

SUSTAINABLE LIVELIHOODS CANADA

FINANCIAL STATEMENTS

JUNE 30, 2026

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FINANCIAL STATEMENTS

JUNE 30, 2026

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Sustainable Livelihoods Canada

Report on the Financial Statements

Opinion

We have audited the financial statements of Sustainable Livelihoods Canada (the "Organization"), which comprise the statement of financial position as at June 30, 2026, and the statements of operations and changes in net assets (deficit), 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 Sustainable Livelihoods Canada as at June 30, 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 Sustainable Livelihoods Canada 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 - Restated Comparative Information

We draw attention to Note 2 of the financial statements, which explains that certain comparative information for the year ended June 30, 2025 has been restated. Our opinion is not modified in respect of this matter.

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 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.

INDEPENDENT AUDITOR'S REPORT (Continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)

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.

INDEPENDENT AUDITOR'S REPORT (Continued)

- 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.

KRIENS~LAROSE, LLP

KRIENS~LAROSE, LLP

**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
September 25, 2026

SUSTAINABLE LIVELIHOODS CANADA
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

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	2026	2025 (Note 2)
	\$	\$
ASSETS		
CURRENT		
Cash	40,843	20,617
Investments (Note 3)	2,500	-
Accounts receivable	-	9,912
HST receivable	12,102	19,952
Prepaid expenses	911	856
	56,356	51,337
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	7,447	8,166
Deferred revenue	-	3,127
Deferred contributions (Note 4)	52,474	41,965
	59,921	53,258
NET DEFICIT		
UNRESTRICTED NET DEFICIT	(3,565)	(1,921)
	56,356	51,337

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

 , Director  , Director

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS (DEFICIT)
FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025 (Note 2)
	\$	\$
REVENUES		
Grant (Note 4)	178,140	203,971
Service	37,059	203,369
Other	3,957	100
Training	3,620	44,400
	222,776	451,840
EXPENSES		
Program	126,546	300,071
Partnerships	52,200	71,100
Administrative	29,049	79,055
Professional fees	9,434	13,750
Information technology	4,079	3,283
Insurance	1,671	1,784
Business development	1,212	17,801
Bank charges	229	503
Bad debt	-	10,881
	224,420	498,228
DEFICIENCY OF REVENUES OVER EXPENSES FOR THE YEAR	(1,644)	(46,388)
NET ASSETS (DEFICIT), beginning of year	(1,921)	44,467
NET (DEFICIT), end of year	(3,565)	(1,921)

See accompanying notes to the financial statements

SUSTAINABLE LIVELIHOODS CANADA
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2026

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	2026	2025 (Note 2)
	\$	\$
CASH WAS PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Cash receipts from service	43,844	215,908
Cash receipts from training	3,620	44,400
Cash receipts from other	3,957	100
Cash receipts from grants	188,649	245,936
Cash paid to suppliers and employees	(217,344)	(511,580)
INVESTING ACTIVITIES		
Purchase of investments	(2,500)	-
Change in cash and cash equivalents	20,226	(5,236)
Cash, beginning of year	20,617	25,853
Cash, end of year	40,843	20,617

See accompanying notes to the financial statements

PURPOSE OF THE ORGANIZATION

Sustainable Livelihoods Canada (the "Organization") is incorporated under the Canada Not-for-profit Corporations Act as a not-for-profit Organization without share capital.

The Organization aims to promote the Sustainable Livelihoods approach, a holistic strength-based framework for moving people towards social and economic inclusion.

The Organization is a not-for-profit organization under section 149(1)(l) of the Income Tax Act (Canada) and, as such, is exempt from corporate income taxes.

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook and include the following significant accounting policies:

Financial Instruments

The Organization initially measures its financial assets and financial liabilities at fair value. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, with the exception of investments quoted on active markets, which are initially and subsequently measured at fair value.

Financial assets measured at amortized cost include cash, investments and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of a write-down, if any, is recognized in the excess of revenue over expenses. Reversals of impairment are recorded to the extent that the value has increased, up to the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the excess of revenue over expenses.

Continued...

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of financial statements in accordance 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 reporting date and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the year they become known.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand.

Prepaid Expenses

Prepaid expenses are recorded for goods and services to be received in the next fiscal year, which were paid for in the current fiscal year.

Revenue Recognition

The Organization uses the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Service income are recognized as revenue when services are provided to client partners. Deferred revenue represents service income received for a future period.

Training income are recognized as revenue when training are provided.

