

**CATHOLIC CHILDREN'S AID SOCIETY  
OF HAMILTON  
HAMILTON, ONTARIO  
FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2025**

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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, 2025, and the statements of operations, changes in fund balances and cash flows for the year ended March 31, 2025 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, 2025, and its results of operations and its cash flows for the year ended March 31, 2025 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, 2025 and March 31, 2024, current assets as at March 31, 2025 and March 31, 2024, and fund balances as at April 1 and March 31 for both the 2025 and 2024 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 12, 2025***



***HGK PARTNERS LLP***  
***Chartered Professional Accountants***  
***Licensed Public Accountants***

**CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON**  
**Statement of Financial Position**  
**As at March 31, 2025**

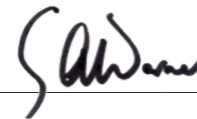
|   | General Fund        | Private Funds       | OCBe Funds        | Specified Funds   | Capital Building Fund | Total 2025          | Total 2024          |
|---|---------------------|---------------------|-------------------|-------------------|-----------------------|---------------------|---------------------|
| <b>ASSETS</b>   |                     |                     |                   |                   |                       |                     |                     |
| <b>Current</b>  |                     |                     |                   |                   |                       |                     |                     |
| Cash - unrestricted   | \$ 1,032,725        | \$ 1,415,008        | \$ -              | \$ -              | \$ -                  | \$ 2,447,733        | \$ 2,927,939        |
| Cash - restricted   | -                   | -                   | -                 | 390,652           | -                     | 390,652             | 374,224             |
| Inter-fund receivables (payables)                                 | (824,870)           | 251,477             | 312,167           | 160,279           | 100,947               | -                   | -                   |
| Accounts receivable (Note 2)                                      | 599,874             | -                   | -                 | -                 | -                     | 599,874             | 400,830             |
| Prepaid expenditures  | 54,635              | 1,015               | -                 | -                 | -                     | 55,650              | 147,004             |
|   | 862,364             | 1,667,500           | 312,167           | 550,931           | 100,947               | 3,493,909           | 3,849,997           |
| Capital assets (Note 3)   | 2,860,383           | -                   | -                 | -                 | 126,602               | 2,986,985           | 3,064,058           |
|   | <u>\$ 3,722,747</u> | <u>\$ 1,667,500</u> | <u>\$ 312,167</u> | <u>\$ 550,931</u> | <u>\$ 227,549</u>     | <u>\$ 6,480,894</u> | <u>\$ 6,914,055</u> |
| <b>LIABILITIES</b>  |                     |                     |                   |                   |                       |                     |                     |
| <b>Current</b>  |                     |                     |                   |                   |                       |                     |                     |
| Accounts payable and accrued liabilities (Note 5)                 | \$ 1,741,262        | \$ -                | \$ -              | \$ -              | \$ -                  | \$ 1,741,262        | \$ 2,315,485        |
| Trust funds payable (Note 6)                                      | -                   | -                   | 139,203           | 461,500           | -                     | 600,703             | 414,343             |
| Deferred contributions (Notes 7, 8, 9 & 10)                       | 317,002             | 128,193             | 172,964           | 44,124            | -                     | 662,283             | 680,191             |
| Current portion of long term debt (Note 12)                       | 13,975              | -                   | -                 | -                 | -                     | 13,975              | 24,856              |
|   | 2,072,239           | 128,193             | 312,167           | 505,624           | -                     | 3,018,223           | 3,434,875           |
| Deferred capital contributions (Note 11)                          | 520,125             | -                   | -                 | -                 | 227,549               | 747,674             | 790,124             |
| Long term debt (Note 12)  | 15,872              | -                   | -                 | -                 | -                     | 15,872              | 14,158              |
|   | 535,997             | -                   | -                 | -                 | 227,549               | 763,546             | 804,282             |
|   | <u>2,608,236</u>    | <u>128,193</u>      | <u>312,167</u>    | <u>505,624</u>    | <u>227,549</u>        | <u>3,781,769</u>    | <u>4,239,157</u>    |
| <b>FUND BALANCES</b>  |                     |                     |                   |                   |                       |                     |                     |
| General Fund - unrestricted                                       | 1,114,511           | -                   | -                 | -                 | -                     | 1,114,511           | 1,145,533           |
| Private funds - internally restricted                             | -                   | 1,412,856           | -                 | -                 | -                     | 1,412,856           | 1,309,967           |
| Bishop Crosby Fund for Families - internally restricted (Note 13) | -                   | 126,451             | -                 | -                 | -                     | 126,451             | 190,520             |
| Specified funds - externally restricted                           | -                   | -                   | -                 | 45,307            | -                     | 45,307              | 28,878              |
|   | 1,114,511           | 1,539,307           | -                 | 45,307            | -                     | 2,699,125           | 2,674,898           |
|   | <u>\$ 3,722,747</u> | <u>\$ 1,667,500</u> | <u>\$ 312,167</u> | <u>\$ 550,931</u> | <u>\$ 227,549</u>     | <u>\$ 6,480,894</u> | <u>\$ 6,914,055</u> |

