

**CATHOLIC COMMUNITY SERVICES OF
YORK REGION**

FINANCIAL STATEMENTS

MARCH 31, 2024



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CATHOLIC COMMUNITY SERVICES OF YORK REGION

FINANCIAL STATEMENTS

MARCH 31, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Catholic Community Services of York Region

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of the Catholic Community Services of York Region, 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 adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of fundraising activities described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Catholic Community Services of York Region 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 charitable organizations, the Organization derives revenue from fundraising, the completeness of which is not susceptible to satisfactory audit procedures. Accordingly, our 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 fundraising revenues, excess of revenues over expenses and cash flows for the years ended March 31, 2024 and March 31, 2023, current assets as at March 31, 2024 and March 31, 2023, and net assets balances as at the beginning and the end of the years ended March 31, 2024 and March 31, 2023. Our audit opinion on the financial statements for the year ended March 31, 2024 was modified accordingly because of the possible effects of this limitation 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 Catholic Community Services of York Region in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

See accompanying notes to the financial statements



INDEPENDENT AUDITORS' REPORT (Continued)

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITORS' REPORT (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

KRIENS-LAROSE, LLP

KRIENS~LAROSE, LLP

**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
June 24, 2024

See accompanying notes to the financial statements

CATHOLIC COMMUNITY SERVICES OF YORK REGION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

	2024	2023
	\$	\$
ASSETS		
CURRENT		
Cash	1,324,636	1,108,755
Investments (Note 2)	18,464	16,744
Grant and other receivables (Note 3)	279,464	237,077
Prepaid expenses	118,158	119,443
	1,740,722	1,482,019
INTERNALLY RESTRICTED INVESTMENTS (Note 4)	1,072,680	784,227
EQUIPMENT (Note 5)	155,606	229,133
	2,969,008	2,495,379

See accompanying notes to the financial statements

CATHOLIC COMMUNITY SERVICES OF YORK REGION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

	2024	2023
	\$	\$
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	708,920	316,947
Deferred contributions (Note 7)	425,796	408,885
	1,134,716	725,832
DEFERRED CAPITAL CONTRIBUTIONS (Note 8)	56,674	168,328
	1,191,390	894,160
NET ASSETS		
INTERNALLY RESTRICTED (Note 4)	1,313,908	1,028,124
GENERAL FUND	463,710	573,095
	1,777,618	1,601,219
	2,969,008	2,495,379

Approved by the Board

Utilia Amaral

September 13, 2024

President,

CATHOLIC COMMUNITY SERVICES OF YORK REGION
STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED MARCH 31, 2024

	2024 General Fund \$	2024 Reserve Fund \$	2024 Total \$	2023 Total \$
REVENUES				
Immigration Refugees and Citizenship Canada	8,639,200	-	8,639,200	5,907,414
Catholic Charities	546,658	-	546,658	546,658
The Regional Municipality of York Ministry of Labour, Training and Skills Development (MLTSD) (Note 9)	48,668	-	48,668	236,021
Programs	548,866	-	548,866	333,272
Amortization of deferred capital contribution (Note 8)	26,401	-	26,401	63,523
Ontario Trillium Foundation	111,654	-	111,654	103,580
Other	17,904	-	17,904	132,096
Fundraising - bingo/donations	59,859	35,784	95,643	57,667
Counselling	85,990	-	85,990	92,065
	27,793	-	27,793	32,401
	10,112,993	35,784	10,148,777	7,504,697
EXPENSES				
Salaries and wages	6,584,367	-	6,584,367	4,380,672
Employee benefits	1,050,359	-	1,050,359	716,851
Building occupancy	1,349,600	-	1,349,600	1,255,064
Contract services	88,704	-	88,704	116,200
Equipment maintenance	103,492	-	103,492	88,720
Communications	184,552	-	184,552	150,958
Amortization	111,654	-	111,654	103,580
HST	72,867	-	72,867	65,419
Membership fees and literature	56,591	-	56,591	45,036
Conference workshops and meetings	137,432	-	137,432	80,432
Bank charges and interest	15,625	-	15,625	14,760
Staff development	41,220	-	41,220	11,784
Promotional materials	54,434	-	54,434	42,830
Community programs	14,186	-	14,186	9,000
Program office supplies	12,888	-	12,888	25,110
Volunteer program	22,143	-	22,143	16,891
Travel - mileage	72,264	-	72,264	24,576
	9,972,378	-	9,972,378	7,147,883
Excess of revenues over expenses for the year	140,615	35,784	176,399	356,814

