



Canadian Council on Rehabilitation and Work

Audit Findings Report
For the Year Ended March 31, 2026



RSM Canada LLP

11 King St W
Suite 700, Box 27
Toronto, ON M5H 4C7

O +1 416 480 0160
F +1 416 480 2646

rsmcanada.com

September 28, 2026

Canadian Council on Rehabilitation and Work
1867 Yonge Street
Suite 906
Toronto, Ontario
M4S 1Y5

Dear Sir/Madam:

Re: Audit of the non-consolidated financial statements of Canadian Council on Rehabilitation and Work

This report summarizes certain key audit findings and responses to assessed audit risks which we believe to be of interest to assist the Finance Committee in discharging their responsibilities in connection with the audited non-consolidated financial statements of Canadian Council on Rehabilitation and Work (the "Organization") for the year ended March 31, 2026.

We would like to express our appreciation for the cooperation we received from the officers and employees of the Organization with whom we worked during our audit. We look forward to meeting with the Finance Committee to discuss the content of this report and answering any questions you may have.

Yours very truly,

RSM Canada LLP

per: Stephen McCourt, Partner

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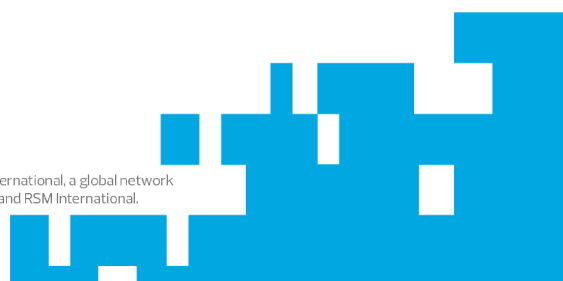


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STATUS OF THE AUDIT

We have completed our audit of the non-consolidated financial statements of the Organization for the year ended March 31, 2026.

Independent auditor’s report and financial statements

Our independent auditor’s report and financial statements is attached (Appendix B).

SIGNIFICANT AUDIT FINDINGS

Materiality

Final overall materiality was \$290,000 based on revenue. This was changed from overall planning materiality of \$291,000, as communicated in our Audit Services Plan upon receipt of final numbers.

Accounting policies

Management is responsible for selecting and applying appropriate accounting policies. The Finance Committee is responsible to review accounting policies adopted by the Organization and where alternative policies are available, determine the most appropriate policies to be adopted in the circumstances. If the Finance Committee believes that the adoption of or change in accounting policies may produce inappropriate or misleading financial reporting, this concern must be discussed with management and us.

Our views on the qualitative aspects of accounting practices used in the Organization's financial reporting are intended to assist the Finance Committee in its review of the non-consolidated financial statements. Policies affecting the understandability, relevance, reliability and comparability of the non-consolidated financial statements are:

Changes in significant accounting policies, including adoption of new standards.	There were no new accounting policies adopted or changes to the application of accounting policies of the Organization during the year.
Accounting policies unique to the industry, or relate to controversial or emerging areas.	No significant items to report.

Existence of alternative policies and methods.	The following are significant alternative policies or methods: • During fiscal 2023, the Organization acquired 100% of the issued shares of Innova Corp., a for-profit entity. The accounting standards permit Innova Corp. to be reported in CCRW's financial statements using either consolidation or the equity method. Management has selected the equity method to record the investment in Innova Corp. An accounting policy note has been included in Note 2 of the financial statements. Note 8 Innova Corp. is also included in the financial statement notes which outlines the Innova Corp. March 31, 2026 balances in summary form, as well as a summary of transactions between the Organization and Innova Corp. during the year. • During the year, Innova exhausted its credit facilities, was unable to meet its payroll and other obligations, and ceased operations. Innova's board of directors resigned and the entity became subject to involuntary dissolution proceedings. the Organization determined that its investment in Innova was impaired and reduced the carrying amount of the investment to \$NIL.
Effect of timing of occurrence and recognition of transactions relating to when accounting policies are adopted.	No significant items to report.

Conclusion

We reviewed the significant accounting policies selected and applied by management and in our judgment we believe that the accounting policies are, in all material respects, acceptable under Canadian accounting standards for not-for-profit organizations and are appropriate to the particular circumstances of the Organization.

Significant risks

The following is a summary of key issues and significant risks of material misstatement, whether due to fraud or error.

Issue/Risk Area - Management override of controls

Issue/Risk Area

Management override of controls is, by definition, a significant risk.