Commitments and contingencies (Note 19)

On behalf of the Board

\_\_\_\_\_  
Director  
(See Accompanying Notes)

Director



**CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON**  
**Statement of Operations**  
**Year Ended March 31, 2025**

|   | <b>General<br/>Fund</b> | <b>Private<br/>Funds</b> | <b>OCBe<br/>Funds</b> | <b>Specified Funds</b> | <b>Capital Building<br/>Fund</b> | <b>Total<br/>2025</b> | <b>Total<br/>2024</b> |
|---|-------------------------|--------------------------|-----------------------|------------------------|----------------------------------|-----------------------|-----------------------|
| <b>Revenue</b>  |                         |                          |                       |                        |                                  |                       |                       |
| Province of Ontario - Child Welfare                         | \$ 21,435,359           | \$ -                     | \$ -                  | \$ -                   | \$ -                             | \$ 21,435,359         | \$ 21,175,588         |
| Province of Ontario - Non-Child Welfare                     | 2,135,139               | -                        | 95,007                | -                      | -                                | 2,230,146             | 1,736,163             |
| Targeted subsidy  | 239,085                 | -                        | -                     | -                      | -                                | 239,085               | 201,825               |
| Ready, Set, Go funding                                      | 440,700                 | -                        | -                     | -                      | -                                | 440,700               | 451,050               |
| Donations   | -                       | 321,825                  | -                     | 14,000                 | -                                | 335,825               | 275,151               |
| Events  | -                       | -                        | -                     | -                      | -                                | -                     | 55,491                |
| Children's special allowances                               | 391,013                 | -                        | -                     | -                      | -                                | 391,013               | 391,254               |
| Other revenue (Note 14)                                     | 738,037                 | 241,382                  | -                     | 16,449                 | -                                | 995,868               | 960,164               |
| Transfer from (to) deferred revenue (Note 10)               | -                       | -                        | (6,841)               | -                      | -                                | (6,841)               | (1,082)               |
| Transfer from deferred capital contribution (Note 11)       | 27,375                  | -                        | -                     | -                      | 15,075                           | 42,450                | 10,050                |
|   | <u>25,406,708</u>       | <u>563,207</u>           | <u>88,166</u>         | <u>30,449</u>          | <u>15,075</u>                    | <u>26,103,605</u>     | <u>25,255,654</u>     |
| <b>Expenditures</b>   |                         |                          |                       |                        |                                  |                       |                       |
| Staff salaries  | 10,127,847              | 165,101                  | -                     | -                      | -                                | 10,292,948            | 10,377,158            |
| Employee benefits (Note 16)                                 | 3,259,941               | 39,191                   | -                     | -                      | -                                | 3,299,132             | 3,177,874             |
| Events  | -                       | -                        | -                     | -                      | -                                | -                     | 13,269                |
| Training  | 47,180                  | 15,813                   | -                     | -                      | -                                | 62,993                | 111,801               |
| Travel and mileage  | 271,485                 | -                        | -                     | -                      | -                                | 271,485               | 294,912               |
| Building occupancy (Note 12)                                | 370,774                 | -                        | -                     | -                      | -                                | 370,774               | 379,912               |
| Professional services - corporate                           | 334,015                 | -                        | -                     | -                      | -                                | 334,015               | 351,064               |
| Program expenditures  | 577,734                 | (135)                    | -                     | -                      | -                                | 577,599               | 655,181               |
| Boarding rate payments                                      | 7,273,862               | 19,395                   | -                     | -                      | -                                | 7,293,257             | 5,896,943             |
| Professional services - client                              | 427,225                 | 18,259                   | -                     | -                      | -                                | 445,484               | 397,036               |
| Clients' personal needs                                     | 313,750                 | 83,352                   | -                     | -                      | -                                | 397,102               | 437,223               |
| Bursary payments  | -                       | 7,059                    | -                     | 14,000                 | -                                | 21,059                | 26,202                |
| OCBe savings allocation                                     | -                       | -                        | 40,965                | -                      | -                                | 40,965                | 40,551                |
| OCBe activity expenditures                                  | -                       | -                        | 47,201                | -                      | -                                | 47,201                | 61,359                |
| Adoption subsidy  | 71,039                  | -                        | -                     | -                      | -                                | 71,039                | 70,382                |
| Targeted subsidy  | 956,340                 | -                        | -                     | -                      | -                                | 956,340               | 902,520               |
| Standard subsidy  | 21,850                  | -                        | -                     | -                      | -                                | 21,850                | 10,113                |
| Admission prevention  | 94,298                  | 10,342                   | -                     | -                      | -                                | 104,640               | 113,884               |
| Health and related  | 256,582                 | 1,269                    | -                     | -                      | -                                | 257,851               | 244,240               |
| Financial assistance  | 60,060                  | 147,814                  | -                     | -                      | -                                | 207,874               | 139,969               |
| Other expenditures (Note 15)                                | 825,274                 | 16,927                   | -                     | 20                     | -                                | 842,221               | 946,906               |
|   | <u>25,289,256</u>       | <u>524,387</u>           | <u>88,166</u>         | <u>14,020</u>          | <u>-</u>                         | <u>25,915,829</u>     | <u>24,648,499</u>     |
| Excess revenue over expenditures before amortization        | 117,452                 | 38,820                   | -                     | 16,429                 | 15,075                           | 187,776               | 607,155               |
| Amortization (Note 3)                                       | 148,474                 | -                        | -                     | -                      | 15,075                           | 163,549               | 117,331               |
| <b>EXCESS (DEFICIENCY OF) REVENUE<br/>OVER EXPENDITURES</b> | <u>\$ (31,022)</u>      | <u>\$ 38,820</u>         | <u>\$ -</u>           | <u>\$ 16,429</u>       | <u>\$ -</u>                      | <u>\$ 24,227</u>      | <u>\$ 489,824</u>     |

