

**CATHOLIC CHILDREN'S AID SOCIETY
OF HAMILTON
HAMILTON, ONTARIO
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
Catholic Children's Aid Society of Hamilton

Qualified Opinion

We have audited the financial statements of the Catholic Children's Aid Society of Hamilton (the Society), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in fund balances and cash flows for the year ended March 31, 2024 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 Society as at March 31, 2024, and its results of operations and its cash flows for the year ended March 31, 2024 in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

In common with many not for profit organizations, the Society derives revenue from donations or 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 Society. Therefore, we were not able to determine whether any adjustments might be necessary to donations or fundraising revenue, excess (deficiency of) revenue over expenditures, and cash flows from operations for the years ended March 31, 2024 and April 01, 2023, current assets as at March 31, 2024 and April 01, 2023, and fund balances as at April 1 and March 31 for both the 2024 and 2023 years. 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society 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 audit opinion.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Catholic Children's Aid Society of Hamilton taken as a whole. The supplementary information included on the schedule of revenue and expenditures by program is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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 public sector accounting standards, 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 Society'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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Society 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.

HAMILTON, ONTARIO
June 10, 2024

HGK Partners LLP

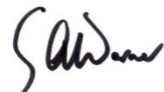
HGK PARTNERS LLP
Chartered Professional Accountants
Licensed Public Accountants

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Statement of Financial Position
As at March 31, 2024

	General Fund	Private Funds	OCBe Funds	Specified Funds	Capital Building Fund	Total 2024	Total 2023
ASSETS							
Current							
Cash - unrestricted	\$ 1,637,519	\$ 1,290,420	\$ -	\$ -	\$ -	\$ 2,927,939	\$ 1,377,207
Cash - restricted	-	-	-	374,224	-	374,224	356,390
Inter-fund receivables (payables)	(714,495)	344,915	296,605	(27,972)	100,947	-	-
Accounts receivable (Note 2)	400,830	-	-	-	-	400,830	852,446
Prepaid expenditures	145,683	1,321	-	-	-	147,004	190,899
	<u>1,469,537</u>	<u>1,636,656</u>	<u>296,605</u>	<u>346,252</u>	<u>100,947</u>	<u>3,849,997</u>	<u>2,776,942</u>
Capital assets (Note 3)	2,922,381	-	-	-	141,677	3,064,058	2,409,936
	<u>\$ 4,391,918</u>	<u>\$ 1,636,656</u>	<u>\$ 296,605</u>	<u>\$ 346,252</u>	<u>\$ 242,624</u>	<u>\$ 6,914,055</u>	<u>\$ 5,186,878</u>
LIABILITIES							
Current							
Accounts payable and accrued liabilities (Note 5)	\$ 2,315,485	\$ -	\$ -	\$ -	\$ -	\$ 2,315,485	\$ 1,800,836
Trust funds payable (Note 6)	-	-	141,093	273,250	-	414,343	476,427
Deferred contributions (Notes 7, 8, 9 & 10)	344,386	136,169	155,512	44,124	-	680,191	260,762
Current portion of long term debt (Note 12)	24,856	-	-	-	-	24,856	185,656
	<u>2,684,727</u>	<u>136,169</u>	<u>296,605</u>	<u>317,374</u>	<u>-</u>	<u>3,434,875</u>	<u>2,723,681</u>
Deferred capital contributions (Note 11)	547,500	-	-	-	242,624	790,124	252,674
Long term debt (Note 12)	14,158	-	-	-	-	14,158	25,449
	<u>561,658</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>242,624</u>	<u>804,282</u>	<u>278,123</u>
	<u>3,246,385</u>	<u>136,169</u>	<u>296,605</u>	<u>317,374</u>	<u>242,624</u>	<u>4,239,157</u>	<u>3,001,804</u>
FUND BALANCES							
General Fund - unrestricted	1,145,533	-	-	-	-	1,145,533	764,186
Private funds - internally restricted	-	1,306,851	-	-	-	1,306,851	1,158,105
Bishop Crosby Fund for Families - internally restricted (Note 13)	-	193,636	-	-	-	193,636	251,738
Specified funds - externally restricted	-	-	-	28,878	-	28,878	11,045
	<u>1,145,533</u>	<u>1,500,487</u>	<u>-</u>	<u>28,878</u>	<u>-</u>	<u>2,674,898</u>	<u>2,185,074</u>
	<u>\$ 4,391,918</u>	<u>\$ 1,636,656</u>	<u>\$ 296,605</u>	<u>\$ 346,252</u>	<u>\$ 242,624</u>	<u>\$ 6,914,055</u>	<u>\$ 5,186,878</u>

Commitments and contingencies (Note 20)

On behalf of the Board



Director

(See Accompanying Notes)

Director

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Statement of Operations
Year Ended March 31, 2024

