	61,594	76,993
Computer equipment	494,538	454,874	39,664	50,591
	$ 1,371,396	735,929	635,467	127,584

Amortization recorded during the year amounted to $42,228 (2025 - $40,537).

During the year, restricted property, plant and equipment were acquired at an aggregate cost of $550,111 (2025 - $2,243), of which $10,111 was for cash and $540,000 by means of a capital grant.

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6. Immigration, Refugee and Citizenship Canada programs

Immigration, Refugee and Citizenship Canada has made hardware and software equipment available to the Council for the purposes of the Developing English Language Skills for Newcomers in Halton and Creating a Welcoming Community in Halton programs. The government may at any time during the projects or at the cessation of the projects, transfer title of ownership to the Council. If at any time the Council gains title to the assets, the fair market value of the assets, at the time title is transferred, will be recorded in the Council's records.

During the use of the computer equipment for the listed programs, the Council is required to insure the assets as program expenses.

7. Interim Housing Assistance Program

The Council received funding of $540,000 from The Regional Municipality of Halton ("the Region") under the Interim Housing Assistance Program ("IHAP") to support the acquisition of a condominium to be owned and operated by the Council. The condominium is dedicated to the IHAP program and is used to provide temporary housing and support services for refugee protection claimants referred through the Region's IHAP program.

Under the terms of the funding agreement, ending in fiscal 2041, the Council may not sell, transfer, lease or otherwise encumber the condominium without the prior written consent of the Region. Such consent may be granted, withheld or made conditional at the Region's discretion, including conditions requiring repayment of all or a portion of the funding received.

At the end of the project period, or upon earlier termination of the agreement, the Region reserves the right to direct the Council to dispose of the condominium acquired with the funding by selling or transferring the condominium in any manner directed by the Region

8. Bank indebtedness

The Council has an authorized line of credit totaling $300,000 at a rate of bank prime plus 1% per annum, which remained unused at year end. The Council has a secondary authorized line of credit in the amount of $500,000 at a rate of bank prime plus 1% that is available from March to September each fiscal year. This line of credit remained unused at year end. The line of credit is secured by a general security agreement covering all assets of the Council, and an assignment of fire insurance on certain buildings owned by the Council.

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HALTON MULTICULTURAL COUNCIL INC.
(Incorporated under the Corporations Act of Ontario as a Non-Profit Organization)
Notes to financial statements
As at March 31, 2026

9. Deferred grants

		2026	2025
a) Operations			
Balance, beginning of year	$	142,890	286,360
Contributions received for future expenses		2,602,709	1,180,375
Recognized as other grants and miscellaneous revenue		(2,341,373)	(1,323,845)
Balance, end of year	$	404,226	142,890
b) Property, plant and equipment			
Balance, beginning of year	$	226,806	251,372
Contributions received for future expenses		540,000	-
Recognized as other grants		(35,367)	(24,566)
Balance, end of year	$	731,439	226,806

10. Fund accounting

The operating fund accounts for the Council's program delivery, administrative activities and general operations.

The property, plant and equipment fund represents the net book value of restricted and unrestricted property, plant and equipment and other long-term assets, net of deferred grants and long-term debt. Transfers to this fund are for the acquisition of property, plant and equipment and the repayment of long-term debt.

11. Newcomer settlement program

The revenue and expenditure for the newcomer settlement program are:

		2026	2025
Revenue	$	142,533	282,971
Expenditure			
Staff salaries		101,102	199,759
Benefits		19,669	39,830
Program costs		599	610
Administration		21,163	42,772
		142,533	282,971
Excess of revenue over expenditure	$	Nil	Nil

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12. Transfers

Transfers represent reallocations within the fund balances of the Council. Transfers between the operating fund and the property, plant and equipment fund are based on the discretion of the Board of Directors in order to repay principal amounts and interest charged on long-term debt.

13. Operating lease commitments

Future minimum rental payments required under operating leases that have initial terms in excess of one year are:

2027	$ 462,503
2028	462,503
2029	464,540
2030	476,532
2031	483,643
Thereafter	1,248,339
	$ 3,598,060

14. Income taxes

The Council is a registered charity and is therefore exempt from income taxes under Section 149(1)(f) of the Income Tax Act.

15. Economic dependence

During the year, approximately 72% of the Council's revenue was received from one funder. The continued viability of the Council's existence is dependent on future funding received from this funder.