(See Accompanying Notes)

**CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON**  
**Statement of Changes in Fund Balances**  
**Year Ended March 31, 2025**

|  | <b>General<br/>Fund</b>    | <b>Private<br/>Funds</b>   | <b>OCBe<br/>Funds</b> | <b>Specified<br/>Funds</b> | <b>Capital<br/>Building<br/>Fund</b> | <b>Total</b>               |
|--|----------------------------|----------------------------|-----------------------|----------------------------|--------------------------------------|----------------------------|
|  | <b><u>2025</u></b>         |                            |                       |                            |                                      |                            |
| <b>Balance, beginning of year</b>                | <b>\$ 1,145,533</b>        | <b>\$ 1,500,487</b>        | <b>\$ -</b>           | <b>\$ 28,878</b>           | <b>\$ -</b>                          | <b>\$ 2,674,898</b>        |
| Excess (deficiency of) revenue over expenditures | <u>(31,022)</u>            | <u>38,820</u>              | <u>-</u>              | <u>16,429</u>              | <u>-</u>                             | <u>24,227</u>              |
| <b>Balance, end of year</b>                      | <b><u>\$ 1,114,511</u></b> | <b><u>\$ 1,539,307</u></b> | <b><u>\$ -</u></b>    | <b><u>\$ 45,307</u></b>    | <b><u>\$ -</u></b>                   | <b><u>\$ 2,699,125</u></b> |
|  | <b><u>2024</u></b>         |                            |                       |                            |                                      |                            |
| 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                             | <b><u>\$ 1,145,533</u></b> | <b><u>\$ 1,500,487</u></b> | <b><u>\$ -</u></b>    | <b><u>\$ 28,878</u></b>    | <b><u>\$ -</u></b>                   | <b><u>\$ 2,674,898</u></b> |

*(See Accompanying Notes)*

**CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON**  
**Statement of Cash Flows**  
**Year Ended March 31, 2025**

