ARCH DISABILITY LAW CENTRE

FINANCIAL STATEMENTS

March 31, 2026

HILBORN LLP

HILBORN LLP

Independent Auditor's Report

To the Board of Directors of ARCH Disability Law Centre

Opinion

We have audited the financial statements of ARCH Disability Law Centre (the "Organization"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations and funds balance 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 its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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.

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 ability of the Organization 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 financial reporting process of the Organization.

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 the financial statements.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (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 internal control of the Organization.
- 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 ability of the Organization 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Hilborn LLP

Toronto, Ontario
September 4, 2026

Chartered Professional Accountants
Licensed Public Accountants

ARCH DISABILITY LAW CENTRE

Statement of Financial Position

March 31, 2026	LAO General Fund $	LAO Legal Disbursements Fund $	LAO Capital Fund $	General Fund (note 6) $	Break Open Ticket Fund $	Teresa Daw Endowment Fund $	Total $
ASSETS							
Current Assets							
Cash	26,976	5,385	-	510,200	71,048	-	**613,609**
Accounts receivable	15,881	-	-	900	-	-	**16,781**
HST recoverable	18,495	-	-	50	2,218	-	**20,763**
Prepaid expenses	21,684	-	-	-	-	-	**21,684**
	83,036	5,385	-	511,150	73,266	-	**672,837**
Term deposit (note 3)	-	-	-	276,647	-	107,732	**384,379**
Capital assets (note 4)	-	-	-	-	-	-	**-**
Total assets	83,036	5,385	-	787,797	73,266	107,732	**1,057,216**
LIABILITIES							
Current Liabilities							
Accounts payable	40,735	4,000	-	-	1,187	-	**45,922**
Inter-fund payable (receivable)	(54,546)	195	-	45,501	2,777	6,073	**-**
	(13,811)	4,195	-	45,501	3,964	6,073	**45,922**
FUNDS BALANCE	96,847	1,190	-	742,296	69,302	101,659	**1,011,294**
Total liabilities and funds balance	83,036	5,385	-	787,797	73,266	107,732	**1,057,216**

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board:

Paul Scott

Director
ARCH Disability Law Centre

K Underwood
K Underwood (Sep 8, 2026 12:14:08 EDT)

ARCH DISABILITY LAW CENTRE

Statement of Financial Position

March 31, 2025	LAO General Fund $	LAO Legal Disbursements Fund $	LAO Capital Fund $	General Fund (note 6) $	Break Open Ticket Fund $	Teresa Daw Endowment Fund $	Total $
ASSETS							
Current Assets							
Cash	97,796	5,757	-	262,146	81,583	-	**447,282**
Term deposit (note 3)	-	-	-	268,981	-	-	**268,981**
Accounts receivable	-	-	-	13,548	-	-	**13,548**
HST recoverable	25,608	-	-	1,583	2,286	-	**29,477**
Prepaid expenses	26,929	-	-	-	-	-	**26,929**
	150,333	5,757	-	546,258	83,869	-	**786,217**
Term deposit (note 3)	-	-	-	-	-	102,748	**102,748**
Capital assets (note 4)	-	-	3,539	-	-	-	**3,539**
Total assets	150,333	5,757	3,539	546,258	83,869	102,748	**892,504**
LIABILITIES							
Current Liabilities							
Accounts payable	77,661	-	-	14,871	1,527	-	**94,059**
Inter-fund payable (receivable)	(5,402)	-	-	9,396	1,003	(4,997)	**-**
	72,259	-	-	24,267	2,530	(4,997)	**94,059**
FUNDS BALANCE	78,074	5,757	3,539	521,991	81,339	107,745	**798,445**
Total liabilities and funds balance	150,333	5,757	3,539	546,258	83,869	102,748	**892,504**

