CATHOLIC FAMILY SERVICES OF TORONTO

FINANCIAL STATEMENTS

DECEMBER 31, 2025

HILBORN LLP

HILBORN LLP

Independent Auditor's Report

To the Members and Directors of Catholic Family Services of Toronto

Opinion

We have audited the financial statements of Catholic Family Services of Toronto (the "Organization"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes and explains the combined comparative financial information presented as at December 31, 2024 and for the year then ended. This comparative financial information is presented by management in order to provide context to readers in understanding the amalgamation transactions which occurred on June 12, 2025 to combine the assets and obligations of Catholic Family Services of Toronto and Catholic Family Services of Toronto Foundation.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

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

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

Hilborn LLP

Toronto, Ontario
May 12, 2026

Chartered Professional Accountants
Licensed Public Accountants

CATHOLIC FAMILY SERVICES OF TORONTO

Statement of Financial Position

December 31	2025	2024
		(Note 2)
	$	$
ASSETS		
Current assets		
Cash	**601,301**	656,937
Investments (note 4)	**1,961,308**	1,846,090
Accounts receivable	**74,256**	69,062
Prepaid expenses	**27,457**	15,367
	2,664,322	2,587,456
Property and equipment (note 5)	**79,051**	46,155
	2,743,373	2,633,611
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**68,247**	20,849
Accrued vacation pay	**85,752**	89,007
Unearned revenue (note 6)	**80,161**	148,332
Funding repayable (note 10)	**-**	1,605
	234,160	259,793
Deferred capital contribution (note 7)	**49,105**	-
	283,265	259,793
NET ASSETS		
Invested in property and equipment	**29,946**	46,155
Internally restricted net assets		
Equipment reserve fund	**49,135**	49,135
Contingency reserve fund	**527,925**	527,925
Unrestricted net assets	**1,853,102**	1,750,603
	2,460,108	2,373,818
	2,743,373	2,633,611

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board:

Director

Director

CATHOLIC FAMILY SERVICES OF TORONTO

Statement of Operations

Year ended December 31	2025	2024
		(Note 2)
	$	**$**
Revenues		
Sharelife - Catholic Charities of the Archdiocese of Toronto	**1,752,363**	1,752,363
Fees for services	**518,508**	519,483
Ministry of Children, Community and Social Services	**1,205,326**	907,235
Archdiocesan grant - Office of Marriage and Family Life	**247,953**	239,385
- New Beginnings Program	**214,529**	253,508
Canadian Red Cross COVID-19 Mental Health and Wellbeing Program	**-**	3,625
Investment income (note 9)	**134,136**	208,793
Donations and other income	**97,210**	19,373
	4,170,025	3,903,765
Expenses		
Salaries	**3,037,154**	2,813,342
Employee benefits (note 8)	**527,795**	495,356
Building occupancy	**164,432**	140,803
Depreciation	**19,883**	17,873
Office	**175,754**	138,240
Training and education	**25,141**	51,173
Advertising and promotion	**3,106**	4,388
Purchased services	**94,788**	135,750
Evaluation project	**4,391**	4,963
Transportation	**2,598**	793
Financial Assistance	**126**	-
Group and education program	**13,369**	29,131
Organization dues and fees	**15,198**	9,698
	4,083,735	3,841,510
Excess of revenues over expenses for year	**86,290**	62,255

The accompanying notes are an integral part of these financial statements

CATHOLIC FAMILY SERVICES OF TORONTO

Statement of Changes In Net Assets

Year ended December 31

	Investment in equipment and furniture	Equipment reserve fund	Contingency reserve fund	Unrestricted net assets	Total 2025
	$	$	$	$	$
Balance, beginning of year	**46,155**	**49,135**	**527,925**	**1,750,603**	**2,373,818**
Excess of revenues over expenses	**(16,209)**	**-**	**-**	**102,499**	**86,290**
Inter-fund transfers representing					
Property and equipment additions	**52,779**			**(52,779)**	-
Deferred capital funding	**(52,779)**	**-**	**-**	**52,779**	**-**
Balance, end of year	**29,946**	**49,135**	**527,925**	**1,853,102**	**2,460,108**

	Invested in equipment and furniture	Equipment reserve fund	Contingency reserve fund	Unrestricted net assets	Total 2024 *(Note 2)*
	$	$	$	$	$
Balance, beginning of year	33,927	49,135	527,925	1,700,576	2,311,563
Excess of revenues over expenses	(17,873)	-	-	80,128	62,255
Inter-fund transfers representing					
Property and equipment additions	30,101	-	-	(30,101)	-
Balance, end of year	46,155	49,135	527,925	1,750,603	2,373,818

The accompanying notes are an integral part of these financial statements

CATHOLIC FAMILY SERVICES OF TORONTO

Statement of Cash Flows

Year ended December 31	2025	2024
		(Note 2)
	$	**$**
Cash flows from operating activities		
ShareLife - Catholic Charities for the Archdiocese of Toronto	**1,752,363**	1,752,363
Ministry of Children, Community and Social Services	**1,110,961**	934,166
Archdiocesan grants - Office of Marriage and Family Life and New Beginnings	**450,883**	381,869
Clients' fees	**517,066**	514,861
Investment income received	**83,799**	118,059
Donations and other income received (expense paid)	**105,386**	(718)
Cash paid to suppliers	**(455,690)**	(506,369)
Cash paid to employees	**(3,564,949)**	(3,308,697)
	(181)	(114,466)
Cash flows from investing activities		
Purchase of short term investments	**(1,318,972)**	(1,101,620)
Proceeds on disposition of short term investments	**1,263,517**	1,299,488
Acquisition of equipment and furniture	**(52,779)**	(30,101)
	(108,234)	167,767
Cash flows from financing activities		
Capital contributions received	**52,779**	-
Net change in cash	**(55,636)**	53,301
Cash, beginning of year	**656,937**	603,636
Cash, end of year	**601,301**	656,937

