CATHOLIC FAMILY SERVICES OF PEEL-DUFFERIN

FINANCIAL STATEMENTS

MARCH 31, 2024

HILBORN LLP

HILBORN LLP

Independent Auditor's Report

To the Members of Catholic Family Services of Peel-Dufferin

Qualified Opinion

We have audited the financial statements of Catholic Family Services of Peel-Dufferin (the "Agency"), which comprise the statement of financial position as at March 31, 2024, 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 possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2024, 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 Qualified Opinion

In common with many non-for-profit organizations, the Agency derives revenues from donation revenue, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of donation revenue was limited to the amounts recorded in the records of the Agency and we are not able to determine whether, as at and for the year ended March 31, 2024, any adjustments might be necessary to revenues and excess (deficiency) of revenues over expenses reported in the statement of operations, and assets and net assets reported in the statement of financial position. Our audit opinion on the financial statements for the year ended March 31, 2023 was modified because of the possible effects of this scope limitation.

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 Agency 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of the Agency 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 Agency or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Agency.

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Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Hilborn LLP

Toronto, Ontario
September 5, 2024

Chartered Professional Accountants
Licensed Public Accountants

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CATHOLIC FAMILY SERVICES OF PEEL-DUFFERIN

Statement of Financial Position

March 31

	Operating Fund $	Building Fund $	Total 2024 $	Total 2023 (note 13) $
ASSETS				
Current assets				
Cash	**21,115**	**87,864**	**108,979**	611,050
Short-term investment (note 3)	**210,000**	**-**	**210,000**	-
Other receivables	**76,580**	**292,477**	**369,057**	540,983
Prepaid expenses	**89,849**	**17,316**	**107,165**	23,053
	397,544	**397,657**	**795,201**	1,175,086
Long-term assets				
Capital assets (note 4)	**5,251**	**5,750,804**	**5,756,055**	5,883,406
Recoverable building improvements (note 4)	**-**	**29,784**	**29,784**	47,518
Tenant improvements (note 4)	**-**	**-**	**-**	13,577
	5,251	**5,780,588**	**5,785,839**	5,944,501
	402,795	**6,178,245**	**6,581,040**	7,119,587
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	**356,684**	**98,186**	**454,870**	347,811
Accrued vacation pay	**99,522**	**-**	**99,522**	89,251
Current portion of mortgage payable (note 6)	**-**	**147,539**	**147,539**	139,043
Tenant deposits	**-**	**18,697**	**18,697**	25,609
Deferred revenue (note 7)	**83,916**	**-**	**83,916**	375,858
	540,122	**264,422**	**804,544**	977,572
Long term liabilities				
Mortgage payable (note 6)	**-**	**2,709,755**	**2,709,755**	2,857,294
Deferred revenue (note 7)	**265,043**	**-**	**265,043**	360,043
Deferred capital contributions (note 8)	**-**	**2,249,819**	**2,249,819**	2,440,922
Inter-fund payable/receivable (note 10)	**(740,421)**	**740,421**	**-**	-
	(475,378)	**5,699,995**	**5,224,617**	5,658,259
	64,744	**5,964,417**	**6,029,161**	6,635,831
NET ASSETS				
Operating Fund - Unrestricted	**338,051**	**-**	**338,051**	306,050
Building Fund - Internally Restricted	**-**	**213,828**	**213,828**	177,706
	338,051	**213,828**	**551,879**	483,756
	402,795	**6,178,245**	**6,581,040**	7,119,587

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board:

Director

Director

CATHOLIC FAMILY SERVICES OF PEEL-DUFFERIN

Statement of Operations

Year ended March 31

	Operating Fund $	Building Fund $	Total 2024 $	Total 2023 $
Revenues				
Contributions				
Catholic Charities	**1,533,108**	-	**1,533,108**	1,157,442
Ministry of Children, Community and Social Services (MCCSS)	**1,478,190**	-	**1,478,190**	1,465,628
Ministry of the Attorney General	**651,997**	-	**651,997**	644,304
Region of Peel	**772,042**	-	**772,042**	794,057
Ontario Trillium Foundation	**85,600**	-	**85,600**	56,300
Ministry of Citizenship - Language interpreters	**32,451**	-	**32,451**	18,344
Other funding sources	**348,387**	-	**348,387**	353,461
Donations and fundraising	**110,307**	-	**110,307**	44,986
Client fees	**183,582**	-	**183,582**	181,253
Interest income	-	-	-	5,607
Recovery of shared services	**76,055**	-	**76,055**	76,769
Miscellaneous income	**16,945**	-	**16,945**	30,411
	5,288,664	-	**5,288,664**	4,828,562
Transfers to other agencies (note 9)	**(581,638)**	-	**(581,638)**	(480,480)
	4,707,026	-	**4,707,026**	4,348,082
Expenses				
Compensation				
Salaries	**3,099,640**	-	**3,099,640**	2,723,282
Employee benefits (note 11)	**527,581**	-	**527,581**	453,875
Contracted counselling services	**2,884**	-	**2,884**	5,303
Advertising and promotion	**31,220**	-	**31,220**	2,219
Agency dues and membership fees	**35,207**	-	**35,207**	21,489
Amortization of capital assets	**5,384**	-	**5,384**	4,202
Building occupancy	**59,202**	-	**59,202**	57,420
Insurance	**22,259**	-	**22,259**	29,972
Language interpreters	**36,752**	-	**36,752**	21,277
Office equipment purchases and maintenance	**135,619**	-	**135,619**	166,917
Office expense	**107,415**	-	**107,415**	222,195
Professional fees and consultant services	**222,690**	-	**222,690**	213,169
Program costs	**10,950**	-	**10,950**	43,137
Special event costs	**9,892**	-	**9,892**	20,617
Training and education	**54,496**	-	**54,496**	29,669
Travel	**6,666**	-	**6,666**	3,506
	4,367,857	-	**4,367,857**	4,018,249
Excess of revenues over expenses before net rental operations	**339,169**	-	**339,169**	329,833
Rental operations (net) (Schedule A)	-	**(271,046)**	**(271,046)**	(246,799)
Excess (deficiency) of revenues over expenses for year	**339,169**	**(271,046)**	**68,123**	83,034

The accompanying notes are an integral part of these financial statements

Statement of Changes in Net Assets

Year ended March 31

	2024		
	Operating Fund $	Building Fund $	Total $
Balance, beginning of year	**306,050**	**177,706**	**483,756**
Excess (deficiency) of revenues over expenses for year	**339,169**	**(271,046)**	**68,123**
Inter-fund transfer (note 10)	**(307,168)**	**307,168**	**-**
Balance, end of year	**338,051**	**213,828**	**551,879**

	2023		
	Operating Fund $	Building Fund $	Total $
Balance, beginning of year	221,600	179,122	400,722
Excess (deficiency) of revenues over expenses for year	329,833	(246,799)	83,034
Inter-fund transfer (note 10)	(245,383)	245,383	-
Balance, end of year	306,050	177,706	483,756