The accompanying notes are an integral part of these financial statements

ARCH DISABILITY LAW CENTRE

Statement of Operations and Funds Balance

Year ended March 31, 2026	LAO General Fund $	LAO Legal Disbursements Fund $	LAO Capital Fund $	General Fund (note 6) $	Break Open Ticket Fund $	Teresa Daw Endowment Fund $	Total $
Revenues							
Legal Aid Ontario							
-direct receipts	1,739,039	-	-	-	-	-	**1,739,039**
-indirect receipts (note 5)	109,877	-	-	-	-	-	**109,877**
City of Toronto	-	-	-	40,832	-	-	**40,832**
ESDC-Social Development Partnerships Program - Disability Component (SDPP-D)	-	-	-	124,879	-	-	**124,879**
Break Open Tickets	-	-	-	-	49,384	-	**49,384**
Accessibility Standards Canada	-	-	-	114,435	-	-	**114,435**
Council of Canadians with Disabilities	-	-	-	9,497	-	-	**9,497**
Other income	13,061	-	-	31,193	-	5,106	**49,360**
	1,861,977	-	-	320,836	49,384	5,106	**2,237,303**
Expenses							
Salaries and benefits	1,339,389	-	-	80,481	10,525	11,192	**1,441,587**
Accommodations	228,011	-	-	-	-	-	**228,011**
Supplies and services	34,935	-	-	20,050	50,896	-	**105,881**
Travel	11,703	-	-	-	-	-	**11,703**
Communications	3,807	-	-	-	-	-	**3,807**
Library	10,327	-	-	-	-	-	**10,327**
Professional dues	16,575	-	-	-	-	-	**16,575**
Equipment	1,356	-	-	-	-	-	**1,356**
Audit fees	25,034	-	-	-	-	-	**25,034**
Indirect payments (note 5)	109,877	-	-	-	-	-	**109,877**
Legal disbursements	-	4,567	-	-	-	-	**4,567**
Amortization	-	-	3,539	-	-	-	**3,539**
	1,781,014	4,567	3,539	100,531	61,421	11,192	**1,962,264**
Excess of revenues over expenses (expenses over revenues) for year	80,963	(4,567)	(3,539)	220,305	(12,037)	(6,086)	**275,039**
Return of funding to Legal Aid Ontario	(62,190)	-	-	-	-	-	**(62,190)**
Funds balance, beginning of year	78,074	5,757	3,539	521,991	81,339	107,745	**798,445**
Funds balance, end of year	96,847	1,190	-	742,296	69,302	101,659	**1,011,294**

The accompanying notes are an integral part of these financial statements

ARCH DISABILITY LAW CENTRE

Statement of Operations and Funds Balance

Year ended March 31, 2025	LAO General Fund $	LAO Legal Disbursements Fund $	LAO Capital Fund $	General Fund (note 6) $	Break Open Ticket Fund $	Teresa Daw Endowment Fund $	Total $
Revenues							
Legal Aid Ontario							
-direct receipts	1,704,940	6,000	-	-	-	-	**1,710,940**
-indirect receipts (note 5)	90,282	-	-	-	-	-	**90,282**
City of Toronto	-	-	-	23,671	-	-	**23,671**
Break Open Tickets	-	-	-	-	67,765	-	**67,765**
Accessibility Standards Canada	-	-	-	111,952	-	-	**111,952**
Council of Canadians with Disabilities	-	-	-	21,375	-	-	**21,375**
Other income	470	10	-	36,416	-	4,997	**41,893**
	1,795,692	6,010	-	193,414	67,765	4,997	**2,067,878**
Expenses							
Salaries and benefits	1,232,325	-	-	88,451	12,715	-	**1,333,491**
Accommodations	226,842	-	-	-	-	-	**226,842**
Supplies and services	90,442	-	-	79,857	58,841	-	**229,140**
Travel	24,204	-	-	-	-	-	**24,204**
Communications	8,260	-	-	-	-	-	**8,260**
Library	13,273	-	-	-	-	-	**13,273**
Professional dues	17,845	-	-	-	-	-	**17,845**
Equipment	4,519	-	-	-	-	-	**4,519**
Audit fees	11,615	-	-	-	-	-	**11,615**
Indirect payments (note 5)	90,282	-	-	-	-	-	**90,282**
Legal disbursements	-	905	-	-	-	-	**905**
Amortization	-	-	7,902	-	-	-	**7,902**
	1,719,607	905	7,902	168,308	71,556	-	**1,968,278**
Excess of revenues over expenses (expenses over revenues) for year	76,085	5,105	(7,902)	25,106	(3,791)	4,997	**99,600**
Return of funding to Legal Aid Ontario	(45,499)	-	-	-	-	-	**(45,499)**
Funds balance, beginning of year	47,488	652	11,441	496,885	85,130	102,748	**744,344**
Funds balance, end of year	78,074	5,757	3,539	521,991	81,339	107,745	**798,445**