Our Response

During the course of our audit, we designed and performed audit procedures to respond to the risks of management override of controls. Our procedures included assessing appropriateness of general journal entries and other adjustments on a test basis, reviewing accounting estimates for biases and evaluating business rationale for transactions outside the normal course of business. These procedures did not reveal any evidence of management override of controls and, as such, no additional audit procedures were performed.

Issue/Risk Area - Revenue recognition

Issue/Risk Area

Auditing standards assume a rebuttal presumption that there is a significant risk of fraud in revenue recognition in all entities.

Our Response

We tested funding by agreeing the inflows to the underlying contracts and tested the related expenses incurred to ensure revenue was recognized appropriately. A sample of non funding revenue transactions were tested to the supporting documentation to ensure the revenue was recorded in the correct period at the correct amount. Based on our work performed, the amounts shown as revenue are materially accurate.

Issue/Risk Area - Attribution of expenses to externally restricted funded projects

Issue/Risk Area

Attribution of expenses to various government funded projects was assessed as having a significant risk of material misstatement because the expenditures determine the revenue recognized. In addition, we report on one project as required by the funder.

Our Response

We tested expenses on a sample basis to ensure they were recorded to the correct funding envelope and in the correct period. We also tested allocated expenses such as payroll to ensure the allocations were reasonable and consistent. Payroll was tested using substantive analytical procedures as well as tests of details.

Based on the testing performed, the allocation of expenses was found to be reasonable.

Conclusion

We reviewed all significant accounting estimates and agree that they are, in all material respects, free from possible management bias and of material misstatement. The audit procedures performed in the areas noted above were consistent with those set out in our Audit Services Plan. The accounting treatment of the items noted above and related disclosures are appropriate and in accordance with Canadian accounting standards for not-for-profit organizations. We were able to obtain sufficient appropriate audit evidence to reduce the risk of material misstatement in the non-consolidated financial statements to an appropriately low level.

MISSTATEMENTS AND ADJUSTMENTS

Adjustments

Management did not record any adjustments as a result of accounting differences identified during the audit.

Misstatements

During our audit, we aggregated uncorrected non-consolidated financial statement misstatements. Management deemed the effects of these misstatements to be immaterial, both individually and in the aggregate, to the non-consolidated financial statements. Management has not corrected these misstatements. We are required to request that the Finance Committee consider adjusting the non-consolidated financial statements for these misstatements although we acknowledge that the amounts are below materiality (Appendix D).

Appendix A

Other required communication

Area	Comment
Independence	CAS 260, Communication with Those Charged with Governance, requires communications in relation to any matters or relationships which we believe may have a bearing on RSM's independence or the objectivity of the audit engagement team. We have considered whether there are any independence matters or relationships that could have a bearing on the question of our independence. We confirm that, in our professional judgment, RSM is independent within the meaning of regulatory and professional requirements and the objectivity of the audit team is not impaired.
Illegal Acts, Fraud, Intentional Misstatements and Errors	Testing during our audit did not reveal any illegal, improper or questionable payments or acts, nor any acts committed with the intent to deceive, involving either misappropriation of assets or misrepresentation of financial information.
Related Party Transactions	We conducted tests and procedures to identify related parties and transactions. Our audit did not reveal any related parties or significant related party transactions that were not disclosed to us by management, nor did it reveal any significant related party transactions which give rise to suspected fraud. There has been no disagreement between management and ourselves regarding the accounting for and disclosure of related party transactions.
Deficiencies in Internal Controls	A financial statement audit is not designed to provide assurance on internal controls and we have not presented an opinion on internal controls over financial reporting. During our audit, we did not identify any significant deficiencies in internal controls.
Disagreements with Management	During our audit, we did not have any significant disagreements with management.
Consultations with Other Accountants	We are not aware of any consultations that have taken place with other accountants.
Cooperation of Management	We received full cooperation of management and other personnel during our audit and we had full and unrestricted access to all records and personnel required to complete our audit. We encountered no significant difficulties during our audit that should be brought to the attention of the Finance Committee.