	General Fund	Private Funds	OCBe Funds	Specified Funds	Capital Building Fund	Total 2024	Total 2023
Revenue							
Province of Ontario - Child Welfare	\$ 21,175,588	\$ -	\$ -	\$ -	\$ -	\$ 21,175,588	\$ 21,908,451
Province of Ontario - Non-Child Welfare	1,633,171	-	102,992	-	-	1,736,163	1,318,100
Funding amounts (payable) receivable	-	-	-	-	-	-	-
Targeted subsidy	201,825	-	-	-	-	201,825	-
Ready, Set, Go funding	451,050	-	-	-	-	451,050	-
Donations	-	257,151	-	18,000	-	275,151	305,306
Events (Note 14)	-	55,491	-	-	-	55,491	51,765
Children's special allowances	391,254	-	-	-	-	391,254	385,140
Other revenue (Note 15)	783,699	158,526	-	17,853	-	960,078	745,635
Transfer from (to) deferred revenue	-	-	(1,082)	-	10,050	8,968	(13,321)
	<u>24,636,587</u>	<u>471,168</u>	<u>101,910</u>	<u>35,853</u>	<u>10,050</u>	<u>25,255,568</u>	<u>24,701,076</u>
Expenditures							
Staff salaries	10,213,980	163,178	-	-	-	10,377,158	10,661,902
Employee benefits (Note 17)	3,171,273	6,601	-	-	-	3,177,874	3,410,269
Events (Note 14)	-	13,269	-	-	-	13,269	16,311
Training	108,935	3,250	-	-	-	112,185	64,914
Travel and mileage	293,981	546	-	-	-	294,527	284,997
Building occupancy (Note 12)	379,912	-	-	-	-	379,912	322,337
Professional services - corporate	328,629	6,435	-	-	-	335,064	275,205
Program expenditures	670,433	749	-	-	-	671,182	613,199
Boarding rate payments	5,894,063	2,880	-	-	-	5,896,943	5,778,130
Professional services - client	391,983	5,053	-	-	-	397,036	474,316
Clients' personal needs	336,152	101,071	-	-	-	437,223	395,678
Bursary payments	-	8,202	-	18,000	-	26,202	34,250
OCBe savings allocation	-	-	40,551	-	-	40,551	42,124
OCBe activity expenditures	-	-	61,359	-	-	61,359	38,835
Adoption subsidy	80,495	-	-	-	-	80,495	67,510
Targeted subsidy	902,520	-	-	-	-	902,520	828,000
Admission prevention	112,734	1,150	-	-	-	113,884	182,233
Health and related	240,624	3,616	-	-	-	244,240	216,502
Financial assistance	83,515	56,454	-	-	-	139,969	109,923
Promotion and publicity	57,799	4,614	-	-	-	62,413	23,929
Office administration	157,571	3,456	-	20	-	161,047	138,014
Other expenditures (Note 16)	723,360	-	-	-	-	723,360	673,274
	<u>24,147,959</u>	<u>380,524</u>	<u>101,910</u>	<u>18,020</u>	<u>-</u>	<u>24,648,413</u>	<u>24,651,852</u>
Excess revenue over expenditures before amortization	488,628	90,644	-	17,833	10,050	607,155	49,224
Amortization (Note 3)	107,281	-	-	-	10,050	117,331	119,316
EXCESS (DEFICIENCY OF) REVENUE OVER EXPENDITURES	<u>\$ 381,347</u>	<u>\$ 90,644</u>	<u>\$ -</u>	<u>\$ 17,833</u>	<u>\$ -</u>	<u>\$ 489,824</u>	<u>\$ (70,092)</u>

(See Accompanying Notes)

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Statement of Changes in Fund Balances
Year Ended March 31, 2024

	General Fund	Private Funds	OCBe Funds	Specified Funds	Capital Building Fund	Total
	<u>2024</u>					
Balance, beginning of year	\$ 764,186	\$ 1,409,843	\$ -	\$ 11,045	\$ -	\$ 2,185,074
Excess revenue over expenditures	<u>381,347</u>	<u>90,644</u>	<u>-</u>	<u>17,833</u>	<u>-</u>	<u>489,824</u>
Balance, end of year	<u>\$ 1,145,533</u>	<u>\$ 1,500,487</u>	<u>\$ -</u>	<u>\$ 28,878</u>	<u>\$ -</u>	<u>\$ 2,674,898</u>
	<u>2023</u>					
Balance, beginning of year	\$ 1,037,941	\$ 1,215,718	\$ -	\$ 1,507	\$ -	\$ 2,255,166
(Deficiency of) excess revenue over expenditures	<u>(273,755)</u>	<u>194,125</u>	<u>-</u>	<u>9,538</u>	<u>-</u>	<u>(70,092)</u>
Balance, end of year	<u>\$ 764,186</u>	<u>\$ 1,409,843</u>	<u>\$ -</u>	<u>\$ 11,045</u>	<u>\$ -</u>	<u>\$ 2,185,074</u>

(See Accompanying Notes)

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Statement of Cash Flows
Year Ended March 31, 2024