See accompanying notes to the financial statements

CATHOLIC COMMUNITY SERVICES OF YORK REGION
STATEMENT OF CHANGES IN NET ASSETS
 FOR THE YEAR ENDED MARCH 31, 2024

	2024			2023
	Internally Restricted \$	Unrestricted \$	Total \$	Total \$
Net assets, beginning of year	1,028,124	573,095	1,601,219	1,244,405
Excess of revenues over expenses for the year	35,784	140,615	176,399	356,814
Interfund transfer (Note 4)	250,000	(250,000)	-	-
Net assets, end of year	1,313,908	463,710	1,777,618	1,601,219

See accompanying notes to the financial statements

CATHOLIC COMMUNITY SERVICES OF YORK REGION
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED MARCH 31, 2024

	2024	2023
	\$	\$
CASH FROM OPERATING ACTIVITIES		
Cash receipts from Immigration, Refugees and Citizenship Canada	8,558,122	6,849,783
Cash receipts from Catholic Charities	546,658	546,658
Cash receipts from Ministry of Labour, Training and Skills Development (MLTSD)	548,866	333,272
Cash from Municipality of York Region	48,668	236,021
Cash receipts from Ontario Trillium Foundation	17,904	132,096
Other cash receipts	252,738	439,572
Cash paid to suppliers and employees	(9,428,774)	(6,916,931)
	544,182	1,620,471
CASH FROM INVESTING ACTIVITIES		
Change in investments	(290,173)	(459,544)
Purchase of equipment	(38,128)	(58,775)
	(328,301)	(518,319)
Change in cash	215,881	1,102,152
Cash, beginning of year	1,108,755	6,603
Cash, end of year	1,324,636	1,108,755

See accompanying notes to the financial statements

PURPOSE OF THE ORGANIZATION

Catholic Community Services of York Region (The Agency) is a social service agency serving individuals and families in York Region within the values and traditions of the Catholic Church. The Agency assists people with social and personal needs in order to strengthen and enhance individual and family functioning and to empower them to live as independent, healthy and socially responsible people. The Agency serves all people regardless of religion, culture, race or creed.

As a registered charitable organization, Catholic Community Services of York Region is exempt from income taxes

1. SIGNIFICANT ACCOUNTING POLICIES

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

Financial Instruments

The Agency initially measures its financial assets and financial liabilities at fair value. The Agency subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in the statement of operations.

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

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. Significant financial statement items that require the use of estimates are allowance for doubtful accounts and accrued liabilities. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the year they become known.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and fixed income investments with maturities of less than 90 days.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Expenses

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

Equipment and Amortization

Equipment is stated at acquisition cost. Amortization is provided on the following basis at the following annual rates:

Equipment	3 years straight-line
Furniture and fixtures	5 years straight-line
Leasehold improvements	Term of the lease

Where equipment no longer has any long-term service potential to the Agency, the excess of their net carrying amount over any residual value is recognized as an expense in the statement of operations.

Deferred Contributions

Deferred contributions represent unspent resources externally restricted for operating funding that will be spent in a subsequent period.

Revenue Recognition

The Agency follows the deferral method of accounting for revenue. Restricted contributions are recognized as revenue in the period 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. Endowment contributions are recognized as direct increases in net assets.

Counselling fees

Counselling fees are recognized as revenue once the related service has been provided and the fee collection is reasonably assured.

Investment Income

Interest is recognized as revenue when earned on an accrual basis. Unrealized gain or loss on investments, being the difference between book value and fair value, are recognized on an annual basis.

Donated Property and Services

During the year volunteers contribute numerous hours to the Agency in carrying out certain aspects of its service delivery activities. Because of 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 these statements.

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2. INVESTMENTS

	2024	2023
	\$	\$
GICs, 4.0%, maturing August, 2024 and March 31, 2025.	18,464	16,744

This GIC may only be cashed on each anniversary date of the initial investment

3. GRANTS AND OTHER RECEIVABLES

	2024	2023
	\$	\$
Immigration, Refugees and Citizenship Canada Grant	81,078	-
HST rebate	94,169	151,422
Other receivables	104,217	85,655
	279,464	237,077

4. INTERNALLY RESTRICTED INVESTMENTS

The reserve fund was established to provide for any emergency expenditures or replacement of assets that the Board of Directors determine necessary. The reserve fund is funded from operations at the discretion of the Board. The fund's assets are as follows:

	2024	2023
	\$	\$
GICs maturing May, 2024 to October, 2024, 2% to 5%	1,072,680	-
GICs maturing May, 2023 to October, 2023, 1.2% to 2.25%	-	784,227
	1,072,680	784,227

The investments are pledged as security for the Agency's operating loan facility with its bank to a limit of \$300,000.

