FIREFLY

FIREFLY - PHYSICAL, EMOTIONAL, DEVELOPMENTAL AND COMMUNITY SERVICES

Financial Statements

For the Year Ended March 31, 2026

FIREFLY - PHYSICAL, EMOTIONAL, DEVELOPMENTAL AND COMMUNITY SERVICES

Financial Statements

For the year ended March 31, 2026

Contents

To the Board of FIREFLY - Physical, Emotional, Developmental and Community Services:

Qualified Opinion

We have audited the financial statements of FIREFLY - Physical, Emotional, Developmental and Community Services (the "Organization"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements of FIREFLY - Physical, Emotional, Developmental and Community Services for the year ended March 31, 2026, are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the financial statements.

Basis for Qualified Opinion

The summary of significant accounting policies describes the Organization's policy with respect to the recording of capital assets. The note indicates that the Organization is charging to operations the cost of capital asset additions and is not recording the assets and amortizing them. In addition, restricted contributions related to capital assets are being recorded as revenue in the statement of operations in the year received, instead of being amortized to revenue over the estimated useful lives of the related capital assets. Under Canadian accounting standards for not-for-profit organizations, capital assets should be amortized over their useful lives and, under the deferral method, restricted contributions relating to the capital assets, should be amortized to revenue on the same basis as the underlying asset. If capital assets and deferred contributions had been recorded, capital assets and deferred contributions would have increased by the original cost of the assets less the accumulated amortization to date. This caused us to modify our audit opinion on the comparative statements. Management has not maintained a capital asset ledger with the cost and acquisition date of these assets nor tracked how these assets were funded. Consequently, we were unable to quantify the effects of this departure on what the net book value of the capital assets and deferred capital contributions should be at March 31, 2026 and 2025, grant revenue, amortization expense and excess of revenue over expense for the year then ended, and net assets as at April 1 and March 31 for both the 2026 and 2025 years.

In common with many not-for-profit organizations, the Organization derives revenue from donation and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2026 and 2025, current assets as at March 31, 2026 and 2025, and net assets at April 1 and March 31 for both the 2026 and 2025 years. Our audit opinion on the financial statements for the year ended March 31, 2025 was modified accordingly because of the possible effects of these limitations in scope.

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 qualified opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting used in the preparation of these financial statements and the significant differences between such basis of accounting and Canadian accounting standards for not-for-profit organizations. Our opinion is not modified in respect of this matter.

Other Matter

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the schedules on pages 16 - 21 of the Organization's financial statements.

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

Management is responsible for the preparation of the financial statements in accordance with the basis of accounting described in Note 1 to the financial statements, determining that the described framework is acceptable in the circumstances, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a

material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

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.

MNP LLP

Kenora, Ontario

June 23, 2026

Chartered Professional Accountants

Licensed Public Accountants

FIREFLY - PHYSICAL, EMOTIONAL, DEVELOPMENTAL AND COMMUNITY SERVICES

Statement of Financial Position

	March 31 2026	March 31 2025
Assets		
Current		
Cash and Bank	**2,826,032**	2,273,555
Accounts Receivable	**823,633**	925,379
Current Portion of Investments (Note 2)	**1,150,000**	1,689,023
Prepaid Expenses	**133,572**	88,172
	4,933,237	4,976,129
Investments (Note 2)	**500,000**	-
	5,433,237	4,976,129
Liabilities and Net Assets		
Current		
Accounts Payable (Note 3)	**1,484,305**	1,310,112
Deferred Revenue (Note 4)	**348,481**	100,061
Surplus Repayable (Note 5)	**634,975**	523,431
	2,467,761	1,933,604
Net Assets		
Externally Restricted (Note 6)	**273,142**	310,218
Unrestricted	**2,692,334**	2,732,307
	2,965,476	3,042,525
	5,433,237	4,976,129

On Behalf of the Board:

_______________ Director

Kendall Rembold _______________ Director

The accompanying notes are an integral part of these financial statements.