	General Fund	Private Funds	OCBe Funds	Specified Funds	Capital Building Fund	Total 2024	Total 2023
OPERATING ACTIVITIES							
Excess (deficiency of) revenue over expenditures	\$ 381,347	\$ 90,644	\$ -	\$ 17,833	\$ -	\$ 489,824	\$ (70,092)
Expenditures not requiring a cash outlay							
Amortization	107,281	-	-	-	10,050	117,331	119,316
Amortization of deferred contributions	-	-	-	-	(10,050)	(10,050)	(9,333)
	<u>488,628</u>	<u>90,644</u>	<u>-</u>	<u>17,833</u>	<u>-</u>	<u>597,105</u>	<u>39,891</u>
(Increase) decrease in accounts receivable	451,616	-	-	-	-	451,616	(468,972)
(Increase) decrease in prepaid expenditures	42,186	1,711	-	-	-	43,897	(157,348)
Increase (decrease) in accounts payable and accrued liabilities	514,649	-	-	-	-	514,649	(297,937)
Increase (decrease) in deferred contributions	323,886	85,755	9,788	-	-	419,429	33,161
Increase (decrease) in trust funds payable	-	-	(21,900)	(40,183)	-	(62,083)	51,301
	<u>1,332,337</u>	<u>87,466</u>	<u>(12,112)</u>	<u>(40,183)</u>	<u>-</u>	<u>1,367,508</u>	<u>(839,795)</u>
Net cash provided by (used for) operating	<u>1,820,965</u>	<u>178,110</u>	<u>(12,112)</u>	<u>(22,350)</u>	<u>-</u>	<u>1,964,613</u>	<u>(799,904)</u>
INVESTING ACTIVITIES							
Purchase of capital assets	(715,204)	-	-	-	(56,252)	(771,456)	(121,663)
Net cash used for investing	<u>(715,204)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(56,252)</u>	<u>(771,456)</u>	<u>(121,663)</u>
FINANCING ACTIVITIES							
Proceeds from long term debt	15,617	-	-	-	-	15,617	16,301
Repayment of long term debt	(187,708)	-	-	-	-	(187,708)	(179,150)
Increase (decrease) in deferred capital contributions	547,500	-	-	-	-	547,500	-
Increase (decrease) in inter-fund balances	(113,806)	5,258	12,112	40,184	56,252	-	-
Net cash provided by (used for) financing	<u>261,603</u>	<u>5,258</u>	<u>12,112</u>	<u>40,184</u>	<u>56,252</u>	<u>375,409</u>	<u>(162,849)</u>
Increase (decrease) in cash	1,367,364	183,368	-	17,834	-	1,568,566	(1,084,416)
Cash, beginning of year	270,155	1,107,052	-	356,390	-	1,733,597	2,818,013
Cash, end of year	<u>\$ 1,637,519</u>	<u>\$ 1,290,420</u>	<u>\$ -</u>	<u>\$ 374,224</u>	<u>\$ -</u>	<u>\$ 3,302,163</u>	<u>\$ 1,733,597</u>
Cash Represented By:							
Cash - unrestricted	\$ 1,637,519	\$ 1,290,420	\$ -	\$ -	\$ -	\$ 2,927,939	\$ 1,377,207
Cash - restricted	-	-	-	374,224	-	374,224	356,390
	<u>\$ 1,637,519</u>	<u>\$ 1,290,420</u>	<u>\$ -</u>	<u>\$ 374,224</u>	<u>\$ -</u>	<u>\$ 3,302,163</u>	<u>\$ 1,733,597</u>

The restricted cash is restricted to use as stipulated by the donors.

(See Accompanying Notes)

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2024

DESCRIPTION OF ORGANIZATION

The Catholic Children's Aid Society of Hamilton (the Society) is a non-share capital corporation, incorporated under the laws of the province of Ontario. The purpose of the organization is to protect children and to promote their best interests and well being within the City of Hamilton. As a result of its charitable status, the organization is exempt from the payment of income taxes under one or more provisions of the *Income Tax Act (Canada)*.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards for government not for profit organizations, including the 4200 Series of standards, as issued by the Public Sector Accounting Board (PSAB) for government not for profit organizations.

(b) Fund Accounting

The accounts of the Society are maintained in accordance with the principles of fund accounting whereby separate accounts are maintained for each fund, as explained below, to ensure observance of the limitations and restrictions placed on the use of particular assets.

The General Fund accounts for the Society's program delivery and related administrative activities. This fund reports restricted operating grants.

The Private Funds report internally and externally restricted resources that are donated and are to be used for the Society's program delivery and administrative activities not covered by government funding.

The OCBe Funds reports externally restricted revenue and related expenditures relating to the government funded Ontario Child Benefit Equivalency program.

The Specified Funds reports restricted resources that are either donated by individuals or contributed by the Ministry and are to be used for the specified programs and trusts.

The Capital Building Fund reports the externally restricted assets, liabilities, revenue and expenditures related to the building expansion campaign.

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Financial Instruments

(i) Measurement of Financial Instruments

The Society initially measures its financial assets and financial liabilities originated or exchanged in arm's length transactions at fair value. Transaction costs related to financial assets that will be subsequently measured at fair value are recognized in the statement of operations in the year in which they are incurred.

Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Society is in the capacity of management, are initially measured at cost. The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms.

The Society subsequently measures all its financial assets and liabilities at cost or amortized cost less impairment. Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, trust funds payable and long term debt. The organization holds no related party financial assets or liabilities at year end.

(ii) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of a write down is recognized on the statement of operations. A previously recognized impairment loss may be reversed to the extent of an improvement, directly or by adjusting the allowance account, provided it is no greater than 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 on the statement of operations.