The accompanying notes are an integral part of these financial statements

ARCH DISABILITY LAW CENTRE

Statement of Cash Flows

Year ended March 31	2026 $	2025 $
Cash flows from operating activities		
Excess of revenues over expenses for year	**275,039**	99,600
Return of funding to Legal Aid Ontario	**(62,190)**	(45,499)
Item not affecting cash		
Amortization	**3,539**	7,902
	216,388	62,003
Changes in non-cash working capital		
Decrease (increase) in accounts receivable	**(3,233)**	4,071
Decrease (increase) in HST recoverable	**8,714**	(10,001)
Decrease (increase) in prepaid expenses	**5,245**	(9,063)
Increase (decrease) in accounts payable	**(48,137)**	58,741
	178,977	105,751
Cash flows from investing activities		
Purchase of term deposits	**(12,650)**	(12,229)
Net change in cash	**166,327**	93,522
Cash, beginning of year	**447,282**	353,760
Cash, end of year	**613,609**	447,282

The accompanying notes are an integral part of these financial statements

March 31, 2026

ARCH Disability Law Centre (the "Organization"), is incorporated without share capital under the laws of the Province of Ontario and is a registered charitable organization. The Organization was formed to provide equal access to quality legal services for persons with disabilities and disability organizations and is primarily funded by Legal Aid Ontario ("LAO").

The Organization qualifies as a not-for-profit organization under the Income Tax Act and is exempt from corporate income tax.

1. **Significant accounting policies**

a) **Fund accounting**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles. The Organization follows the restricted fund method of accounting for contributions whereby all contributions are recognized as revenue of the applicable fund when received or receivable. All the funds described below, except as noted, are restricted as to use by various agreements between the Organization and LAO and title to the Organization assets vests with the funder. Inter-fund receivables and payables do not have specific repayment terms.

i) **LAO General Fund**

These funds are used to provide a range of legal and paralegal services, including public legal education, summary advice and referral, law reform, community development and test case litigation on behalf of persons with disabilities and disability organizations.

ii) **LAO Legal Disbursements Fund**

These funds are used to provide for certain direct expenses incurred in representing Organization clients in legal proceedings.

iii) **LAO Capital Fund**

This fund holds the capital assets of the Organization that have been funded by LAO.

iv) **General Fund**

The unrestricted fund includes monies, which are used to enhance the activities of the Organization as directed by management or the board of directors.

Restricted funds are received from time to time from various sources for specific projects (note 6).

v) **Break Open Ticket Fund**

These funds are received from the proceeds of break open ticket sales. The use of these funds is restricted as detailed in the Break Open Ticket Lottery License issued by the Alcohol and Gaming Commission of Ontario.