Appendix B

Independent auditor's report and financial statements



Canadian Council on Rehabilitation and Work

Non-consolidated Financial Statements

For the Year Ended March 31, 2026

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Canadian Council on Rehabilitation and Work

Opinion

We have audited the non-consolidated financial statements of Canadian Council on Rehabilitation and Work (the "Organization"), which comprise the non-consolidated statement of financial position as at March 31, 2026, and the non-consolidated statements of revenues, expenses and accumulated surplus and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Organization as at March 31, 2026, and its results of non-consolidated operations and its non-consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

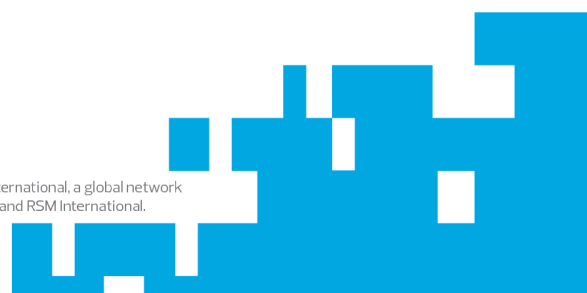
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the non-consolidated 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 Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated 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 Non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Organization to express an opinion on the non-consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
September 28, 2026
Toronto, Ontario

Canadian Council on Rehabilitation and Work
Non-consolidated Statement of Financial Position
As at March 31, 2026

	2026	2025
Assets		
Current assets		
Cash	\$ 1,997,866	\$ 2,167,067
Investments (Note 5)	3,375,386	3,083,151
Accounts receivable (Note 8)	127,203	356,138
HST receivable	38,627	54,414
Prepaid expenses	206,483	336,867
	5,745,565	5,997,637
Investment in Innova Corp. (Note 8)	-	68,357
	\$ 5,745,565	\$ 6,065,994

Liabilities and Accumulated Surplus

Current liabilities		
Accounts payable and accrued liabilities (Note 8)	\$ 451,086	\$ 1,096,327
Deferred contributions (Note 6)	1,696,257	1,750,482
	2,147,343	2,846,809
Accumulated surplus	3,598,222	3,219,185
	\$ 5,745,565	\$ 6,065,994

Commitments and Guarantee (Note 7)

Approved by the Board _____
Chair Treasurer

Canadian Council on Rehabilitation and Work
Non-consolidated Statement of Revenues, Expenses and Accumulated Surplus
Year Ended March 31, 2026

	2026	2025
Revenue		
Government disability employment programs (Schedule 1)	\$ 8,894,912	\$ 9,383,523
Other grants	438,701	107,225
Miscellaneous	384,360	397,785
Interest and investment income	293,572	301,528
Conference revenue	176,494	-
Training and consulting	31,856	46,331
	10,219,895	10,236,392
Expenses		
Meetings and operating (Schedule 2)	9,519,493	9,751,087
Excess of revenue over expenses before the undernoted	700,402	485,305
Loss from Innova Corp. (Note 8)	(321,365)	(319,199)
Excess of revenue over expenses	379,037	166,106
Accumulated surplus, beginning of year	3,219,185	3,053,079
Accumulated surplus, end of year	\$ 3,598,222	\$ 3,219,185

Canadian Council on Rehabilitation and Work
Non-consolidated Statement of Cash Flows
Year Ended March 31, 2026

	2026	2025
Cash provided by (used in)		
Operations		
Excess of revenue over expenses	\$ 379,037	\$ 166,106
Items not affecting cash		
Loss from Innova Corp.	68,357	319,199
Realized and unrealized gains on investments	(293,745)	(302,187)
	153,649	183,118
Net changes in non-cash operating assets and liabilities		
Accounts receivable	228,935	205,578
HST receivable	15,787	32,548
Prepaid expenses	130,384	(212,125)
Accounts payable and accrued liabilities	(645,241)	676,341
Deferred contributions	(54,225)	(5,451,527)
	(170,711)	(4,566,067)
Investing		
Purchase of investments	(935,226)	(129,227)
Proceeds on sale of investments	936,736	127,226
	1,510	(2,001)
Net change in cash	(169,201)	(4,568,068)
Cash, beginning of year	2,167,067	6,735,135
Cash, end of year	\$ 1,997,866	\$ 2,167,067

1. NATURE OF ACTIVITIES

Canadian Council on Rehabilitation and Work ("CCRW" or "Organization") was incorporated by Letters Patent of Canada on January 26, 1976 under the Canada Corporations Act and continued under the Canada Not-for-profit Corporations Act on June 3, 2014. CCRW is a network of organizations and individuals across Canada. The mission of CCRW is to promote and support meaningful and equitable employment of people with disabilities. The users of the services of CCRW are employers, job seekers, educators, governments, labour and community service providers. CCRW receives funding from various programs administered by the federal and provincial governments and fee-for-service contracts from private and public sectors. CCRW is mainly dependent on this funding for its continued operations.

CCRW is a charity registered under the Income Tax Act and exempt from income taxes under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

These non-consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Investment in Innova Corp.