(d) Prepaid Expenditures

Prepaid expenditures consist primarily of prepaid services.

(e) Restricted Cash and Liabilities

Restricted cash is designated for restricted purposes by independent funders, by regulation, or by resolution of the Board of Directors. The restricted liabilities represent funds held in trust.

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Contributed Assets and Materials

Contributed investment securities are recorded at the fair value at the date of the donation when the value can be reasonably determined. Other contributed assets and materials that exceed the fair value of \$10,000 are recorded at the fair value at the date of the donation when the value can be reasonably determined.

(g) Donated Services

Although the Society has an active volunteer base that provides support to the Society through various activities, the value of these volunteer services is not provided for in these financial statements due to the difficulty in compiling these hours and determining their fair value.

(h) Revenue Recognition

The Society follows the deferral method of accounting for contributions, which include donations and government transfers. 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. Unrestricted donations are recorded on a cash basis since pledges are not legally enforceable claims. Contributions externally restricted are deferred and recognized as revenue in the year in which the related expenses are recognized.

In the General Fund, Ministry revenue for the fiscal year is not finalized until the Ministry has reviewed and approved the Child Welfare Transfer Payment Annual Reconciliation which does not occur until after the financial statements are issued. The amount of Ministry revenue recognized in these financial statements represents management's best estimate of amounts earned during the year. Externally restricted contributions representing prior year funding adjustments, are treated as revenue in the current year.

Contributions externally restricted for capital assets in the General Fund are deferred and amortized over the life of the related capital asset.

Contributions to fund Society capital assets are initially recorded as deferred capital contributions, and are then amortized to income on the same basis as the related capital asset.

Investment revenue is recognized when earned.

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Capital Assets

Capital assets purchased prior to 1999 and after 2014 as well as purchases of land and building are capitalized and amortized over the estimated useful life of the assets using rates and methods as indicated. Capitalized assets acquired during the year are amortized at one-half of the indicated rate.

Building	-	5% diminishing balance
Building renovations	-	5% diminishing balance
Fence	-	10% diminishing balance
Office equipment	-	20% diminishing balance
Computer equipment	-	3 years straight-line
Building automation system	-	10 years straight-line

A capital asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized on the statement of operations when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the capital asset exceeds its fair value.

An impairment loss is not reversed if the fair value of the capital asset subsequently increases.

(j) Employee Pension Plan

The employees of the Society are members of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer pension plan. Defined contribution accounting is applied for the pension plan, whereby contributions are expensed when due, as the Society has insufficient information to apply defined benefit plan accounting.

(k) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 date of the financial statements and revenue and expenditures during the period reported. These estimates are reviewed periodically and as adjustments become necessary, are reported in the period in which they become known. Significant areas requiring the use of management estimates include amortization of capital assets, impairment assessments and contingencies as well as Ministry funding repayable.

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2024

2. ACCOUNTS RECEIVABLE

	<u>2024</u>	<u>2023</u>
Trade receivables	\$ 147,458	\$ 98,739
Receivable from other CAS agencies	13,725	13,348
HST rebate receivable	226,154	227,660
Receivable from Ministry of Children, Community and Social Services (MCCSS)	13,493	507,524
Targeted Subsidy funding receivable	-	5,175
	<u>\$ 400,830</u>	<u>\$ 852,446</u>

3. CAPITAL ASSETS

	<u>2024</u>		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>
GENERAL FUND			
Land	\$ 789,856	\$ -	\$ 789,856
Fence	21,683	16,772	4,911
Building	3,040,217	2,300,125	740,092
Building renovations	2,223,434	949,661	1,273,773
Office equipment	300,201	286,786	13,415
Computer equipment	342,424	242,090	100,334
	<u>\$ 6,717,815</u>	<u>\$ 3,795,434</u>	<u>\$ 2,922,381</u>
CAPITAL BUILDING FUND			
Building automation system	100,500	15,075	85,425
Building renovations	56,252	-	56,252
	<u>156,752</u>	<u>15,075</u>	<u>141,677</u>
	<u>\$ 6,874,567</u>	<u>\$ 3,810,509</u>	<u>\$ 3,064,058</u>
	<u>2023</u>		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>
Land	\$ 789,856	\$ -	\$ 789,856
Fence	21,683	16,272	5,411
Building	3,024,547	2,261,225	763,322
Building renovations	1,606,434	915,061	691,373
Office equipment	293,636	283,486	10,150
Computer equipment	273,647	219,298	54,349
	<u>6,009,803</u>	<u>3,695,342</u>	<u>2,314,461</u>
CAPITAL BUILDING FUND			
Building automation system	100,500	5,025	95,475
	<u>\$ 6,110,303</u>	<u>\$ 3,700,367</u>	<u>\$ 2,409,936</u>

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2024

3. CAPITAL ASSETS (Continued)

Included in Building renovations are \$614,878 (2023 - \$Nil) not as yet amortized as the space was not available for use until after the year end. During the year, capital asset amortization of \$117,331 (2023 - \$119,316) was recorded and is reflected on the statement of operations. This includes amortization of \$8,353 (2023 - \$2,824) for computer equipment with a cost of \$33,175 (2023 - \$16,943) acquired under a capital lease.