|  | General Fund        | Private Funds       | OCBe Funds      | Specified Funds   | Capital Building Fund | Total 2025          | Total 2024          |
|--|---------------------|---------------------|-----------------|-------------------|-----------------------|---------------------|---------------------|
| <b>OPERATING ACTIVITIES</b>  |                     |                     |                 |                   |                       |                     |                     |
| Excess (deficiency of) revenue over expenditures                   | \$ (31,022)         | \$ 38,820           | \$ -            | \$ 16,429         | \$ -                  | \$ 24,227           | \$ 489,824          |
| Expenditures not requiring a cash outlay                           |                     |                     |                 |                   |                       |                     |                     |
| Amortization   | 148,474             | -                   | -               | -                 | 15,075                | 163,549             | 117,331             |
| Amortization of deferred contributions                             | (27,375)            | -                   | -               | -                 | (15,075)              | (42,450)            | (10,050)            |
|  | <u>90,077</u>       | <u>38,820</u>       | <u>-</u>        | <u>16,429</u>     | <u>-</u>              | <u>145,326</u>      | <u>597,105</u>      |
| (Increase) decrease in accounts receivable                         | (199,044)           | -                   | -               | -                 | -                     | (199,044)           | 451,616             |
| (Increase) decrease in prepaid expenditures                        | 91,048              | 304                 | -               | -                 | -                     | 91,352              | 43,897              |
| Increase (decrease) in accounts payable and accrued liabilities    | (574,223)           | -                   | -               | -                 | -                     | (574,223)           | 514,649             |
| Increase (decrease) in deferred contributions                      | (27,384)            | (7,974)             | 17,452          | -                 | -                     | (17,906)            | 419,429             |
| Increase (decrease) in trust funds payable                         | -                   | -                   | (1,890)         | 188,250           | -                     | 186,360             | (62,083)            |
|  | <u>(709,603)</u>    | <u>(7,670)</u>      | <u>15,562</u>   | <u>188,250</u>    | <u>-</u>              | <u>(513,461)</u>    | <u>1,367,508</u>    |
| Net cash provided by (used for) operating                          | <u>(619,526)</u>    | <u>31,150</u>       | <u>15,562</u>   | <u>204,679</u>    | <u>-</u>              | <u>(368,135)</u>    | <u>1,964,613</u>    |
| <b>INVESTING ACTIVITIES</b>  |                     |                     |                 |                   |                       |                     |                     |
| Purchase of capital assets   | (68,796)            | -                   | -               | -                 | -                     | (68,796)            | (771,456)           |
| Net cash used for investing  | <u>(68,796)</u>     | <u>-</u>            | <u>-</u>        | <u>-</u>          | <u>-</u>              | <u>(68,796)</u>     | <u>(771,456)</u>    |
| <b>FINANCING ACTIVITIES</b>  |                     |                     |                 |                   |                       |                     |                     |
| Repayment of long term debt  | (26,847)            | -                   | -               | -                 | -                     | (26,847)            | (172,091)           |
| Increase (decrease) in deferred capital contributions              | -                   | -                   | -               | -                 | -                     | -                   | 547,500             |
| Increase (decrease) in inter-fund balances                         | 110,375             | 93,438              | (15,562)        | (188,251)         | -                     | -                   | -                   |
| Net cash provided by (used for) financing                          | <u>83,528</u>       | <u>93,438</u>       | <u>(15,562)</u> | <u>(188,251)</u>  | <u>-</u>              | <u>(26,847)</u>     | <u>375,409</u>      |
| <b>Increase (decrease) in cash</b>                                 | <b>(604,794)</b>    | <b>124,588</b>      | <b>-</b>        | <b>16,428</b>     | <b>-</b>              | <b>(463,778)</b>    | <b>1,568,566</b>    |
| <b>Cash, beginning of year</b>                                     | <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>    |
| <b>Cash, end of year</b>   | <u>\$ 1,032,725</u> | <u>\$ 1,415,008</u> | <u>\$ -</u>     | <u>\$ 390,652</u> | <u>\$ -</u>           | <u>\$ 2,838,385</u> | <u>\$ 3,302,163</u> |
| <b>Cash Represented By:</b>  |                     |                     |                 |                   |                       |                     |                     |
| Cash - unrestricted  | \$ 1,032,725        | \$ 1,415,008        | \$ -            | \$ -              | \$ -                  | \$ 2,447,733        | \$ 2,927,939        |
| Cash - restricted  | -                   | -                   | -               | 390,652           | -                     | 390,652             | 374,224             |
|  | <u>\$ 1,032,725</u> | <u>\$ 1,415,008</u> | <u>\$ -</u>     | <u>\$ 390,652</u> | <u>\$ -</u>           | <u>\$ 2,838,385</u> | <u>\$ 3,302,163</u> |
| <b>Non-cash investing and financing activity:</b>                  |                     |                     |                 |                   |                       |                     |                     |
| Acquisition of capital assets and related long term debt (Note 12) | 17,680              | -                   | -               | -                 | -                     | 17,680              | 15,617              |

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

*(See Accompanying Notes)*



## **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, 2025**

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**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.

**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.

**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, 2025**

**2. ACCOUNTS RECEIVABLE**

|   | <u>2025</u>              | <u>2024</u>              |
|---|--------------------------|--------------------------|
| Trade receivables   | \$ 175,533               | \$ 147,458               |
| Receivable from other CAS agencies  | 6,441                    | 13,725                   |
| HST rebate receivable   | 177,135                  | 226,154                  |
| Receivable from Ministry of Children, Community and Social Services (MCCSS) | <u>240,765</u>           | <u>13,493</u>            |
|   | <u><u>\$ 599,874</u></u> | <u><u>\$ 400,830</u></u> |