CCRW owns 100% of the issued common and preferred shares of Innova Corp. The investment is accounted for using the equity method.

Revenue Recognition

CCRW follows the deferral method of accounting for contributions, which include government and other funding. 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. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Training and consulting, conference registration, conference sponsorship, and website advertising are recorded as deferred revenue and recognized in operations as the related services are provided. Miscellaneous revenue is recognized as earned.

Investment income includes interest from cash and fixed income investments, reinvested distributions from mutual funds, and realized and unrealized gains and losses on investments. Revenue related to investments is recognized as earned.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments

CCRW initially measures its financial assets and liabilities at fair value, except for non-arm's length transactions, which are measured at the exchange amount. CCRW subsequently measures its financial assets and financial liabilities at amortized cost, except for investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the excess of revenue over expenses.

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

Transaction costs and financing fees are expensed as incurred for financial instruments measured at fair value and capitalized for financial instruments that are subsequently measured at cost or amortized cost.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of a writedown, 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.

Use of Estimates

The preparation of these 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 as at the reporting date and the revenue and expenses reported for the year then ended. Actual results could differ from those estimates. Significant estimates include the allocation of expenses. Such estimates are reviewed periodically and any adjustments are reported in the year in which they become known.

Software Services

The Organization applies the simplification method and software service fees and other expenses related to cloud computing arrangements are expensed as incurred and are included in Schedule 2 (2026 - \$7,249; 2025 - \$7,249).

3. ECONOMIC DEPENDENCE

The Organization relies on funding from the federal government.

During the year ended March 31, 2026, the Organization received the majority of its revenue, 69% (2025 - 77%), from Employment and Social Development Canada ("ESDC"). The amount of revenue from this source is significant enough that the ongoing viability of the Organization is economically dependent on the continued funding from ESDC.

The Organization is contingently liable for all or a portion of grants received should it not use the grant funds as set out in the terms of the respective agreements. The amount of any such repayments are not currently anticipated or determinable. In the event of repayment of a grant, the repayment will be recorded in the statement of revenue, expenses and accumulated surplus.

4. FINANCIAL RISK MANAGEMENT

Risk Management Policy

CCRW is exposed to various financial risks through its financial instruments. There were no changes in the risks from the previous year end.

Credit Risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Organization is subject to credit risk related to its cash and accounts receivable. Credit risk with respect to cash is limited as cash is held at a high credit quality financial institution in Canada. The Organization manages risk related to accounts receivable through proactive collection policies.

Market Risk

Market risk is the risk that the fair value of investments will fluctuate due to changes in market prices. Market risk is managed by having a diversified portfolio of mutual funds that meet certain quality requirements as per CCRW's investment policy.

Liquidity Risk

In managing capital, CCRW focuses on liquid resources available for operations. CCRW's objective is to have sufficient liquid resources to continue operating and to provide it with the flexibility to take advantage of opportunities that will advance its purpose. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to budget.

5. INVESTMENTS

Investments are comprised of equity and bond mutual funds.

6. DEFERRED CONTRIBUTIONS

Deferred contributions consist of funding received in the current fiscal year for which the related expenditures have not been made. It is anticipated that these funds will be utilized in the subsequent period.

	2026	2025
Balance, beginning of year	\$ 1,750,482	\$ 7,202,009
Contributions received	9,279,388	7,254,711
Contributions returned	-	(3,215,490)
Government contributions recognized in revenue	(8,894,912)	(9,383,523)
Other contributions recognized in revenue	(438,701)	(107,225)
Balance, end of year	\$ 1,696,257	\$ 1,750,482

At year end deferred contributions consist of the following:

	2026	2025
Training, Recruitment, Accessibility, Needs Assessment & Skills Formation	\$ 549,701	\$ -
Youth the Future	450,299	355,892
Slaight Family Foundation Program	211,293	189,185
Social Development Partnership Program	129,086	795,879
Skilled Talent Elevation Program	94,181	-
Other	87,381	194,254
Advancing Accessibility Standards Research	67,812	-
Atlantic Autism Employment program	37,621	-
Tourism HR Canada	27,858	73,091
Workplace Including Program	23,659	16,906
Ontario Ministry of Labour, Immigration, Training and Skills Development	9,648	17,743
Job Creation Partnerships	7,718	-
Sector Labour Market Partnerships Program	-	87,532
Society for Canadian Women in Science and Technology Program	-	20,000
	\$ 1,696,257	\$ 1,750,482

7. COMMITMENTS AND GUARANTEE

CCRW provided an unlimited guarantee for a credit facility agreement held by Innova Corp., consisting of a line of credit of \$50,000 and a credit card with a maximum amount of \$50,000. During the year ended March 31, 2026, Innova was unable to meet its obligations under these facilities and CCRW, as guarantor, settled the outstanding obligations. CCRW recognized \$109,240 in respect of the guarantee on the closure of Innova's bank accounts (2025 - \$Nil). No amounts remain owing under the guarantee at March 31, 2026.