4. BANK FACILITY

The Society has a non-revolving demand credit line with a \$1,250,000 limit (2023 - \$1,250,000) of which \$1,250,000 (2023 - \$1,250,000) was unused at year end. Interest is calculated at the lender's prime less 0.50% per annum and is due on demand. The security for this operating line includes a general security agreement on all present and future assets of the Society as well as a collateral second mortgage on its land and building.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2024</u>	<u>2023</u>
Accounts payable and accrued liabilities	\$ 2,299,416	\$ 1,648,018
Government remittances payable	<u>16,069</u>	<u>152,818</u>
Balance, end of year	<u>\$ 2,315,485</u>	<u>\$ 1,800,836</u>

6. TRUST FUNDS PAYABLE

Trust funds payable represents monies held in trust for specific wards of the Society.

The Ontario Child Benefit Equivalency (OCBE) program represent funds received to provide all children and youth in care with access to recreational, educational, cultural and social opportunities that support their achievement of higher educational outcomes, a higher degree of resiliency, social skills and relationship development, and a smoother transition to adulthood. As part of this program, funds are held in trust which represents savings payable to youth in care. During the year, \$40,551 (2023 - \$42,124) was transferred into these savings accounts.

Included in Specified Funds are amounts payable to Registered Educational Savings Plans (RESPs). The Universal Child Care Benefit (UCCB) payments are received from the federal government on behalf of children in care up to the age of six years. These funds are to be retained and used to open RESPs for children in care and/or to work with natural and adoptive parents to open RESPs for children since discharged or adopted for whom the Society has previously received funds. As at the end of the year, the untransferred funds amounted to \$257,373 (2023 - \$297,557). Individual RESPs are not included in the financial statements of the Society.

Also included in Specified Funds are funds received on behalf of specific children in care. During the year, interest in the amount of \$Nil (2023 - \$Nil) was earned on these funds. At the end of the year \$4,627 (2023 - \$4,627) was held in trust on behalf of these youth in care.

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2024

7. DEFERRED CONTRIBUTIONS - GENERAL FUND

Deferred contributions consists of the unexpended portion of grants and donations received for specific programs as well as fundraising revenue received for events which are to occur in the coming year.

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 20,500	\$ 20,000
Contributions received	774,936	500
Recognized as revenue	<u>(451,050)</u>	<u>-</u>
Balance, end of year	<u>\$ 344,386</u>	<u>\$ 20,500</u>

8. DEFERRED CONTRIBUTIONS - PRIVATE FUNDS

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 50,414	\$ 40,404
Contributions received	356,232	46,510
Recognized as revenue	<u>(270,477)</u>	<u>(36,500)</u>
Balance, end of year	<u>\$ 136,169</u>	<u>\$ 50,414</u>

9. DEFERRED CONTRIBUTIONS - SPECIFIED FUNDS

	Bursary/ Youth Opportunities Fund	Computer Fund	Total 2024	Total 2023
Balance, beginning of year	\$ 7,128	\$ 36,996	\$ 44,124	\$ 44,124
Donations received	18,000	-	18,000	8,000
Disbursement of funds/recognized as revenue	<u>(18,000)</u>	<u>-</u>	<u>(18,000)</u>	<u>(8,000)</u>
Balance, end of year	<u>\$ 7,128</u>	<u>\$ 36,996</u>	<u>\$ 44,124</u>	<u>\$ 44,124</u>

10. DEFERRED CONTRIBUTIONS - OCBe Funds

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 145,724	\$ 123,070
Contributions received	102,992	103,613
Expenditures and savings allocation	(101,910)	(80,959)
Transfer from OCBE Savings payable	<u>8,706</u>	<u>-</u>
Balance, end of year	<u>\$ 155,512</u>	<u>\$ 145,724</u>

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2024

11. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amounts of funds received for the purchase of capital assets or building maintenance.

	General Fund	Capital Building Fund	Total 2024	Total 2023
Balance, beginning of year	\$ -	\$ 252,674	\$ 252,674	\$ 262,007
Capital contributions received	547,500	-	547,500	-
Amortized to revenue	-	(10,050)	(10,050)	(9,333)
Balance, end of year	<u>\$ 547,500</u>	<u>\$ 242,624</u>	<u>\$ 790,124</u>	<u>\$ 252,674</u>

12. LONG TERM DEBT

	<u>2024</u>	<u>2023</u>
Loan payable, bears interest at a fixed rate of 2.90%, repayable in blended monthly instalments of \$15,433, maturing in April 2024	\$ 15,395	\$ 197,271
Computer equipment capital lease payable, interest imputed at 7.80%, repayable in monthly instalments of \$394 principal and interest, maturing July, 2026 secured by computer equipment with a net book value of \$8,472 (2023 - \$14,119)	10,054	13,834
Computer equipment capital lease payable, interest imputed at 7.40%, repayable in monthly instalments of \$482 principal and interest, maturing September, 2026 secured by computer equipment with a net book value of \$13,527 (2023 - \$Nil)	<u>13,565</u>	<u>-</u>
	39,014	211,105
Principal payments due within one year	<u>24,856</u>	185,656
	<u>\$ 14,158</u>	<u>\$ 25,449</u>

The loan payable relates to the purchase and renovation of the building. The loan payable is secured by a first fixed charge of \$2,588,733 on the property.