The accompanying notes are an integral part of these financial statements

CATHOLIC FAMILY SERVICES OF PEEL-DUFFERIN

Statement of Cash Flows

Year ended March 31	Operating Fund $	Building Fund $	Total 2024 $	Total 2023 $
Cash flows from operating activities				
Excess (deficiency) of revenues over expenses for year	**339,169**	**(271,046)**	**68,123**	83,034
Adjustments to determine net cash provided by (used in) operating activities				
Amortization of capital assets	**5,384**	**289,102**	**294,486**	290,435
Amortization of tenant incentives	**-**	**-**	**-**	665
Amortization of tenant improvements	**-**	**13,577**	**13,577**	17,442
Amortization of recoverable building improvements	**-**	**17,734**	**17,734**	17,734
Amortization of deferred capital contributions	**-**	**(206,103)**	**(206,103)**	(201,296)
	344,553	**(156,736)**	**187,817**	208,014
Change in non-cash working capital items				
Decrease (increase) in other receivables	**207,510**	**(35,583)**	**171,927**	(439,117)
Decrease (increase) in prepaid expenses	**(69,279)**	**(14,833)**	**(84,112)**	83
Changes in inter-fund payable/receivable	**(259,343)**	**259,343**	**-**	-
Increase in accounts payable and accrued liabilities	**91,973**	**15,086**	**107,059**	100,228
Increase (decrease) in accrued vacation pay	**10,271**	**-**	**10,271**	(28,170)
Decrease in tenant deposits	**-**	**(6,912)**	**(6,912)**	(8,357)
Increase (decrease) in deferred revenue	**(386,942)**	**-**	**(386,942)**	250,096
	(61,257)	**60,365**	**(892)**	82,777
Cash flows from investing activities				
Purchase of capital assets	**-**	**(167,138)**	**(167,138)**	(17,140)
Purchase of short-term investments	**(210,000)**	**-**	**(210,000)**	-
Redemption of short-term investments	**-**	**-**	**-**	295,481
	(210,000)	**(167,138)**	**(377,138)**	278,341
Cash flows from financing activities				
Repayment of first mortgage loan	**-**	**(139,042)**	**(139,042)**	(131,035)
Capital contributions received	**-**	**15,000**	**15,000**	135,000
Inter-fund transfer	**(307,168)**	**307,168**	**-**	-
	(307,168)	**183,126**	**(124,042)**	3,965
Net change in cash	**(578,425)**	**76,353**	**(502,072)**	365,083
Cash, beginning of year	**599,540**	**11,510**	**611,050**	245,967
Cash, end of year	**21,115**	**87,863**	**108,978**	611,050

The accompanying notes are an integral part of these financial statements

March 31, 2024

Nature of operations

Catholic Family Services of Peel-Dufferin (the "Agency") is a not-for-profit organization incorporated without share capital under the laws of the Province of Ontario. The Agency provides counselling and community development services to the diverse residents of Peel and Dufferin.

The Agency is a registered charitable organization under the Income Tax Act (Canada) and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Agency must meet certain requirements within the Act.

1. **Significant accounting policies**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles. These financial statements have been prepared within the framework of the significant accounting policies summarized below.

(a) **Fund accounting**

The Agency uses fund accounting, whereby a separate set of accounts is maintained for each fund based on its specific purpose as follows:

Operating Fund

Revenues and expenses related to program delivery and administrative activities are reported in the Operating Fund.

Building Fund

Assets, liabilities, revenues and expenses related to the Agency's campaign which was launched in 2009 for the acquisition and renovations of a building located at 60 West Drive, Brampton are reported in the Building Fund. The Building Fund also reports the assets, liabilities, revenues and expenses related to the building acquired in 2011 and its rental operations which began in 2012. The building houses the Brampton offices of the Agency, as well as other tenants.

(b) **Revenue recognition**

The Agency follows the deferral method of accounting for contributions which include grants, donations and other contributions.

Unrestricted contributions are recognized as revenue of the Operating Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions for which no corresponding restricted fund is presented are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred and contribution conditions are met. Grants approved but not received at the reporting date are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

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

(b) **Revenue recognition (continued)**

Revenue from client fees for counselling sessions other than those associated with the Partner Assault Response Program ("PAR") is recognized in the year the sessions are held. Client fees collected from participants in the PAR Program are recognized as revenue in the year unless this results in a program surplus for the year. When this occurs, any surplus becomes payable to the Ministry of the Attorney General ("Ministry") as required by the funding agreement, or deferred revenue to be applied to the subsequent year, with permission by the Ministry.

Rental revenue is recorded in the month it is earned. An accrued receivable or payable from or to the tenants is recorded based on the amount of common area charges collected compared to actual recoverable expenses incurred during the period. Free rent given to a tenant as an incentive, is amortized over the term of the tenant's lease.

Revenues from fundraising events, as well as related expenses, are recognized in the year the event is held.

Interest and miscellaneous income are recorded when earned or services are performed.