March 31, 2026

1. **Significant accounting policies (continued)**

a) **Fund accounting (continued)**

vi) **Teresa Daw Endowment Fund**

These funds were received as a bequest and the principal is to be held for investment. $4,983 (2025 - $4,997) of investment income was recognized in the year. The investment income of the Fund was used for one Indigenous student to intern with the Organization.

b) **Contributed materials and services**

From time to time, the Organization may receive contributed materials and services used in the normal course of operations. The value of these contributions are not recognized in the financial statements.

c) **Term deposit**

Term deposits have maturity dates greater than twelve months from the date of acquisition. Term deposits that will mature within twelve months of the date of the statement of financial position are classified as current.

d) **Capital assets**

The costs of capital assets are capitalized upon meeting the criteria for recognition as capital assets, otherwise, costs are expensed as incurred. The cost of capital assets comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

Capital assets are presented at cost less accumulated amortization and accumulated impairment losses.

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 capital assets to its fair value. Any impairment of capital assets is charged to operations in the period in which the impairment is determined.

An impairment loss is not reversed if the fair value of the capital assets subsequently increases.

The Organization provides for amortization using methods at rates designed to amortize the cost of the property and equipment over their estimated useful lives. Amortization is provided on a straight-line basis, over the following periods:

Computer equipment	- 3 years
Office equipment	- 10 years

March 31, 2026

1. **Significant accounting policies (continued)**

e) **Financial instruments**

i) **Measurement of financial instruments**

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Organization subsequently measures its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, term deposits and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable.

ii) **Impairment**

Financial assets measured at amortized cost are tested for impairment annually for indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the statement of operations and funds balance. The write down reflects the difference between the carrying amount and the higher of:

- the present value of the cash flows expected to be generated by the asset or group of assets;

- the amount that could be realized by selling the assets or group of assets;

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in the statement of operations and funds balance up to the amount of the previously recognized impairment.

March 31, 2026

2. Financial instrument risk management

The Organization may be exposed to various risks through its financial instruments including credit risk, liquidity risk and market risk (including interest rate risk, currency risk and other price risk):

Credit risk

Credit risk is the risk that the counterpart to a financial instrument will fail to discharge an obligation that is entered into with the Organization. The Organization is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they come due. The Organization is not exposed to significant liquidity risk.

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 is comprised of interest rate risk, currency risk, and other price risk.

Interest rate risk arises from the possibility that changes in interest rates will affect the fair value of financial instruments.

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign currencies.

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market.

The Organization is not exposed to significant market risk.

Changes in risk

There have been no significant changes in the Organization's risk exposures from the prior year.

3. Term deposits

The Organization's term deposits have effective interest rates of 3.10% (2025 - 2.85% - 4.85%) and maturity dates of September 6, 2027 (2025 - February 27, 2026 and March 1, 2026). Included in term deposits of the Teresa Daw Endowment Fund is $100,000 that must be retained by the Organization indefinitely and is not available for use as described in note 1 a) vi).

March 31, 2026

4. Capital assets

			2026
	Cost	Accumulated Amortization	Net
	$	$	$
Computer equipment	33,877	33,877	-
Office equipment	11,671	11,671	-
	45,548	45,548	-

			2025
	Cost	Accumulated Amortization	Net
	$	$	$
Computer equipment	33,877	33,877	-
Office equipment	11,671	8,132	3,539
	45,548	42,009	3,539

5. Indirect payments

LAO administers and makes payments on behalf of the Organization for the following expenditures:

LAO General Fund	**2026**	**2025**
	$	**$**
Supplies and services	109,086	90,111
Library expenses	521	-
Pension and group insurance	270	171
	109,877	90,282