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2024

12. LONG TERM DEBT (Continued)

Estimated principal amounts due within the next three years are as follows:

2025	-	\$	24,856
2026	-	\$	9,774
2027	-	\$	4,383

Interest in the amount of \$3,316 (2023 - \$7,298) was paid during the year on the loan payable and has been included in building occupancy expense. Interest in the amount of \$1,305 (2023 - \$711) on the capital lease and has been included in the technology expense.

13. BISHOP CROSBY FUND FOR FAMILIES

During 2017, the Board of Directors internally restricted \$50,000 from Private Funds and created the Bishop Crosby Fund for Families. Its purpose is to provide financial support to help families who are receiving services from the Society.

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 251,738	\$ 288,338
Contributions	5,000	-
Expenditures	<u>(63,102)</u>	<u>(36,600)</u>
	<u>\$ 193,636</u>	<u>\$ 251,738</u>

14. EVENTS

	<u>Raffle/ Auction</u>	<u>Golf Tournament</u>	<u>Net 2024</u>	<u>Net 2023</u>
Revenue	\$ 11,791	\$ 43,700	\$ 55,491	\$ 51,765
Expenditures	<u>300</u>	<u>12,969</u>	<u>13,269</u>	<u>16,311</u>
	<u>\$ 11,491</u>	<u>\$ 30,731</u>	<u>\$ 42,222</u>	<u>\$ 35,454</u>

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2024

15. OTHER REVENUE

	General Funds	Private Funds	Specified Funds	Total 2024	Total 2023
Interest	\$ 96,191	\$ 51,958	\$ 17,853	\$ 166,002	\$ 79,561
Expenditure recoveries	-	-	-	-	8,040
Administration fees/ recovery	34,108	-	-	34,108	40,285
Government agencies	175,112	-	-	175,112	201,574
Grants - Hamilton Community Foundation	-	99,945	-	99,945	44,800
Miscellaneous recoveries	39,441	6,709	-	46,150	24,260
Gain (loss) on disposition of donated shares	-	(86)	-	(86)	-
Inter-agency recoveries	<u>438,847</u>	<u>-</u>	<u>-</u>	<u>438,847</u>	<u>347,115</u>
	<u>\$ 783,699</u>	<u>\$ 158,526</u>	<u>\$ 17,853</u>	<u>\$ 960,078</u>	<u>\$ 745,635</u>

16. OTHER EXPENDITURES

	<u>2024</u>	<u>2023</u>
General Fund		
Kinship start-up costs	\$ 9,867	\$ 6,042
Liability insurance	388,348	325,666
Membership dues	77,316	112,943
Technology	<u>247,829</u>	<u>228,623</u>
	<u>\$ 723,360</u>	<u>\$ 673,274</u>

17. EMPLOYEE BENEFIT PLAN

Multi-Employer Pension Plan

The Society makes contributions to OMERS on behalf of approximately 130 employees. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees, based on the length of credited service and average earnings.

Contributions were made in the 2024 fiscal year at rates ranging from 9.0% to 14.6% (2023 - 9.0% to 14.6%) depending on each member's designated retirement age and the level of earnings. As a result, \$1,028,916 (2023 - \$1,086,505) was contributed to OMERS for the current service, which is included under employee benefits expenditure on the statement of operations.

The most recent regulatory funding valuation conducted as at December 31, 2021 disclosed actuarial assets of \$117,665 million with accrued pension liabilities of \$120,796 million resulting in a going concern actuarial deficit of \$3,131 million. The Society does not recognize any share of the OMERS pension surplus or deficits.

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2024

18. HAMILTON COMMUNITY FOUNDATION - CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON ENDOWMENT FUND

On July 5, 2018 the Catholic Children's Aid Society of Hamilton entered into an agreement with the Hamilton Community Foundation (the Foundation) to establish a permanent endowment fund known as the Catholic Children's Aid Society of Hamilton Endowment Fund (the Fund) with the purpose of providing a perpetual stream of income to support Society priorities in future years.

At the sole discretion of the Foundation, the Foundation may disburse not greater than 10% of the Fund balance to the Society, which it will use accordingly. Distributions from the Fund shall be made to the Society on request after June 30 of each year.

The Society is independent of the Foundation and it is not in a position to significantly influence the Foundation's activities or operating decisions. As a result, the assets, liabilities and expenditures of the Fund are not reflected in these financial statements. The Fund balance as at March 31, 2024 was approximately \$234,181 (2023 - \$213,391).

On March 31, 2014 the Catholic Children's Aid Society of Hamilton entered into an agreement with the Hamilton Community Foundation (the Foundation) to establish a permanent endowment fund known as the Ralph and Rose Sazio Scholarship Fund (the Fund) to provide an ongoing source of revenue to support annual scholarships to Catholic individuals who have or are currently receiving services from the Society. Incorporated into the Fund was the balance of the Youth Opportunity Fund which was previously established in 1999.