7. COMMITMENTS AND GUARANTEE (Cont'd)

CCRW leases premises under non-cancelable operating lease agreements. Future minimum annual payment requirements are as follows:

2027	\$	491,795
2028		274,035
2029		196,485
2030		114,879
2031		20,705
Thereafter		5,177
		\$ 1,103,076

8. INNOVA CORP.

CCRW is the sole shareholder of Innova Corp. ("Innova"), a profit-oriented enterprise. CCRW holds 100 common shares and 619,900 Class B shares, acquired for total consideration of \$620,000. CCRW accounts for its investment in Innova using the equity method. Innova Corp. provided disability accommodation services to CCRW. CCRW provided Innova Corp. with assistance for finance, human resources, office space and other administrative functions, currently estimated to be \$68,000 plus HST per year. Innova Corp. used Canadian accounting standards for private enterprises as its basis of accounting.

During the year ended March 31, 2026, Innova exhausted its credit facilities, was unable to meet its payroll and other obligations, and ceased operations. Innova's board of directors resigned and the entity became subject to involuntary dissolution proceedings. CCRW determined that its investment in Innova was impaired and reduced the carrying amount of the investment to \$Nil, recognizing a loss of \$68,357 in the statement of revenues, expenses and accumulated surplus.

In addition, CCRW recognized the following amounts during the year in connection with Innova: \$109,240 in respect of its guarantee of Innova's bank credit facilities (Note 7); \$53,768 of legal costs; and \$90,000 of other costs.

Because Innova ceased operations and its board dissolved as at March 31, 2026, audited financial statements and current-period summarized financial information for Innova are not available and cannot be presented for the year ended March 31, 2026. In accordance with Canadian accounting standards for not-for-profit organizations, the most recent available summarized financial information of Innova, for the year ended March 31, 2026, is as follows:

	2026	2025
Common shares	\$ 100	\$ 100
Class B preferred shares	619,900	619,900
Equity method income (loss) - cumulative	(620,000)	(551,643)
	\$ -	\$ 68,357

Canadian Council on Rehabilitation and Work
Notes to Non-consolidated Financial Statements
March 31, 2026

8. INNOVA CORP. (Cont'd)

	2026 (Unaudited)	2025
Financial position		
Assets		
	\$ 40,276	\$ 400,126
Liabilities	\$ 155,822	\$ 331,769
Net assets	(115,546)	68,357
	\$ 40,276	\$ 400,126
Results of operations		
Revenues	\$ 558,485	\$ 1,330,258
Expenses	(742,388)	(1,649,457)
Deficiency of revenues over expenses	\$ (183,903)	\$ (319,199)
	2026 (Unaudited)	2025
Cash flows		
Cash provided by (used in) operating activities	\$ (247,886)	\$ (24,426)
Cash provided by (used in) investing activities	-	(75,473)
Decrease in cash	\$ (247,886)	\$ (99,899)

At year end, included in accounts payable and accrued liabilities \$Nil (2025 - \$22,298) due to Innova Corp., and included in accounts receivable is \$Nil (2025 - \$7,714) due from Innova Corp.. Amounts are recorded at exchange value and are due on demand.

Included in miscellaneous revenue is \$6,827 (2025 - \$81,924) received from Innova Corp. Disability accommodation expense includes \$486,632 (2025 - \$1,037,031) and training and professional development expense includes \$Nil (2025 - \$12,500) paid to Innova Corp. These transactions are in the normal course of business and are measured at the exchange amount.

Subsequent to March 31, 2026, the involuntary dissolution of Innova Corp. continued to progress. CCRW, as sole shareholder, resolved to allow the dissolution to proceed and lodged a complaint with the applicable Ministry to encourage its completion.

9. COMPARATIVE BALANCES

The prior year Non-consolidated Statement of Revenues, Expenses and Accumulated Surplus and Schedule 1 groupings have been revised, grouping similar items together, to conform to the current year's presentation.

10. CONTINGENT LIABILITY

In the normal course of operations, the Organization is subject to various legal claims and proceedings. Although the outcome of these matters cannot be predicted with certainty, management believes that the resolution of these claims and proceedings will not have a material adverse effect on the Organization's financial position or results of operations.