FIREFLY - PHYSICAL, EMOTIONAL, DEVELOPMENTAL AND COMMUNITY SERVICES

Statement of Operations

For the year ended March 31	2026	2026	2025
	Budget (unaudited - Note 13)	**Actual**	Actual
Revenue			
Provincial Ministries	**13,617,677**	**13,724,146**	13,592,622
Federal Ministries	**191,766**	**191,766**	191,766
Other	**5,005,237**	**5,339,814**	5,144,136
	18,814,680	**19,255,726**	18,928,524
Expenses			
Salaries and Wages	**11,363,726**	**11,296,072**	10,666,084
Employee Benefits	**2,830,145**	**2,636,959**	2,646,386
Other Services - Bank Fees, Memberships	**3,480**	**4,282**	4,429
Staff Travel	**251,984**	**277,344**	250,576
Staff Training	**174,197**	**178,678**	191,179
Building Occupancy	**787,947**	**964,793**	791,851
Professional Services - Non Client	**337,673**	**323,196**	300,967
Professional Services - Client	**2,115,256**	**2,377,251**	2,413,671
Advertising and Promotion	**5,229**	**3,852**	20,672
Communication	**200,554**	**182,763**	269,343
Other Supplies and Equipment	**419,397**	**767,028**	665,732
I.T. - Supplies and Equipment	**255,697**	**236,569**	200,671
Insurance and Bad Debt	**84,504**	**83,988**	76,144
	18,829,789	**19,332,775**	18,497,705
Revenue over Expenses (Expenses over Revenue) for the year	**(15,109)**	**(77,049)**	430,819

The accompanying notes are an integral part of these financial statements.

FIREFLY - PHYSICAL, EMOTIONAL, DEVELOPMENTAL AND COMMUNITY SERVICES
Statement of Cash Flows

For the year ended March 31	2026	2025
Cash provided by (used in)		
Excess of Revenue over Expenses (Expenses over Revenue) for the year	**(77,049)**	430,819
Adjustments to reconcile excess of revenue over expenses to net cash provided by (used in) operating activities:		
Accounts receivable	**101,746**	(106,463)
Prepaid expenses	**(45,400)**	(75,181)
Accounts payable	**174,193**	(169,519)
Surplus repayable	**111,544**	92,371
Deferred revenue	**248,420**	(4,407)
Net change in cash and bank	**513,454**	167,620
Investing Activities		
Decrease in investments	**39,023**	426,709
Net change in cash and bank	**552,477**	594,329
Cash and bank, beginning of year	**2,273,555**	1,679,226
Cash and bank, end of year	**2,826,032**	2,273,555

The accompanying notes are an integral part of these financial statements.

For the year ended March 31			**2026**	2025
	Unrestricted	**Externally Restricted (Note 7)**	**Total**	Total
Net assets, beginning of year	2,732,307	310,218	**3,042,525**	2,611,706
Excess of Revenue over Expenses (Expenses over Revenue) for the year	(39,973)	(37,076)	**(77,049)**	430,819
Net assets, end of year	2,692,334	273,142	**2,965,476**	3,042,525

The accompanying notes are an integral part of these financial statements.

1 Nature of Operations and Summary of Significant Accounting Policies

a. Nature and Purpose of the Organization

The Organization is incorporated under the laws of the Province of Ontario without share capital and is engaged in the provision of health care and related services to children.

The Organization is exempt from income tax under the Income Tax Act and is a registered charity.

b. Basis of Accounting

The assets, liabilities, revenues, and expenditures of the Organization are accounted for using Canadian accounting standards for not-for-profit organizations as the underlying basis of accounting. In accordance with the financial reporting directives prescribed by the Ministry of Health and Long Term Care (MOHLTC) and Ministry of Children, Community and Social Services (MCCSS), the Organization follows Canadian accounting standards for not-for-profit organizations except as follows:

i) Modified Accrual Basis

These financial statements have been prepared using the modified accrual basis of accounting. The modified accrual basis recognizes revenues as they become available and measurable within the 30 day period susequent to year end; expenditures are recognized as they are incurred and measurable as a result of receipt of goods and services and create a legal obligation to pay within a 30 day period subsequent to year end.

ii) Vacation, Overtime, Sick and Statutory Holiday Pay

Vacation, overtime, sick and statutory holiday pay is not accrued and no liability is recognized in the statement of financial position. Vacation, statutory and overtime pay is charged to operations in the year in which the payment is made. Sick leave credits granted to employees are expensed only when employees are granted sick leave.

iii) Capital Expenditures and Government Contributions for Capital Assets

Capital asset purchases are expensed in the year of acquisition. Government contributions for capital assets are recorded as revenue in the year received.

c. Revenue Recognition

The Organization follows 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.

Fee for service revenues are recorded on an accrual basis when services are provided and collectability is reasonably assured. Donations and fundraising are recorded upon receipt.

Expenditure recoveries are recorded when eligibility criteria have been met.

1 Nature of Operations and Summary of Significant Accounting Policies (continued)

c. Revenue Recognition (continued)

Deferred Revenue

The Organization has entered into funding agreements where the services to be performed extends beyond year end. For these agreements, the organization records an obligation and recognizes revenue over the period of the agreement as the services are rendered.

d. Capital Assets Acquisitions

Capital assets are being charged against operations as expenses in the year of purchase rather than being capitalized on the statement of financial position and amortized over their useful lives. Accordingly, no amortization is recorded for these assets.

e. Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market and derivatives, if any, are reported at fair value, with any unrealized gains and losses reported in net assets. In addition, all guaranteed investment certificates have been designed to be fair value category, with gains and losses reported in net assets. Changes in fair value of financial instruments related to the reserve funds are recorded directly in the reserve funds. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

f. Allocation of Expenses

The Organization provides health and related services to children in Northwestern Ontario. The direct costs of each program include the salaries, employee benefits, rent (for some programs) and other program expenses that are directly attributable to the programs. The Organization also incurs occupancy costs at its shared facilities in Kenora and Red Lake, professional services costs and office administration costs that are common to the administration of the Organization and each of its programs.