(c) **Financial instruments**

(i) **Measurement of financial instruments**

The Agency initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Transaction costs of those financial assets and financial liabilities subsequently measured at fair value are recognized in income in the year incurred.

The Agency subsequently measures all of its financial assets and financial liabilities at amortized cost.

Amortized cost is the amount at which a financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

Financial assets measured at amortized cost include cash, short-term investment and other receivables.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and mortgage payable.

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

(c) **Financial instruments (continued)**

(ii) **Impairment**

At the end of each year, the Agency assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that comes to the attention of the Agency, including but not limited to the following events: significant financial difficulty of the issuer; a breach of contract, such as a default or delinquency in interest or principal payments; and bankruptcy or other financial reorganization proceedings.

When the Agency identifies a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it reduces the carrying amount of the financial asset to the greater of the following:

- the present value of the cash flows expected to be generated by holding the financial asset discounted using a current market rate of interest appropriate to the financial asset; and

- the amount that could be realized by selling the financial asset at the statement of financial position date.

Any impairment of the financial asset is recognized in income in the year in which the impairment occurs.

When the extent of impairment of a previously written-down financial asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent of the improvement, but not in excess of the impairment loss. The amount of the reversal is recognized in income in the year the reversal occurs.

(d) **Short-term investments**

Short-term investments consist of guaranteed investment certificates whose term to maturity ranges from three months to twelve months from date of acquisition.

(e) **Capital assets**

The cost of furniture, office equipment and any other significant capital items of the Operating Fund are capitalized if their cost of acquisition exceeds $2,000.

Building and tenant unit improvements recorded in the Building Fund are capitalized if their cost of acquisition exceeds $10,000.

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

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

March 31, 2024

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

(d) **Capital assets (continued)**

Amortization is provided for, upon the commencement of the utilization of the assets, using methods and rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates on a straight line basis are as follows:

Operating Fund	
Computer systems	3 to 5 years
Building Fund	
Building	25 years
Solar panel system	20 years
Parking lot and entranceways	10 years
Community kitchen	25 years
Recoverable building improvements	5 years
Tenant improvements	Over term of lease

Capital assets are tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. If any potential impairment is identified, the amount of the impairment is quantified by comparing the carrying value of the capital assets to its fair value. Any impairment of capital assets is recognized in income in the year in which the impairment occurs. An impairment loss is not reversed if the fair value of the capital assets subsequently increases. There were no impairment indicators in 2024.

(f) **Deferred capital contributions**

Externally restricted contributions for the purchase of capital assets are deferred and amortized over the life of the related assets. Externally restricted contributions that have not been expended are reported as deferred capital contributions on the statement of financial position.

(g) **Tenant incentives**

Free rental periods given to tenants as an incentive to sign a rental lease agreement are recorded as an asset at the amount of rent given up and amortized monthly on a straight-line basis over the period of the lease.

(h) **Contributed goods and services**

Contributed goods are not recorded in the accounts, except when they are used in the normal course of business and when a fair value for such goods can be readily determined.

The Agency derives a significant benefit from members acting as volunteers and directors. Since these services are not normally purchased by the Agency and because of the difficulty of determining their fair value, donated services are not recognized in the financial statements for these same reasons.

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

(i) **Employee Future Benefits**

Effective January 1, 2020, the Catholic Charities of the Archdiocese of Toronto and Participating Member Agencies became a participating employer in the Colleges of Applied Arts and Technology Pension Plan (the "Plan"), which is a multi-employer contributory defined benefit pension plan. The Plan covers all of the employees of the Agency. The plan assets of the former defined benefit pension plan and defined contribution pension plan were all transferred to the Plan. Employees of the Agency who were members of the former defined benefit pension plan and defined contribution pension plan were required to join the Plan effective January 1, 2020. The Plan is also open to new eligible employees of the Agency.