With the retirement of Ersilia DiNardo, Executive Director, in June 2015, the Board decided to create another scholarship fund in her name. To accomplish this, the Fund was renamed "Catholic Children's Aid Society Fund", and segmented. In recognition of Ersilia DiNardo's contribution to the Catholic Community, the Bishop donated \$10,000 to the Society. The Board approved a contribution of \$50,000 from Private Funds generated by donations and fundraising. A total amount of \$60,000 was deposited with the Foundation. The scope for applicants to the Ersilia DiNardo Scholarship includes youth who have received protection services from the Society.

At the sole discretion of the Foundation, the Foundation may disburse not greater than 10% of the Fund balance to the Society with which it will issue scholarships. No disbursements will be made from the Fund if the fund value should drop below \$50,000. Disbursements will cease until the fund value recovers. No part of this minimum Fund balance shall revert or be paid to, lent or applied to, or benefit the Society, unless the Foundation ceases to exist or if, in its sole discretion, it feels that it can no longer manage the Fund.

The Society is independent of the Foundation and it is not in a position to significantly influence the Foundation's activities or operating decisions. As a result, the assets, liabilities and expenditures of the Fund are not reflected in these financial statements. The Fund balances as at March 31, 2024 were approximately \$211,555 (2023 - \$207,068) for the Ralph and Rose Sazio Scholarship Fund and \$79,706 (2023 - \$73,900) for the Ersilia Dinardo Scholarship Fund.

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2024

19. BALANCED BUDGET FUND

The Society has a legal requirement to return any surplus of Child Welfare funding, as determined by Ministry reporting, to the Ministry. The Balanced Budget Fund was created by the Ministry in 2014 to support Children's Aid Societies to proactively manage the risks associated with a multi-year planning process. The Balanced Budget Fund is tracked on an individual CAS basis, and is accessed by way of the budget submission process. The guidelines stipulate that Balanced Budget Funds must be used during the three years immediately following the year in which the surplus was determined.

At March 31, 2023 Balanced Budget Funds available for use by the Society amounted to \$375,824, all of which has been recorded as revenue for fiscal 2023. Thus, there is \$142,772 to carryforward to future years.

20. COMMITMENTS AND CONTINGENCIES

(a) Lease Commitments

The aggregate minimum future annual lease payments required under long term agreements for the operating lease of photocopiers and other office equipment are as follows:

2025	-	\$8,465
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(b) Litigation and Claims

In the normal course of operations, the Society becomes involved in various legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur.

Management is of the opinion that the outcome of litigation now pending is not determinable. Should any loss, over and above existing insurance become likely, this amount will be recognized as an expenditure in the period the amount becomes determinable.

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Notes to Financial Statements
Year Ended March 31, 2024

21. FINANCIAL INSTRUMENT CLASSIFICATION

All financial instruments of the Society are measured at amortized cost with none being recorded at fair value. The following table provides cost and fair value information of financial instruments by category. The maximum exposure to credit risk would be the carrying value shown below.

	2024		
	Fair Value	Amortized Cost	Total
Cash	\$ -	\$ 2,927,939	\$ 2,927,939
Restricted cash	-	374,224	374,224
Accounts receivable	-	400,830	400,830
Accounts payable and accrued liabilities	-	2,315,485	2,315,485
Trust funds payable	-	414,343	414,343
Long term debt	-	39,014	39,014
	<u>\$ -</u>	<u>\$ 6,471,835</u>	<u>\$ 6,471,835</u>

22. FINANCIAL INSTRUMENT RISK

The Society is exposed to various risks through its financial instruments. The following analysis provides a measure of the Society's risk exposure and concentrations at March 31, 2024:

(a) Credit Risk

Credit risk arises from the potential that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Society determines, on a continuous basis, amounts receivable on the basis of amounts it is virtually certain to receive based on their estimated realizable value. The majority of the Society's receivables are from government sources and for any funding receivable, the Society ensures it continues to meet the required eligibility. The Society's cash balance is in excess of federally insured limits, however, the Society manages credit risk by maintaining its cash with a financial institution of reputable credit and therefore bears minimal credit risk.

(b) 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 risk: currency risk, interest rate risk and other price risk. The Society is exposed to interest rate risk.

(c) Interest Rate Risk

Fixed rate instruments subject the organization to a fair value risk while floating interest rate instruments subject it to a cash flow risk. Fluctuations in interest rates will impact the cost of financing incurred currently and in the future. The Society is exposed to interest rate risk on its fixed rate financial instruments. At March 31, 2024 the Society had a fixed interest rate mortgage as described in *Note 12*. The Society does not use derivative instruments to reduce its exposure to interest rate risk.

22. FINANCIAL INSTRUMENT RISK (Continued)

(d) Liquidity Risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect to its accounts payable and accrued liabilities and long term debt.

The Society's principal source of funding is from the Province of Ontario. The Society is not subject to debt covenants or any other capital requirements with respect to operating funding. Funding received for designated purposes must be used for the purpose outlined in the funding letter or grant documentation. The Society has complied with the external restrictions on the funding provided.