The Organization allocates these shared costs to its programs as follows:
- Occupancy Costs: On the basis of the number of staff members per program.
- Professional Services Costs: On the basis of the number of staff members per program.
- Office Administration Costs: On the basis of the number of staff members per program.

In addition to these allocations, administrative support costs related to the MOHTLC/MCCSS programs are allocated to Ministry programs on the basis of approved Ministry budgets.

1 Nature of Operations and Summary of Significant Accounting Policies (continued)

g. Employee Future Benefits

The Organization participates in Healthcare of Ontario Pension Plan (HOOPP), a multi-employer defined benefit pension plan, however, sufficient information is not available to use defined benefit accounting. Therefore, the Organization accounts for the plan as if it were a defined contribution plan, recognizing contributions as an expense in the year to which they relate.

h. Use of Estimates

The preparation of financial statements in accordance with the financial reporting directives provided by the MOHLTC/MCCSS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future.

2 Investments

	2026	2025
Investments are stated at cost and are comprised of the following:		
Guaranteed investment certificate, variable interest, maturing Feb 2027	**$ 1,000,000**	$ -
Guaranteed investment certificate, variable interest, maturing Aug 2026	**150,000**	-
Guaranteed investment certificate, interest at 2.96%, maturing Feb 2028	**500,000**	-
Guaranteed investment certificate, variable interest, matured Aug 2025	**-**	150,000
Guaranteed investment certificate, interest at 3.4%, matured Nov 2025	**-**	519,603
Guaranteed investment certificate, interest at 3.36%, matured Dec 2025	**-**	519,420
Guaranteed investment certificate, interest at 2.91%, matured Feb 2026	**-**	500,000
	1,650,000	1,689,023
Less amounts maturing within one year	**(1,150,000)**	(1,689,023)
	$ 500,000	$ -

March 31, 2026

3 Accounts Payable

		2026		2025
Trade accounts payable	**$**	**1,059,296**	$	656,137
Accrued liabilities		**32,994**		28,065
Payroll liabilities		**94,433**		384,254
Employee expense		**15,142**		20,375
Miscellaneous payables		**178,754**		137,253
VISA payable		**103,686**		84,028
	$	**1,484,305**	$	1,310,112

There are $7,453 (2025 - $13,686) in government remittances included in accounts payable.

4 Deferred Revenue

		2026		2025
Kenora District Services Board - Early ON Centres	**$**	**12,518**	$	1,277
Keewatin Patricia District School Board - SPARK		**12,252**		11,264
Ministry of Health		**188,000**		-
Private Contracts		**135,711**		87,520
	$	**348,481**	$	100,061

5 Surplus Repayable

		2026		2025
Ministry of Children, Community and Social Services				
- Complex Special Needs	**$**	**504,100**	$	401,510
- Urgent Response		**57,514**		57,514
Kenora District Services Board - Wage Enhancement		**53,400**		53,400
Supervisor Network Capacity		**10,757**		10,757
Ministry of Health and Long Term Care - Training		**250**		250
York Hills - Complex Transitioning Funding		**8,954**		-
	$	**634,975**	$	523,431

The Organization operates a number of programs funded by various government ministries and other funders. As part of this process, the funders review operating results of programs and determines a final settlement payable to or due from the Organization. An estimate of these final settlements is made at each year-end and any amounts expected to be returned to the funder are recorded as repayble. Actual settlement amounts may differ.

6 Externally Restricted Net Assets

	Opening Balance	Net Transfer (to) / from Operations	Closing Balance
Circus Kids Program	$ 4,118	$ (4,118)	**$ -**
Making Connections for Children and Youth	62,662	331	**62,993**
Minto Parent Resource Centre Kitchen Funds	38,350	(3,522)	**34,828**
Minto Parent Resource Centre Endowment Fund	2,172	(575)	**1,597**
Roots of Empathy Program Funding	19,227	(2,232)	**16,995**
J and D Martin Family Fund	-	560	**560**
Triple P.L.A.Y. Program and Administration	175,117	(65,477)	**109,640**
Triple P.L.A.Y. Gary Alcock Memorial	881	(881)	**-**
Triple P.L.A.Y. Endowment Fund	-	9,320	**9,320**
Triple P.L.A.Y. Events	7,691	29,518	**37,209**
	$ 310,218	$ (37,076)	**$ 273,142**

7 Commitment

a) The Organization is committed to office rent and program space in the amount of $27,955 monthly for various locations in Kenora, Dryden, Sioux Lookout, Atikokan, Fort Frances, Red Lake and Ear Falls.