The Board of Directors approved the transfer of \$250,000 (2023: \$250,000) from the General Fund to the Internally Restricted Fund in the 2024 fiscal year.

5. EQUIPMENT

	2024		2023	
	Cost \$	Accumulated Amortization \$	Cost \$	Accumulated Amortization \$
Leasehold improvements	2,605,923	2,605,122	2,605,923	2,549,745
Office equipment	530,852	448,795	508,380	415,836
Furniture and fixtures	569,532	496,784	553,876	473,465
	3,706,307	3,550,701	3,668,179	3,439,046
Net book value	155,606		229,133	

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6. BANK INDEBTEDNESS

The Agency has an operating loan facility agreement with its bank to a limit of \$300,000. The facility bears interest at the prime lending rate plus 1%.

The facility is secured by a General Security Agreement and the internally restricted investments described in note # 4.

7. DEFERRED CONTRIBUTIONS

Deferred contributions represents funding received less the costs incurred to date for programs which were not completed as at March 31, 2024. Certain funds received for projects from various funders must be returned to the funder if not expended or absent permission for the purpose for which they were received or permission from the funder to carry these funds forward to be expended in the following year. Any funds to be returned or carried forward are reflected on the statement of financial position as deferred contributions.

The change in the deferred contributions balance is as follows:

	2024	2023
	\$	\$
Balance, beginning of year	408,885	214,969
Contributions received during the year	9,888,790	7,349,377
Amounts recognized as revenue during the year	(9,871,879)	(7,155,461)
Balance, end of year	425,796	408,885

Deferred contributions consists of the following:

Minister of Labour, Immigration, Training and Skills	207,388	-
Catholic Charities	153,755	25,130
Sherbourne Health	25,500	-
Research	25,232	312,318
F.K. Morrow	7,320	7,320
Ministry of Citizenship	6,601	40,595
Region of York	-	20,618
Ontario Trillium Foundation	-	2,904
	425,796	408,885

Continued...

8. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized restricted grants and donations relating the purchase of equipment. These contributions are amortized over the life of the related assets. The changes in the balance for the year is as follows:

	2024	2023
	\$	\$
Balance at beginning of the year	168,328	271,908
Add: additions during the year	-	-
Less: amounts recognized as revenue	(111,654)	(103,580)
Balance at end of year	56,674	168,328

9. MINISTRY OF LABOUR, TRAINING AND SKILLS DEVELOPMENT

The Agency received funding from the Ministry of Labour, Training and Skills Development (MLTSD) for the following grants:

Core funding	245,000
Enhance Ukrainian project	244,463
Africa Asylum Seeker project	59,403
	548,866

Net expenditures allocated by the Agency in connection with Labour, Training and Skills Development (MLTSD) programs for the 2024 fiscal year are as follows:

	Core Funding	Enhance Ukrainian Project	Africa Asylum Seeker project
Salaries and wages	180,612	165,778	35,216
Employee's benefits	38,037	28,084	4,388
Administration	19,837	32,356	8,155
Community programs	6,514	18,245	11,644
Total	245,000	244,463	59,403

Continued...

10. COMMITMENTS

The Agency has entered into a various long-term operating lease agreements. Future minimum payments under such lease obligations to the expiry of the lease are due as follow:

Building space

2025	948,606
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Office equipment

2025	66,922
2026	8,217

75,139

In the event that the Agency's funding from their major funders is not renewed, the Agency has the right to terminate their Richmond Hill office lease upon three months notice by providing the the landlord with three months prior written notice.

The Agency has a tenant's termination right in the event the Richmond Hill Welcome Centre's funding agreement is not renewed. The lease extension terms were designed to coincide with the renewal terms of the funding agreement.

11. FINANCIAL INSTRUMENTS

The Agency is exposed to various risks through its financial instruments. The following presents the Agency's risk exposures and concentrations at March 31, 2024.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Agency's credit risk would occur with their accounts receivable. Actual exposure to credit losses has been minimal in prior years. The allowance for doubtful accounts is \$0 (2023: \$0).

Liquidity Risk

Liquidity risk is the risk the Agency will encounter difficulties in meeting obligations associated with financial liabilities. The Agency is exposed to this risk as they depend on Government and other funding for their operations, the funding represents 95% of their revenue. In order to reduce this risk the Agency seeks to continue to receive funding on an annual basis and set aside funds to fulfil their obligations. There has been no change in the risk assessment from the prior period.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: currency risk, interest rate risk and other price risk.

Currency Risk

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

Interest Rate Risk

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

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Agency is not exposed to other price risk.