Existing eligible employees of the former defined benefit pension plan and defined contribution pension plan are required to contribute to the Plan as follows, their contributions are topped up by the Employer:

Contributions made during	Member Contribution	Member Deemed Contribution	Employer Contribution
January 1, 2020 - December 31, 2020	5.0%	7.0%	7.0%
January 1, 2021 - December 31, 2021	5.5%	7.0%	7.0%
January 1, 2022 - December 31, 2022	6.0%	7.0%	7.0%
January 1, 2023 - December 31, 2023	6.5%	7.0%	7.0%
January 1, 2024 - onward	7.0%	7.0%	7.0%

Existing defined contribution pension plan members had a one-time option to begin contributing at 7% effective January 1, 2021.

All other eligible employees are required to contribute as follows:

Contributions made during	Member Contribution	Employer Contribution
January 1, 2020 - December 31, 2020	4.0%	7.0%
January 1, 2021 - December 31, 2021	5.0%	7.0%
January 1, 2022 - December 31, 2022	6.0%	7.0%
January 1, 2023 - onward	7.0%	7.0%

In accordance with CPA Handbook section 3642 "Employee Future Benefits", a multi-employer contributory defined benefit plan is accounted using defined contribution plan accounting due to sufficient information not available to use defined benefit plan accounting.

The Agency's policy is to expense the contributions made to the Plan. The pension expense for the year consists of payments for current service costs and special payments for any unfunded liabilities.

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

(j) **Management estimates**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current year. Actual results may differ from these estimates, the impact of which would be recorded in future years.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

2. **Financial instrument risk management**

The Agency is exposed to various risks through its financial instruments. The following analysis provides a measure of the Agency's risk exposure and concentrations.

The financial instruments of the Agency and the nature of the risks to which those instruments may be subject, are as follows:

	Risks				
			Market risk		
Financial instrument	Credit	Liquidity	Currency	Interest rate	Other price
Cash	X				
Short-term investment	X			X	
Other receivables	X				
Accounts payable and accrued liabilities		X			
Mortgage payable		X			

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 maximum exposure of the Agency to credit risk is as follows:

	2024	**2023**
	$	**$**
Cash	108,979	611,050
Short-term investment	210,000	-
Other receivables	369,057	540,983
	688,036	1,152,033

2. **Financial instrument risk management (continued)**

Credit risk (continued)

The Agency reduces its exposure to the credit risk of cash and short-term investments by maintaining its accounts with a reputable Canadian financial institution, and in respect of other receivables by closely monitoring its tenant accounts.

Liquidity risk

Liquidity risk is the risk that the Agency will encounter difficulty in meeting obligations associated with financial liabilities. The Agency is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and mortgage payable. The liquidity of the Agency is monitored by management to ensure sufficient cash is available to meet liabilities as they become due.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk. The Agency is not exposed to currency risk or other price risk.

Interest rate risk

Interest rate risk is the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The Agency is not exposed to significant interest rate risk.

Changes in risk

There have been no significant changes in the risk profile of the financial instruments of the Agency from that of the prior year, with the exception that the Agency had purchased a short-term investment during the year, resulting in a slight increase in exposure to interest rate risk.

3. **Short-term investment**

The short-term investment consists of a guaranteed investment certificate in the amount of $210,000, bearing interest of 4.67% with a maturity date of April 2024.

4. **Capital assets**

			2024
	Cost $	**Accumulated Amortization** $	**Net Book Value** $
Operating fund			
Computer systems	16,153	10,901	5,251
Building fund			
Land	2,500,000	-	2,500,000
Building	5,240,685	2,353,766	2,886,919
Solar panel system	399,961	234,370	165,591
Parking lot and entranceways	222,367	222,337	30
Community kitchen	393,917	195,653	198,264
	8,756,930	3,006,126	5,750,804
Recoverable building fund			
External lighting	8,384	8,384	-
Elevator	82,382	52,598	29,784
	90,766	60,982	29,784
Tenant improvements	210,595	210,595	-