The Organization's largest rental agreement is with Kenora-Rainy River Districts Child and Family Services. Under the terms of the lease, the Organization is responsible for its own occupancy costs based on the percentage of space occupied within the Kenora and Red Lake facilities.

The Organization also leases various office equipment in the amount of $227 monthly.

b) Vacation, Overtime, Sick and Statutory Holiday Pay
As of March 31, 2026, unrecorded vacation, overtime, sick and statutory holiday pay amounted to $278,046 (2025 - $368,275).

8 Economic Dependence

FIREFLY received approximately 69% (2025-69%) of its funding from the Ministry of Health and Long Term Care, and the Ministry of Children, Community and Social Services. Should this funding be discontinued, the Organization would have to find alternate sources of funding or discontinue its operations.

9 Financial Instrument 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. Fixed-interest instruments subject the Organization to a fair value risk while floating rate instruments subject it to a cash flow risk. The Organization is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of its investments.

The Organization manages its investments based on its cash flow needs and with a view to optimizing its investment income.

Credit Risk

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

The Organization is exposed to credit risk arising from its accounts and contributions receivable. The majority of the Organization's receivables are from government sources and the Organization works to ensure they meet all eligibility criteria in order to qualify to receive the funding.

The Organization is also exposed to credit risk arising from all of its cash and investments being held at one financial institution and deposits are only insured up to $100,000.

Liquidity Risk

Liquidity risk is the risk that the Organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operations liquidity requirements, the Organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable, surpluses repayable, commitments and contingent liabilities.

There have been no significant changes in nature of these risks from the previous year.

10 Pension Plan

The Organization makes contributions to Healthcare of Ontario Pension Plan (HOOPP), which is a multi-employer plan, on behalf of members of its staff. The plan specifies the amount of the retirement benefit plan to be received by the employees based on length of services and rates of pay. However, the plan is accounted for as a defined contribution plan as insufficient information is available to account for the plan as a defined benefit plan. The Organization is only one of a number of employers that participates in the plan and the financial information provided to the Organization on the basis of the contractual agreements is usually insufficient to reliably measure the Organization's proportionate share in the plans assets and liabilities on defined benefit accounting requirements. At December 31, 2025, the plan had a surplus of $11.103 million.

The amount contributed for the plan for 2026 was $1,001,470 (2025 - $945,888). The contributions were made for current service and these have been recognized in excess of revenue over expenses for the year.

11 Allocation of Expenses

	Cost Allocation		
Program	Rent/Lease & Building Occupancy	Professional Services (Non-Client)	Office Administration
Ministry Funded Programs			
Administrative Support	11,819	101,913	(1,829,778)
Brief Services	20,934	4,915	43,854
Counselling/Therapy Services	87,698	20,588	183,717
Family/Caregiver Skills Building Support	16,658	3,911	34,894
Access Intake Service Planning	17,619	4,136	36,909
Service Coordination	63,423	14,890	132,863
Specialized Consultation & Assessment Services	14,230	3,341	29,813
Targeted Prevention	1,462	343	3,063
Telepsychiatry	449	90	1,145
Crisis Services	-	-	5,455
System Management - Lead Agency	7,429	1,911	28,400
Mental Health/ Specialized Programming	18,529	4,433	50,447
Reintegration/ Rehabilitation Services Community	6,251	1,591	16,427
Complex Special Needs	-	-	31,744
Respite Services	2,235	546	20,992
Coordinated Service Planning	23,173	5,321	51,276
Child Welfare Community & Prevention Supports	1,844	468	4,725

March 31, 2026

11 Allocation of Expenses (Continued)

	Cost Allocation		
Program	**Rent/Lease & Building Occupancy**	**Professional Services (Non-Client)**	**Office Administration**
Ministry Funded Programs			
Autism	85,212	30,551	252,715
Alternatives to Custody and Community Interventions	-	27	3,492
Early Intervention	4,579	1,335	10,791
Children's DS Community Support Services	40,660	7,763	75,428
Children's Rehabilitation Services	89,267	25,102	194,484
Services for Children and Youth with Complex Needs	43,912	9,886	88,402
OAP Work Force Capacity	9,162	2,350	21,000
Partner Facility Renewal	-	-	70
Health Canada Public Health Agency of Canada	10,492	2,663	8,019
Ministry of Education	19,772	10,381	49,715
Private Contracts and Other	367,984	64,741	449,938

12 Comparative Figures

Certain comparative figures have been reclassified to conform to current year's presentation.

13 Budget Information

The Board of Directors approved its operating budget based on planned expenses related to the current year funding and other current year sources of revenue. The budget balances have been attached for information purposes only and are unaudited.