Canadian Council on Rehabilitation and Work
Schedule 1 - Government Disability Employment Programs
Year Ended March 31, 2026

	2026	2025
Opportunities Fund National	\$ 4,106,424	\$ 4,763,411
Youth Employment Skills Strategy National	1,474,830	16,655
Social Development Partnership Program	922,490	680,425
Opportunities Fund Regional	761,236	798,503
Avenue NB	412,204	406,576
Ontario Ministry of Labour, Immigration, Training and Skills Development	298,824	420,996
BC Ministry of Post-Secondary Education and Future Skills	282,739	207,401
Canadian Accessibility Standards Development Organization	261,029	273,004
Manitoba Ministry of Immigration and Career Training	177,413	185,531
Canadian Accessibility Standards Development Organization	175,872	-
Summer Students	21,851	23,649
Canada Employment Insurance Commission - Labour Market Partnerships Support Measure	-	818,350
Canada Employment Insurance Commission - National Essential Skills Initiative, Skills for Success	-	624,544
Youth Employment Skills Strategy Regional	-	164,478
	\$ 8,894,912	\$ 9,383,523

Canadian Council on Rehabilitation and Work
Schedule 2 - General and Administrative Expenses
Year Ended March 31, 2026

	2026	2025
Meeting		
Travel and meeting	\$ 237,981	\$ 258,537
Operating		
Salaries and employee benefits	4,710,937	5,001,722
Disability accommodation (Note 8)	2,590,343	1,974,502
Other project costs	453,448	999,354
Professional and consulting fees	250,378	273,907
Occupancy costs	385,293	491,403
Office expense	339,330	381,854
Conference	212,607	18,830
Advertising and promotion	142,972	136,912
HST and GST non-recoverable portion	96,921	129,300
Training and professional development (Note 8)	91,625	53,661
Interest and bank charges	12,658	13,679
Bad debt (recovery)	(5,000)	17,426
	\$ 9,519,493	\$ 9,751,087

Appendix C

Management representation letter



Canadian Council on Rehabilitation and Work

1867 Yonge Street
Suite 906
Toronto, Ontario
M4S 1Y5

RSM Canada LLP
Chartered Professional Accountants
66 Wellington St. W
Suite 3200, Box 4
Toronto, Ontario
M5K 1A1

Dear Sir:

We are providing this letter in connection with your audit of the non-consolidated financial statements of Canadian Council on Rehabilitation and Work (the "Organization") as at March 31, 2026 and for the year then ended, for the purpose of expressing an opinion as to whether the non-consolidated financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of Canadian Council on Rehabilitation and Work in accordance with Canadian accounting standards for not-for-profit organizations.

We acknowledge that we are responsible for the fair presentation of the non-consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for the design and implementation of internal control to prevent and detect fraud and error. We have assessed the risk that the non-consolidated financial statements may be materially misstated as a result of fraud, and have determined such risk to be low. Further, we acknowledge that your examination was planned and conducted in accordance with Canadian generally accepted auditing standards so as to enable you to express an opinion on the non-consolidated financial statements. We understand that while your work includes an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, it is not designed to identify, nor can it necessarily be expected to disclose fraud, shortages, errors and other irregularities, should any exist.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of its monetary value, if it is probable that its omission from or misstatement in the non-consolidated financial statements would influence the decision of a reasonable person relying on the non-consolidated financial statements.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations were made to you during your audit.

Non-Consolidated financial statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 1, 2026, for the preparation of the non-consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations; in particular, the non-consolidated financial statements are fairly presented in accordance therewith.
2. The Organization's significant accounting policies are disclosed in the non-consolidated financial statements and:
 - (a) there have been no changes in the Organization's accounting policies.
 - (b) the accounting policies selected and applied are appropriate in the circumstances.
 - (c) significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

3. Significant matters have not arisen that would require a restatement of the comparative non-consolidated financial statements.

Completeness of information

4. We have provided you with:
 - access to all information of which we are aware that is relevant to the preparation of the non-consolidated financial statements, such as records, documentation and other matters;
 - additional information that you have requested from us for the purpose of this audit;
 - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence; and
 - all minutes of the meetings of directors and committees of directors, or summaries of recent meetings for which minutes have not yet been prepared.
5. The minute books of the Organization are a complete record of all meetings and resolutions of the Organization throughout the years and to the present date.
6. All transactions have been recorded in the accounting records and are reflected in the non-consolidated financial statements.
7. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory agencies, applicable securities commissions or governmental authorities, including their financial reporting requirements.
8. We are unaware of any instances of non-compliance or suspected non-compliance with laws or regulations the effects of which should be considered when preparing non-consolidated financial statements.
9. We have identified to you all known related parties and all known related party relationships and transactions, including guarantees, non-monetary transactions and transactions for no consideration.
10. We have communicated to you all deficiencies in internal control of which management is aware.