			2023
	Cost $	**Accumulated Amortization** $	**Net Book Value** $
Operating fund			
Computer systems	16,153	5,517	10,636
Building fund			
Land	2,500,000	-	2,500,000
Building	5,073,549	2,102,897	2,970,652
Solar panel system	399,961	214,895	185,066
Parking lot and entranceways	222,367	222,337	30
Community kitchen	393,917	176,895	217,022
	8,589,794	2,717,024	5,872,770
Recoverable building fund			
External lighting	8,384	8,384	-
Elevator	82,382	34,864	47,518
	90,766	43,248	47,518
Tenant improvements	210,595	197,018	13,577

5. **Province of Ontario's interest in the land and building**

A one million dollar grant from the Ministry of Community and Social Services of the Province of Ontario was obtained in a prior year to assist in the purchase of the land and building. The agreement between Her Majesty the Queen in right of Ontario ("Ontario") and Catholic Family Services of Peel-Dufferin (the "Agency") which was signed on May 8, 2009 to obtain the grant includes certain restrictive conditions in regards to the Agency's ownership of the building.

The Agency cannot alter, demolish, transfer, donate or sell the property without Ontario's prior written approval. It cannot borrow against the property, or use it as collateral, without the prior written consent of Ontario.

Ontario can, at its sole discretion and at any time, direct the Agency to transfer the premises, to a party designated by Ontario or to sell the premises. In the event that the service contract with the Agency is terminated or the Agency ceases to provide the program, or for any reasons the premises become unsuitable for the program, or the Agency wishes to sell the premises, the Agency will, at the option of Ontario, use the premises for whatever purposes Ontario determines, transfer the premises to a party designated by Ontario, or cause the premises to be sold and all offers to purchase that are presented to the Agency will require the prior approval of Ontario before acceptance by the Agency.

In the event of a sale of the property, the Agency must ensure that the net proceeds from the sale are distributed to the Agency and to Ontario in accordance with the proportionate share of the parties. A final agreement signed November 7, 2011 established that Ontario's proportionate share in the property is 15.08%.

6. **Mortgage payable**

Loan amount

The bank loan was secured to purchase the building and provide financing for the costs of its improvements. It was advanced on the day of closing of the purchase, February 23, 2011.

Term, amortization and payments

Up to June 1, 2012, the loan required payment of interest only. The term of the loan is 15 years maturing on May 1, 2027 with an amortization period of 25 years and required equal monthly instalments of principal and interest of $26,121 since June 1, 2012. There is no right to prepayment of the loan in whole or in part.

Interest rate

The interest rate during the term of the loan for the amount advanced to date is 6.02%, calculated semi annually.

Security

(a) a first in priority mortgage and charge in the property;
(b) a first in priority general assignment of rents and/or leases of the property;
(c) a first in priority general security agreement over all the Agency's present and after-acquired personal property located on, related to, arising from or used or acquired in connection with the property.

6. Mortgage payable (continued)

	2024 $	2023 $
Mortgage payable, beginning of year	2,996,337	3,127,372
Less: principal payments	139,043	131,035
	2,857,294	2,996,337
Less: current portion	147,539	139,043
Long-term portion	2,709,755	2,857,294

Annual principal repayments until maturity are as follows:

	$
2025	147,539
2026	156,555
2027	166,121
2028	2,387,079
	2,857,294

7. Deferred revenue

Deferred revenue represents funds received for specified expenditures which will be expended in subsequent periods. Revenue is recognized in the period in which the related expenses are incurred. Details of deferred revenue are as follows:

2024 - Operating fund	**Opening balance $**	**Received During Year $**	**Recognized as Revenue $**	**Closing Balance $**
Current				
Grants and projects	375,858	2,044,875	2,336,817	83,916
Long-term				
Restricted donations	360,043	-	95,000	265,043
	735,901	2,044,875	2,431,817	348,959

2023 - Operating fund	**Opening balance $**	**Received During Year $**	**Recognized as Revenue $**	**Closing Balance $**
Current				
Grants and projects	284,926	1,366,560	1,275,628	375,858
Long-term				
Restricted donations	164,043	196,000	-	360,043
	448,969	1,562,560	1,275,628	735,901