**3. CAPITAL ASSETS**

|                              | <u>2025</u>                |                                     |                            |
|------------------------------|----------------------------|-------------------------------------|----------------------------|
|                              | <u>Cost</u>                | <u>Accumulated<br/>Amortization</u> | <u>Net</u>                 |
| <b>GENERAL FUND</b>          |                            |                                     |                            |
| Land                         | \$ 789,856                 | \$ -                                | \$ 789,856                 |
| Fence                        | 21,683                     | 17,272                              | 4,411                      |
| Building                     | 3,040,217                  | 2,337,125                           | 703,092                    |
| Building renovations         | 2,273,630                  | 1,015,861                           | 1,257,769                  |
| Office equipment             | 300,201                    | 289,486                             | 10,715                     |
| Computer equipment           | <u>227,884</u>             | <u>133,344</u>                      | <u>94,540</u>              |
|                              | <u>\$ 6,653,471</u>        | <u>\$ 3,793,088</u>                 | <u>\$ 2,860,383</u>        |
| <b>CAPITAL BUILDING FUND</b> |                            |                                     |                            |
| Building automation system   | 100,500                    | 25,125                              | 75,375                     |
| Building renovations         | <u>56,252</u>              | <u>5,025</u>                        | <u>51,227</u>              |
|                              | <u>156,752</u>             | <u>30,150</u>                       | <u>126,602</u>             |
|                              | <u><u>\$ 6,810,223</u></u> | <u><u>\$ 3,823,238</u></u>          | <u><u>\$ 2,986,985</u></u> |
|                              | <u>2024</u>                |                                     |                            |
|                              | <u>Cost</u>                | <u>Accumulated<br/>Amortization</u> | <u>Net</u>                 |
| <b>GENERAL FUND</b>          |                            |                                     |                            |
| 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           | <u>342,424</u>             | <u>242,090</u>                      | <u>100,334</u>             |
|                              | 6,717,815                  | 3,795,434                           | 2,922,381                  |
| <b>CAPITAL BUILDING FUND</b> |                            |                                     |                            |
| Building automation system   | 100,500                    | 15,075                              | 85,425                     |
| Building renovations         | <u>56,252</u>              | <u>-</u>                            | <u>56,252</u>              |
|                              | <u><u>\$ 6,874,567</u></u> | <u><u>\$ 3,810,509</u></u>          | <u><u>\$ 3,064,058</u></u> |

**CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2025**

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**3. CAPITAL ASSETS (Continued)**

During the year, capital asset amortization of \$163,549 (2024 - \$117,331) was recorded and is reflected on the statement of operations. This includes amortization of \$17,184 (2024 - \$8,353) for computer equipment with a cost of \$51,552 (2024 - \$33,175) acquired under capital leases.

**4. BANK FACILITY**

The Society has a non-revolving demand credit line with a \$1,250,000 limit (2024 - \$1,250,000) of which \$1,250,000 (2024 - \$1,250,000) was unused at year end. Interest is calculated at the lender's prime rate 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>2025</u>         | <u>2024</u>         |
|--|---------------------|---------------------|
| Accounts payable and accrued liabilities | \$ 1,685,984        | \$ 2,256,066        |
| Government remittances payable           | <u>55,278</u>       | <u>59,419</u>       |
| Balance, end of year                     | <u>\$ 1,741,262</u> | <u>\$ 2,315,485</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, \$40,965 (2024 - \$40,551) 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 \$445,623 (2024 - \$257,373). 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 (2024 - \$Nil) was earned on these funds. At the end of the year \$4,627 (2024 - \$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, 2025**

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**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>2025</u>       | <u>2024</u>       |
|----------------------------|-------------------|-------------------|
| Balance, beginning of year | \$ 344,386        | \$ 20,500         |
| Contributions received     | 448,186           | 774,936           |
| Recognized as revenue      | <u>(475,570)</u>  | <u>(451,050)</u>  |
| Balance, end of year       | <u>\$ 317,002</u> | <u>\$ 344,386</u> |

**8. DEFERRED CONTRIBUTIONS - PRIVATE FUNDS**

|                            | <u>2025</u>       | <u>2024</u>       |
|----------------------------|-------------------|-------------------|
| Balance, beginning of year | \$ 136,169        | \$ 50,414         |
| Contributions received     | 78,500            | 356,232           |
| Recognized as revenue      | <u>(86,476)</u>   | <u>(270,477)</u>  |
| Balance, end of year       | <u>\$ 128,193</u> | <u>\$ 136,169</u> |

**9. DEFERRED CONTRIBUTIONS - SPECIFIED FUNDS**

|   | <b>Bursary/<br/>Youth<br/>Opportunities<br/>Fund</b> | <b>Computer<br/>Fund</b> | <b>Total<br/>2025</b> | <b>Total<br/>2024</b> |
|---|--|--------------------------|-----------------------|-----------------------|
| Balance, beginning of year                  | \$ 7,128   | \$ 36,996                | \$ 44,124             | \$ 44,124             |
| Donations received                          | 14,000   | -                        | 14,000                | 18,000                |
| Disbursement of funds/recognized as revenue | <u>(14,000)</u>                                      | <u>-</u>                 | <u>(14,000)</u>       | <u>(18,000)</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>2025</u>       | <u>2024</u>       |
|-------------------------------------|-------------------|-------------------|
| Balance, beginning of year          | \$ 155,512        | \$ 145,724        |
| Contributions received              | 95,007            | 102,992           |
| Expenditures and savings allocation | (88,166)          | (101,910)         |
| Transfer from OCBE Savings payable  | <u>10,611</u>     | <u>8,706</u>      |
| Balance, end of year                | <u>\$ 172,964</u> | <u>\$ 155,512</u> |

**CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2025**

**11. DEFERRED CAPITAL CONTRIBUTIONS**

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

|                                | <b>General<br/>Fund</b> | <b>Capital<br/>Building<br/>Fund</b> | <b>Total<br/>2025</b> | <b>Total<br/>2024</b> |
|--------------------------------|-------------------------|--------------------------------------|-----------------------|-----------------------|
| Balance, beginning of year     | \$ 547,500              | \$ 242,624                           | \$ 790,124            | \$ 252,674            |
| Capital contributions received | -                       | -                                    | -                     | 547,500               |
| Amortized to revenue           | (27,375)                | (15,075)                             | (42,450)              | (10,050)              |
| Balance, end of year           | <u>\$ 520,125</u>       | <u>\$ 227,549</u>                    | <u>\$ 747,674</u>     | <u>\$ 790,124</u>     |

**12. LONG TERM DEBT**

|  | <b><u>2025</u></b>      | <b><u>2024</u></b>      |
|--|-------------------------|-------------------------|
| 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               |
| 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 \$2,824 (2024 - \$8,472)       | 5,968                   | 10,054                  |
| 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 \$8,116 (2024 - \$13,527) | 8,189                   | 13,565                  |
| Computer equipment capital lease payable, interest imputed at 5.11%, repayable in monthly instalments of \$409 principal and interest, maturing September, 2028 secured by computer equipment with a net book value of \$15,314 (2024 - \$Nil)   | <u>15,690</u>           | <u>-</u>                |
|  | <b>29,847</b>           | <b>39,014</b>           |
| Principal payments due within one year   | <u>13,975</u>           | <u>24,856</u>           |
|  | <b><u>\$ 15,872</u></b> | <b><u>\$ 14,158</u></b> |

The loan payable related to the purchase and renovation of the building was 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, 2025**

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**12. LONG TERM DEBT (Continued)**

Future minimum lease payments under the capital leases are as follows::

|      |   | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------|---|------------------|-----------------|--------------|
| 2026 | - | \$ 13,975        | \$ 1,441        | \$ 15,416    |
| 2027 | - | \$ 8,804         | \$ 569          | \$ 9,373     |
| 2028 | - | \$ 4,652         | \$ 253          | \$ 4,905     |
| 2029 | - | \$ 2,416         | \$ 48           | \$ 2,464     |

Interest in the amount of \$Nil (2024 - \$3,316) was paid during the year on the loan payable and has been included in building occupancy expense. Interest in the amount of \$1,994 (2024 - \$1,305) was paid on the capital leases 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>2025</u>       | <u>2024</u>       |
|----------------------------|-------------------|-------------------|
| Balance, beginning of year | \$ 190,520        | \$ 248,622        |
| Contributions              | 10,000            | 5,000             |
| Expenditures               | (74,069)          | (63,102)          |
|                            | <u>\$ 126,451</u> | <u>\$ 190,520</u> |

**14. OTHER REVENUE**

|                         | <u>General<br/>Funds</u> | <u>Private<br/>Funds</u> | <u>Specified<br/>Funds</u> | <u>Total<br/>2025</u> | <u>Total<br/>2024</u> |
|-------------------------|--------------------------|--------------------------|----------------------------|-----------------------|-----------------------|
| Interest                | \$ 72,864                | \$ 52,666                | \$ 16,449                  | \$ 141,979            | \$ 166,002            |
| Expenditure recoveries  | 50,521                   | -                        | -                          | 50,521                | -                     |
| Administration fees     | 36,815                   | -                        | -                          | 36,815                | 34,108                |
| Government agencies     | 37,963                   | -                        | -                          | 37,963                | 175,112               |
| Grants                  | 3,500                    | 188,716                  | -                          | 192,216               | 99,945                |
| Miscellaneous           | 85,718                   | -                        | -                          | 85,718                | 46,150                |
| Inter-agency recoveries | 450,656                  | -                        | -                          | 450,656               | 438,847               |
|                         | <u>\$ 738,037</u>        | <u>\$ 241,382</u>        | <u>\$ 16,449</u>           | <u>\$ 995,868</u>     | <u>\$ 960,164</u>     |

**CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2025**

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**15. OTHER EXPENDITURES**

|                         | <u>2025</u>       | <u>2024</u>       |
|-------------------------|-------------------|-------------------|
| <b>General Fund</b>     |                   |                   |
| Kinship start-up costs  | \$ 13,611         | \$ 9,867          |
| Liability insurance     | 380,129           | 388,348           |
| Membership dues         | 95,081            | 77,316            |
| Promotion and publicity | 24,604            | 57,799            |
| Office administration   | 58,037            | 157,571           |
| Technology              | <u>253,812</u>    | <u>247,829</u>    |
|                         | <u>825,274</u>    | <u>938,730</u>    |
| <b>Private Funds</b>    |                   |                   |
| Kinship start-up costs  | 7,688             | -                 |
| Promotion and publicity | 4,650             | 4,614             |
| Office administration   | <u>4,589</u>      | <u>3,542</u>      |
|                         | <u>16,927</u>     | <u>8,156</u>      |
| <b>Specified Funds</b>  |                   |                   |
| Office administration   | <u>20</u>         | <u>20</u>         |
|                         | <u>\$ 842,221</u> | <u>\$ 946,906</u> |

**16. 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 2025 fiscal year at rates ranging from 9.0% to 14.6% (2024 - 9.0% to 14.6%) depending on each member's designated retirement age and the level of earnings. As a result, \$1,026,216 (2024 - \$1,028,916) 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, 2024 disclosed actuarial assets of \$138,414 million with accrued pension liabilities of \$140,766 million resulting in a going concern actuarial deficit of \$2,352 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, 2025**

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**17. 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, 2025 was approximately \$251,640 (2024 - \$234,181).

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, 2025 were approximately \$217,565 (2024 - \$211,555) for the Ralph and Rose Sazio Scholarship Fund and \$84,528 (2024 - \$79,706) for the Ersilia Dinardo Scholarship Fund.

**CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2025**

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**18. 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.

As of March 31, 2024, Balanced Budget Funds available for use by the Society amounted to \$236,336, of which \$142,769 was recognized as revenue for fiscal 2025. As of March 31, 2025, there is a balance of \$93,564 available to carryforward to future years.

**19. 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:

|      |   |          |
|------|---|----------|
| 2026 | - | \$13,924 |
| 2027 | - | \$12,376 |
| 2028 | - | \$4,696  |

**(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.

## **20. 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, 2025:

### **(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, 2025 the Society had fixed interest rate capital leases as described in *Note 12*. The Society does not use derivative instruments to reduce its exposure to interest rate risk.

### **(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.

**20. FINANCIAL INSTRUMENT RISK (Continued)**

**(d) Liquidity Risk (Continued)**

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.

**21. 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, 2025**

|   | <b>Child<br/>Welfare</b> | <b>Non-Child<br/>Welfare<br/>(Page 23)</b> | <b>HWCS</b>      | <b>Homelessness<br/>Partnership</b> | <b>Total</b>      |
|---|--------------------------|--|------------------|-------------------------------------|-------------------|
| <b>REVENUE</b>  |                          |  |                  |                                     |                   |
| Province of Ontario - Child Welfare                         | \$ 21,435,359            | \$ -                                       | \$ -             | \$ -                                | \$ 21,435,359     |
| Province of Ontario - Non Child Welfare                     | -                        | 1,708,453                                  | -                | 426,686                             | 2,135,139         |
| Targeted subsidy funding                                    | 239,085                  | -  | -                | -                                   | 239,085           |
| Ready, Set, Go funding                                      | 440,700                  | -  | -                | -                                   | 440,700           |
| Children's special allowances                               | 391,013                  | -  | -                | -                                   | 391,013           |
| Other revenue (Note 14)                                     | 646,053                  | -  | 88,484           | 3,500                               | 738,037           |
| Transfer from deferred capital contribution (Note 11)       | 27,375                   | -  | -                | -                                   | 27,375            |
|   | <u>23,179,585</u>        | <u>1,708,453</u>                           | <u>88,484</u>    | <u>430,186</u>                      | <u>25,406,708</u> |
| <b>EXPENDITURES</b>   |                          |  |                  |                                     |                   |
| Staff salaries  | 9,929,061                | 157,163                                    | -                | 41,623                              | 10,127,847        |
| Employee benefits   | 3,213,244                | 36,772                                     | -                | 9,925                               | 3,259,941         |
| Training  | 47,180                   | -  | -                | -                                   | 47,180            |
| Travel and mileage  | 268,220                  | 1,065                                      | -                | 2,200                               | 271,485           |
| Building occupancy (Note 12)                                | 370,774                  | -  | -                | -                                   | 370,774           |
| Professional services - corporate                           | 201,169                  | 132,846                                    | -                | -                                   | 334,015           |
| Program expenditures  | 104,762                  | 36,435                                     | 60,099           | 376,438                             | 577,734           |
| Boarding rate payments                                      | 5,966,651                | 1,307,211                                  | -                | -                                   | 7,273,862         |
| Professional services - client                              | 424,395                  | 2,830                                      | -                | -                                   | 427,225           |
| Clients' personal needs                                     | 299,401                  | 14,349                                     | -                | -                                   | 313,750           |
| Adoption subsidy  | 71,039                   | -  | -                | -                                   | 71,039            |
| Targeted subsidy  | 956,340                  | -  | -                | -                                   | 956,340           |
| Standard subsidy  | 21,850                   | -  | -                | -                                   | 21,850            |
| Admission prevention  | 94,298                   | -  | -                | -                                   | 94,298            |
| Health and related  | 231,726                  | 24,856                                     | -                | -                                   | 256,582           |
| Financial assistance  | 60,000                   | 60   | -                | -                                   | 60,060            |
| Other expenditures (Note 15)                                | 815,750                  | 9,524                                      | -                | -                                   | 825,274           |
|   | <u>23,075,860</u>        | <u>1,723,111</u>                           | <u>60,099</u>    | <u>430,186</u>                      | <u>25,289,256</u> |
| <b>EXCESS (DEFICIENCY OF) REVENUE OVER<br/>EXPENDITURES</b> | <u>\$ 103,725</u>        | <u>\$ (14,658)</u>                         | <u>\$ 28,385</u> | <u>\$ -</u>                         | <u>\$ 117,452</u> |