Donated Property and Services

During the year, voluntary services were provided. Because these services are not normally purchased by the Organization and because of the difficulty of determining their fair value, donated services are not recognized in these statements.

Deferred Revenue

Deferred revenue represents amounts received in advance of the services being performed. This amount is recognized as revenue in the period in which the related services are provided.

Deferred Contributions

Deferred contributions consist of contributions received from funders which are subject to externally imposed restrictions. Deferred contributions are recognized as revenue when the related expenses are incurred or the restriction is satisfied.

Continued...

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Related Party Transactions

Related party transactions in the normal course of business are recorded at the exchange amount which is the amount of consideration exchanged in the transaction. Related party transactions outside the normal course of business are recorded at either the exchange amount or the carrying amount depending on the substance of the transaction. Carrying amount is defined as the recorded amount of the item transferred.

For transactions with related parties involving financial instruments they are initially and subsequently recorded at cost unless the financial instrument is an equity instrument quoted in an active market. Cost is defined depending on the existence or absence of repayment terms. If there are repayment terms then cost is the undiscounted cash flows from excluding any interest element. If there are no repayment terms then cost is determined to be either the exchange amount or the carrying amount depending on the substance of the transaction.

Continued...

2. PRIOR YEAR RESTATEMENT

During the year ended June 30, 2025, an invoice relating to a service contract was duplicated in the accounting records. The duplicated invoice resulted in an overstatement of service revenue and cash, and an understatement of HST receivable. The error was identified during the current year, and the comparative figures for the year ended June 30, 2025 have been restated accordingly.

The 2025 comparative figures have been restated as follows:

	As Previously Stated	Prior period adjustment	Restated
Assets			
Cash	36,018	(15,401)	20,617
HST receivable	18,180	1,772	19,952
Total assets	64,966	(13,629)	51,337
 Statement of Operations and Changes in Net Assets (Deficit)			
Service	216,998	(13,629)	203,369
Total revenues	465,469	(13,629)	451,840
Deficiency of revenue over expenses	(32,759)	(13,629)	(46,388)
Unrestricted net assets (deficit)	11,708	(13,629)	(1,921)
 Statement of Cash Flows			
Cash receipts from service	229,537	(13,629)	215,908
Cash paid to suppliers and employees	(509,808)	(1,772)	(511,580)

Continued...

3. INVESTMENTS

The investments consist of a guaranteed investment certificate of \$2,500 (2025: \$nil) earning interest of 2.45% per annum and maturing in February 2027.

4. DEFERRED CONTRIBUTIONS

The change in the deferred contributions balance is as follows:

	2026 \$	2025 \$
Balance, beginning of year	41,965	-
Restricted contributions received during the year	188,649	245,936
Amounts recognized as revenue during the year	(178,140)	(203,971)
Balance, end of year	52,474	41,965

Deferred contributions consist of the following:

Women and Gender Equality Canada	52,474	41,965
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Women's Program (WP)

The Organization signed a contribution agreement with the Department for Women and Gender Equality Canada ("WAGE") on June 28, 2024. The program commenced on July 2, 2024 and will end on March 31, 2027. The objective of the Women's Program (WP) is to support action to advance equality between women and men in the economic, social and democratic life of Canada. The Organization is required to spend on activities to achieve the objective.

During the fiscal year of 2026, the Organization received \$188,649 (2025: \$245,936) from WAGE and recognized \$178,140 (2025: \$203,971) as revenue and \$52,474 (2025: \$41,965) as deferred contributions.

5. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments. The following presents the Organization's risk exposures and concentrations at June 30, 2026.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Organization's credit risk would relate to accounts receivable. Actual exposure to credit losses is estimated to be minimal. The allowance for doubtful accounts is \$31,505 (2025: \$31,505)

Liquidity Risk

Liquidity risk is the risk the Organization will encounter difficulties in meeting obligations associated with financial liabilities. The Organization is exposed to liquidity risk mainly with respect of its accounts payable and accrued liabilities. The Organization expects to meet these obligations as they come due by generating sufficient cash flow from operations.

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 risks: currency risk, interest rate risk and other price risk.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization is not exposed to significant foreign currency risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization has a low interest rate risk.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because 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 the market. The Organization is not exposed to other price risk.

6. RELATED PARTY TRANSACTIONS

During the year, the Organization entered into transactions with another organization that is considered a related party because a member of the Organization's board of directors holds a senior management position with that organization. Transactions totalling \$17,400 (2025: \$23,700) were incurred in the normal course of operations and were measured at the exchange amount.