March 31, 2026

6. General Fund

Year ended March 31, 2026

	Unrestricted Funds (note 6a) $	Community Service Partner-ship $	CCD - Access-ible Transport ation Proj ect $	Respecting Rights Program $	Accessible Justice Standard $	CRPD Coordinator Program $	Enhancing Youth Participati on in Disability Advocacy $	Meaningful Participation in Regulation Making Project $	Inactive Restricted Programs (note 6b) $	Total $
Revenues										
City of Toronto	-	40,832	-	-	-	-	-	-	-	**40,832**
ESDC-Social Development Partnerships Program - Disability Component (SDPP-D)	-	-	-	-	-	-	124,879	-	-	**124,879**
Accessibility Standards Canada	-	-	-	-	114,435	-	-	-	-	**114,435**
Council of Canadians with Disabilities	-	-	9,497	-	-	-	-	-	-	**9,497**
Other income	31,193	-	-	-	-	-	-	-	-	**31,193**
	31,193	40,832	9,497	-	114,435	-	124,879	-	-	**320,836**
Expenses										
Salaries and benefits	-	44,964	-	-	35,517	-	-	-	-	**80,481**
Supplies and services	17,176	-	-	2,874	-	-	-	-	-	**20,050**
	17,176	44,964	-	2,874	35,517	-	-	-	-	**100,531**
Excess of revenues over expenses (expenses over revenues) for year	14,017	(4,132)	9,497	(2,874)	78,918	-	124,879	-	-	**220,305**
Inter project transfer	-	-	21,281	-	(64,064)	42,783	-	-	-	**-**
Funds balance (deficit), beginning of year	273,483	(18,831)	65,100	-	59,759	28,988	-	60,280	53,212	**521,991**
Funds balance (deficit), end of year	287,500	(22,963)	95,878	(2,874)	74,613	71,771	124,879	60,280	53,212	**742,296**

6. **General Fund (continued)**

Year ended March 31, 2025

	Unrestricted Funds (note 6a) $	Community Service Partner-ship $	Access-ibility in Action Program $	Accessible Justice Standard $	CRPD Coordinator Program $	Meaningful Participation in Regulation Making Project $	Inactive Restricted Programs (note 6b) $	Total $
Revenues								
City of Toronto	-	23,671	-	-	-	-	-	**23,671**
Accessibility Standards Canada	-	-	-	111,952	-	-	-	**111,952**
Council of Canadians with Disabilities	-	-	-	-	21,375	-	-	**21,375**
Other income	26,911	-	-	-	-	9,505	-	**36,416**
	26,911	23,671	-	111,952	21,375	9,505	-	**193,414**
Expenses								
Salaries and benefits	-	45,668	-	-	42,783	-	-	**88,451**
Supplies and services	12,610	17,232	-	49,992	23	-	-	**79,857**
	12,610	62,900	-	49,992	42,806	-	-	**168,308**
Excess of revenues over expenses (expenses over revenues) for year	14,301	(39,229)	-	61,960	(21,431)	9,505	-	**25,106**
Funds balance (deficit), beginning of year	259,182	20,398	65,100	(2,201)	50,419	50,775	53,212	**496,885**
Funds balance (deficit), end of year	273,483	(18,831)	65,100	59,759	28,988	60,280	53,212	**521,991**

March 31, 2026

6. **General Fund (continued)**

a) **Unrestricted Funds**

The composition of the Unrestricted Funds' funds balance is as follows:

	2026 $	2025 $
Unrestricted		
Legal Funds	91,562	91,562
Mediation Fund	3,000	3,000
Other	192,938	164,620
	287,500	259,182

b) **Inactive Restricted Programs**

The composition of the Inactive Restricted Programs' funds balance is as follows:

	2026 $	2025 $
Restricted		
DLI program	3,364	3,364
Do the Right Thing Program	28,649	28,649
Optional Protocol Lab Project	21,199	21,199
	53,212	53,212

7. **Commitments**

The Organization is a member of the Co-operative of Specialty Community Legal Clinics of Ontario Inc. (the "Co-op") located at 55 University Avenue in Toronto. Under the terms of the membership agreement, the Organization is committed to paying certain joint expenses on a cost recovery basis along with the other members of the Co-op until August 31, 2031. Based on the current allocation of floor space, minimum annual rent costs, including common area maintenance and realty taxes, are $222,618.

HILBORN

LISTENERS. THINKERS. DOERS.

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