**CATHOLIC CHILDREN'S AID SOCIETY OF HAMILTON**  
**Schedule of Revenue and Expenditures by Program - (Continued)**  
**Year Ended March 31, 2025**

| <b>Non-Child Welfare</b>          | <b>A555/556<br/>Preparation for<br/>Independence</b> | <b>A444<br/>Broader<br/>Public Sector</b> | <b>A771<br/>Community<br/>Capacity</b> | <b>Education<br/>Liaison</b> | <b>Hamilton<br/>Youth Poets</b> | <b>Transition<br/>Aged Youth</b> | <b>Total<br/>2025</b> |
|-----------------------------------|--|---|--|------------------------------|---------------------------------|----------------------------------|-----------------------|
| <b>REVENUE</b>                    |  |   |  |                              |                                 |                                  |                       |
| Government subsidies              | <u>\$ 76,732</u>                                     | <u>\$ 27,885</u>                          | <u>\$ 7,935</u>                        | <u>\$ 96,684</u>             | <u>\$ 163,450</u>               | <u>\$ 1,335,767</u>              | <u>\$ 1,708,453</u>   |
| <b>EXPENDITURES</b>               |  |   |  |                              |                                 |                                  |                       |
| Staff salaries                    | 59,278   | 27,885                                    | -                                      | 70,000                       | -                               | -                                | 157,163               |
| Employee benefits                 | 14,372   | -   | -                                      | 22,400                       | -                               | -                                | 36,772                |
| Travel and mileage                | -  | -   | -                                      | 1,000                        | -                               | 65                               | 1,065                 |
| Professional services - corporate | -  | -   | -                                      | -                            | 132,846                         | -                                | 132,846               |
| Program expenditures              | 3,082  | -   | 7,935                                  | 2,784                        | 22,634                          | -                                | 36,435                |
| Boarding rate payments            | -  | -   | -                                      | -                            | -                               | 1,307,211                        | 1,307,211             |
| Professional services - client    | -  | -   | -                                      | -                            | -                               | 2,830                            | 2,830                 |
| Clients' personal needs           | -  | -   | -                                      | -                            | -                               | 14,349                           | 14,349                |
| Health and related                | -  | -   | -                                      | -                            | -                               | 24,856                           | 24,856                |
| Financial assistance              | -  | -   | -                                      | -                            | -                               | 60                               | 60                    |
| Other expenditures                | -  | -   | -                                      | 500                          | 9,024                           | -                                | 9,524                 |
|                                   | <u>76,732</u>  | <u>27,885</u>                             | <u>7,935</u>                           | <u>96,684</u>                | <u>164,504</u>                  | <u>1,349,371</u>                 | <u>1,723,111</u>      |
| <b>(DEFICIENCY OF) EXCESS</b>     |  |   |  |                              |                                 |                                  |                       |
| <b>REVENUE OVER</b>               |  |   |  |                              |                                 |                                  |                       |
| <b>EXPENDITURES</b>               | <u>\$ -</u>  | <u>\$ -</u>                               | <u>\$ -</u>                            | <u>\$ -</u>                  | <u>\$ (1,054)</u>               | <u>\$ (13,604)</u>               | <u>\$ (14,658)</u>    |