8. Deferred capital contributions

Deferred capital contributions represent contributions received that have not been expended, and the unamortized amount of contributions received for the purchase of capital assets. The changes in deferred capital contributions are as follows:

	2024 $	2023 $
Balance - at beginning of year	2,440,922	2,507,218
Capital contributions received	15,000	135,000
Amortization of deferred capital contributions	(206,103)	(201,296)
Balance - at end of year	2,249,819	2,440,922

9. Transfers to other agencies

Catholic Family Services of Peel-Dufferin acts as the coordinating agency for various programs and projects. The following amounts were approved to be transferred to other agencies:

	2024 $	2023 $
Region of Peel	554,838	462,833
Ministry of Children, Community and Social Services	26,800	17,647
	581,638	480,480

10. Inter-fund transfers and inter-fund payable/receivable

During the current year, the Board of Directors authorized a transfer of $307,168 (2023 - $245,383) from the Operating Fund to the Building Fund. The transfer represents an amount equivalent to the notional rent that would be paid for the space occupied by the Agency in the building.

Inter-fund payable/receivable represent any unsettled inter-fund transfers at the end of the year. These inter-fund balances are non-interest bearing and have no specific repayment terms.

11. Pension fund contributions

Effective January 1, 2020, the Catholic Charities of the Archdiocese of Toronto and Participating Member Agencies became a participating employer in the Colleges of Applied Arts and Technology Pension Plan (the "Plan").

Contributions to the pension plan made during the year by the Agency amounted to $204,933 (2023 - $188,884) and are included in employee benefits in the statement of operations.

According to the most recent actuarial valuation as at January 1, 2024, which was reported in March 2024, the Plan is in a surplus position with net assets available for benefits of $5,263 million, pension assets of $27,300 million and pension obligations of $22,037 million.

March 31, 2024

12. **Commitments**

The Agency is committed to annual rental payments for its premises, office equipment under operating leases, and software licensing and IT consulting services. The lease for its premises expires in September 2024. The leases for office equipment expire between April 2024 and October 2027. The committed costs related to software licensing and IT consulting services expire in March 2026.

Total annual minimum payments are as follows:

	Premise leases	Equipment	Software licensing and IT consulting services	Total
	$	$	$	$
2025	27,240	7,860	91,524	126,624
2026	-	5,582	66,110	71,692
2027	-	4,292	-	4,292
2028	-	1,751	-	1,751
	27,240	19,485	157,634	204,359

13. **Comparative figures**

Certain prior year comparative figures in the statement of financial position have been reclassified to conform with the financial statement presentation adopted in the current year. There is no impact on the excess of revenues over expenses.

CATHOLIC FAMILY SERVICES OF PEEL-DUFFERIN

Schedule of Building Fund Rental Operations — Schedule A

Year ended March 31

	2024 $	2023 $
Revenues		
Rent	**839,112**	849,072
Other income	**84,399**	72,449
Interest income	**4,276**	1,439
	927,787	922,960
Amortization of deferred capital contributions (note 8)	**206,103**	201,296
	1,133,890	1,124,256
Expenses		
Recoverable expenses		
Cleaning and maintenance	**354,437**	343,618
Utilities	**182,775**	164,946
Salary and wages	**72,000**	-
Property taxes	**50,215**	50,123
Management fees and administrative expenses	**51,172**	55,233
Insurance	**179**	12,066
Amortization of recoverable building improvements	**17,734**	17,734
	728,512	643,720
Non-recoverable expenses		
Amortization of capital assets	**289,102**	286,233
Mortgage interest	**174,409**	182,416
Salary and wages	**151,083**	215,943
Amortization of tenant units improvements	**13,577**	17,442
Amortization of tenant incentives	**-**	665
Professional fees	**-**	4,619
Other landlord costs	**26,537**	20,017
Bad debt	**21,716**	-
	676,424	727,335
Total expenses	**1,404,936**	1,371,055
Deficiency of revenues over expenses from rental operations for year	**(271,046)**	(246,799)

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