The Society meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations, anticipating investing and financing activities. The Society has a short term bank facility of up to \$1,250,000 in place should it be required to meet temporary fluctuations in cash requirements.

There have been no significant changes to the risk exposures noted above from the prior year.

23. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform with the current year's presentation.

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Schedule of Revenue and Expenditures by Program
Year Ended March 31, 2024

	Child Welfare	Non-Child Welfare (Page 24)	Infrastructure	HWCS D	Homelessness Partnership	Total
REVENUE						
Province of Ontario - Child Welfare	\$ 21,175,588	\$ -	\$ -	\$ -	\$ -	\$ 21,175,588
Province of Ontario - Non Child Welfare	-	1,181,485	25,000	-	426,686	1,633,171
Targeted subsidy funding	201,825	-	-	-	-	201,825
Ready, Set, Go funding	451,050	-	-	-	-	451,050
Children's special allowances	391,254	-	-	-	-	391,254
Other revenue (Note 15)	608,587	-	-	175,112	-	783,699
	<u>22,828,304</u>	<u>1,181,485</u>	<u>25,000</u>	<u>175,112</u>	<u>426,686</u>	<u>24,636,587</u>
EXPENDITURES						
Staff salaries	10,018,242	154,733	-	-	41,005	10,213,980
Employee benefits	3,124,677	36,772	-	-	9,824	3,171,273
Training	101,650	7,285	-	-	-	108,935
Travel and mileage	289,059	2,522	-	-	2,400	293,981
Building occupancy (Note 12)	358,172	-	21,740	-	-	379,912
Professional services - corporate	204,711	123,918	-	-	-	328,629
Program expenditures	98,412	52,795	-	145,769	373,457	670,433
Boarding rate payments	5,150,894	743,169	-	-	-	5,894,063
Professional services - client	391,808	175	-	-	-	391,983
Clients' personal needs	319,014	17,138	-	-	-	336,152
Adoption subsidy	80,495	-	-	-	-	80,495
Targeted subsidy	902,520	-	-	-	-	902,520
Admission prevention	112,734	-	-	-	-	112,734
Health and related	226,613	14,011	-	-	-	240,624
Financial assistance	83,240	275	-	-	-	83,515
Promotion and publicity	57,799	-	-	-	-	57,799
Office administration	157,071	500	-	-	-	157,571
Other expenditures (Note 16)	715,086	8,274	-	-	-	723,360
	<u>22,392,197</u>	<u>1,161,567</u>	<u>21,740</u>	<u>145,769</u>	<u>426,686</u>	<u>24,147,959</u>
EXCESS REVENUE OVER EXPENDITURES	<u>\$ 436,107</u>	<u>\$ 19,918</u>	<u>\$ 3,260</u>	<u>\$ 29,343</u>	<u>\$ -</u>	<u>\$ 488,628</u>

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Schedule of Revenue and Expenditures by Program - (Continued)
Year Ended March 31, 2024

Non-Child Welfare	A555/556 Preparation for Independence	A444 Broader Public Sector	A771 Community Capacity	Education Liaison	Hamilton Youth Poets	Sub-total 2024
REVENUE						
Government subsidies	\$ 74,942	\$ 27,245	\$ 7,935	\$ 99,454	\$ 160,000	\$ 369,576
EXPENDITURES						
Staff salaries	57,488	27,245	-	70,000	-	154,733
Employee benefits	14,372	-	-	22,400	-	36,772
Travel and mileage	-	-	-	2,522	-	2,522
Professional services - corporate	-	-	-	-	123,918	123,918
Program expenditures	3,082	-	7,935	4,032	23,031	38,080
Office administration	-	-	-	500	-	500
Other expenditures	-	-	-	-	8,274	8,274
	<u>74,942</u>	<u>27,245</u>	<u>7,935</u>	<u>99,454</u>	<u>155,223</u>	<u>364,799</u>
EXCESS REVENUE OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,777</u>	<u>\$ 4,777</u>

CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON
Schedule of Revenue and Expenditures by Program (Continued)
Year Ended March 31, 2024

Non-Child Welfare	Sub-total Carried Forward	Trillium FLS	Transitional Aged Youth	Total 2024
REVENUE				
Government subsidies	\$ 369,576	\$ 22,000	\$ 789,909	\$ 1,181,485
EXPENDITURES				
Staff salaries	154,733	-	-	154,733
Employee benefits	36,772	-	-	36,772
Training	-	7,285	-	7,285
Travel and mileage	2,522	-	-	2,522
Professional services - corporate	123,918	-	-	123,918
Program expenditures	38,080	14,715	-	52,795
Boarding rate payments	-	-	743,169	743,169
Professional fees - client	-	-	175	175
Clients personal needs	-	-	17,138	17,138
Health and related	-	-	14,011	14,011
Financial assistance	-	-	275	275
Office administration	500	-	-	500
Other expenditures	8,274	-	-	8,274
	<u>364,799</u>	<u>22,000</u>	<u>774,768</u>	<u>1,161,567</u>
EXCESS REVENUE OVER EXPENDITURES	<u>\$ 4,777</u>	<u>\$ -</u>	<u>\$ 15,141</u>	<u>\$ 19,918</u>