Fraud and error

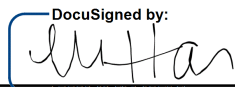
11. We have no knowledge of fraud or suspected fraud affecting the Organization involving management; employees who have significant roles in internal control; or others, where the fraud could have a non-trivial effect on the non-consolidated financial statements.
12. We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's non-consolidated financial statements communicated by employees, former employees, analysts, regulators or others.
13. We believe that the effects of the uncorrected financial statement misstatements summarized in the accompanying schedule are immaterial, both individually and in the aggregate, to the non-consolidated financial statements taken as a whole.

Recognition, measurement and disclosure

14. We believe that the significant assumptions used in arriving at the fair values of financial instruments as measured and disclosed in the non-consolidated financial statements are reasonable and appropriate in the circumstances.
15. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the non-consolidated financial statements.

16. All related party relationships and transactions have been appropriately measured and disclosed in the non-consolidated financial statements.
17. We are not aware of any environmental laws or regulations that impact our Organization.
18. The nature of all material measurement uncertainties has been appropriately disclosed in the non-consolidated financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the non-consolidated financial statements.
19. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel. Any such items have been accounted for and disclosed in accordance with Canadian accounting standards for not-for-profit organizations.
20. We confirm that there are no derivative or off-balance sheet financial instruments held at the year then ended.
21. All liabilities, both actual and contingent, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the non-consolidated financial statements.
22. The Organization has satisfactory title to, or control over, all assets, and there are no liens or encumbrances on the Organization's assets or assets pledged as collateral that are not disclosed in the notes to the non-consolidated financial statements.
23. We have disclosed to you, and the Organization has complied with, all aspects of contractual agreements that could have a material effect on the non-consolidated financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
24. There have been no events subsequent to non-consolidated statement of financial position date up to the date hereof that would require recognition or disclosure in the non-consolidated financial statements.
25. We have made our best estimate of all obligations associated with the investment in Innova Corp.
26. The terms of your engagement, as set out in your letter to us dated May 1, 2026, are still in effect and we agree with the terms as set out.

Yours very truly,

DocuSigned by:


D909F0F1B736451...
Maureen Haan, President and CEO

September 28, 2026

Date

Signed by:


049B90A089F141F...
Karen Stintz, Vice President of Finance and Operations

September 28, 2026

Date

Summary of Uncorrected Misstatements

Description	Effect: Debit / (Credit)					
	Assets	Liabilities	Equity	Revenue	Expenses	Net Income (Loss)
Unrecorded misstatement - Factual						
OU1 [3/31/2026] - To record reversal of accrual made by CCRW for potential obligations with regards to the Innova Corp. wind-down.	\$ -	\$ 90,000	\$ -	\$ -	\$ (90,000)	\$ (90,000)
OU2 [3/31/2026] - To reverse 2025 conference revenue and expenses recorded in the current year.	-	-	-	97,867	(38,726)	59,141
OU3 [3/31/2026] - To reverse revenue recognized in FY2026 relating to services performed in FY2027.	-	(18,584)	-	18,584	-	18,584
Unrecorded misstatement - Projected						
None present						
Unrecorded misstatement - Judgmental						
None present						
Total uncorrected misstatement	\$ -	\$ 71,416	\$ -	\$ 116,451	\$ (128,726)	\$ (12,275)
Cumulative equity misstatements	\$ (12,275)					

Appendix D

Summary of uncorrected misstatements

Effect: Debit / (Credit)						
Description	Assets	Liabilities	Net Assets	Revenue	Expenses	Revenue over (under) expenses
Unrecorded misstatement - Factual						
OU1 [3/31/2026] - To record reversal of accrual made by CCRW for potential obligations with regards to the Innova Corp. wind-down.	\$ -	\$ 90,000	\$ -	\$ -	\$ (90,000)	\$ (90,000)
OU2 [3/31/2026] - To reverse 2025 conference revenue and expenses recorded in the current year.	-	-	-	97,867	(38,726)	59,141
OU3 [3/31/2026] - To reverse revenue recognized in FY2026 relating to services performed in FY2027.	-	(18,584)	-	18,584	-	18,584
Unrecorded misstatement - Projected						
None present						
Unrecorded misstatement - Judgmental						
None present						
Cumulative net assets misstatements			\$ (12,275)			

Appendix E

NPO industry trends and topics

Below is a summary of the trends impacting the nonprofit industry:

Trend/ hot topic	Description	Suggested reading/webcasts
Risk, compliance and governance	Organizations face large reputation and financial risk in the event of a cyber security breach. Cloud-based technologies pose different challenges than before, and technical sophistication is not a skillset seen in a lot of nonprofit organizations. We are seeing more organizations elevate the risk assessment and potential impact of cyber-related matters in their annual risk assessments. Organizations are also developing response plans for the day the incident happens. We continue to see personal use of organization credit cards, personal expenses being claimed as business related, and phishing emails. Strong oversight and review of credit card statements and expense reports, along with diligence on verification of banking changes are becoming increasingly important.	• Companies must remain diligent as cybersecurity threats evolve https://tinyurl.com/3wd6day3 • How AI and human oversight can strengthen nonprofit cybersecurity https://tinyurl.com/5cb3ehzw • How much will a data breach cost you? https://tinyurl.com/2hr9yzpm • The importance of cybersecurity resiliency for nonprofit organizations https://tinyurl.com/yj3mebkx • Nonprofits face unique challenges with cybersecurity https://tinyurl.com/v8u7v87z • Why cyber risk is still a main responsibility for board members https://tinyurl.com/mtwrhsz7 • 5 leading technology-driven techniques used to investigate fraud https://tinyurl.com/msu5ne2w • Empower ethics with whistleblower programs https://tinyurl.com/468hev87

Appendix E

NPO industry trends and topics (cont'd)

Trend/ hot topic	Description	Suggested reading/webcasts
Mission-supporting technology	Nonprofits are continuing to invest in technologies to serve their stakeholders more effectively. This includes customer relationship management (CRM), donor management, member systems, dashboarding and measurement of key performance indicators (KPIs).	• Mission meets metrics: Harnessing data to drive nonprofit impact d https://tinyurl.com/3fs5epbu • Connected foundation extends CSS life-changing impact https://tinyurl.com/bdhn938 • Nonprofit implements a unified accounting solution https://tinyurl.com/kywrpw8j • How nonprofits can navigate digital transformation https://tinyurl.com/53cps2w6 • Where to start: Frequently asked questions about generative AI https://tinyurl.com/3u5cwj52 • The Role of AI in enhancing learning experiences https://tinyurl.com/3yz59mex
Human capital – changing workforce	Organizations are rethinking how to protect their most valuable asset—people. Employee attraction and retention is a key focus to navigate through the upcoming years given staffing shortages and increased compensation demands. Organizations are looking to new staffing models, outsourcing or the gig economy.	• Nonprofits need to cultivate a new type of workforce https://tinyurl.com/5e258mtk • A total rewards approach to executive compensation https://tinyurl.com/muxbc2n2 • Optimize your HR strategy https://tinyurl.com/5x2tw6vu • Streamline your year-end payroll process: Start now and save time later https://tinyurl.com/pk634upf

Appendix E

NPO industry trends and topics (cont'd)

Trend/ hot topic	Description	Suggested reading/webcasts
Data driven decision making	Organizations are focusing on how to leverage data to improve decision making.	- AI is a test, not a destination https://tinyurl.com/45yjd4e - Generating value from data analytics and artificial intelligence https://tinyurl.com/5n77x4cs - Nonprofit gains control of its IT landscape with RSM https://tinyurl.com/43x88kyd
Donor/member engagement	It is imperative that nonprofits maintain close connections with their donors, members or volunteers. The relationship with the donor/member/volunteer has changed post pandemic and organizations need to relook at their engagement models to ensure they are bringing the right value and experience to their stakeholders.	- A guide for associations to weather economic downturns https://tinyurl.com/nb2vv4md - Master data management: Transforming operations and growth https://tinyurl.com/yk8ppvc5 - Nonprofits may benefit from the growing popularity of impact investing https://tinyurl.com/2tj82b2

Other resources that could be of interest to you:

- The Real Economy <https://tinyurl.com/y8p3v54y>
- Analyzing Canada's 2025 federal budget <https://tinyurl.com/mtv8nc6y>
- Ontario Nonprofit Network (ONN) 2025 State of the Sector Report <https://tinyurl.com/3hnxy89>
- Nonprofit industry outlook <https://tinyurl.com/azf9n8ff>

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