The accompanying notes are an integral part of these financial statements

December 31, 2025

Nature and description of the organization

Catholic Family Services of Toronto (the "Organization") is committed to providing innovative, relevant and quality services to the entire community within the context of Catholic beliefs and values and affirming the cultural, racial and special differences of families and individuals.

The Organization is dedicated to excellence, personalized care and helping people develop their potential as fully as possible. The Organization provides extensive preventative (wellness) as well as treatment (counselling) services. The Organization is committed to promote and strengthen healthy families, marriages and individuals.

Through counselling services, the Organization strives to help individuals, couples and families to untangle the problems and feelings arising from difficult situations. Service emphasis is on assisting clients in their efforts to move towards a more positive and fulfilling future.

Wellness programs help people make healthy life choices and positive changes in their lives as they move through life's many transitions. The programs foster competence and self-responsibility in individuals, couples and families.

The Organization is a not-for-profit organization incorporated without share capital under the laws of Ontario and is also a registered charitable organization under the Income Tax Act (Canada) and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Organization must meet certain requirements within the Act. These requirements have been met.

During the year, Catholic Family Services of Toronto (the Agency") and Catholic Family Services of Toronto Foundation (the "Foundation") amalgamated. Prior to the amalgamation, the Agency was the sole beneficiary of the Foundation. The amalgamated organization continues under the name of Catholic Family Services of Toronto. Refer to Note 2 for further details.

1. **Significant accounting policies**

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

(a) **Basis of Presentation**

Unrestricted net assets account for the day-to-day service delivery activities of the Organization.

The Equipment Reserve Fund is a Board-designated restricted fund for the purpose of acquiring equipment and software over and above those funded by the operations.

The Contingency Reserve Fund is a Board-designated restricted fund for the purpose of covering extraordinary and unanticipated expenses that exceed or fall outside of the provisions of the Organization's operating budget and funding the Organization's obligations in extreme circumstances as determined by the Board of Directors.

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

(b) **Revenue Recognition**

Contributions

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

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Grants approved but not received at the reporting date are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

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.

Operations - ShareLife Funding

Catholic Charities of the Archdiocese of Toronto ("Catholic Charities") advance funds throughout the year in accordance with the Organization's approved funding. An operating surplus realized in the year is to be retained by the Organization, and is subject to consideration for recovery by the Catholic Charities. Operating deficits are absorbed by the Organization's reserves.

Fees for Services

Revenue from fees for services is recognized when the services are provided to clients and the collection of the relevant receivable is reasonably assured.

Investment Income

Investment income is comprised of interest, distributions on mutual funds, dividends from common shares, realized gains and losses from disposal of investments and unrealized gains and losses in the fair value of investments. Interest is recorded on an accrual basis and dividends are recorded as revenue when declared. Realized gains and losses are recognized when the transactions occur. Unrealized gains and losses which reflect the changes in fair value during the period are recognized at each reporting period and included in current year income.

Other Income

Other income is recorded when earned or services are performed.

(c) **Donated Goods and Services**

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

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

December 31, 2025

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

(d) **Financial instruments**

(i) **Measurement of financial instruments**

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by the amount of transaction costs directly attributable to the instrument.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the Statement of Operations. Fair values are determined by reference to published price quotations in an active market.

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

Financial assets measured at amortized cost include cash, investments in fixed income financial instruments and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, accrued vacation pay and funding repayable.

(ii) **Impairment**

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write down reflects the difference between the carrying amount and the higher of the present value of the cash flows expected to be generated by the asset or group of assets and the amount that could be realized by selling the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment. The amount of the reversal is recognized in income in the period that the reversal occurs.

(e) **Investments**

Investments are comprised of guaranteed investment certificates, mutual funds and equity shares. Guaranteed investment certificates are measured at amortized cost and classified as current assets with maturity date within one year after the yearend date and non-current assets if the maturity date beyond one year after the yearend date. Mutual fund and equity shares are measured at fair value, which is quoted market price at the closing of the last business day of the reporting period.

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

(f) **Property and equipment**

Property and equipment are recorded at cost and depreciated over their estimated useful lives on a straight line basis at the following annual rates:

Furniture and equipment	- 20%
Computer equipment	- 25%
Leasehold improvements	- over the term of the lease

The above rates are reviewed annually to assess ongoing appropriateness. Any changes are adjusted on a prospective basis. If there is an indication that the assets may be impaired, an impairment test is performed that compares carrying amount to net recoverable amount. There were no impairment indicators in 2025 or 2024.

(g) **Deferred Capital Contributions**

Externally restricted contributions for the purchase of property and equipment that will be depreciated are deferred and amortized over the life of the related property and equipment. Externally restricted contributions for the purchase of property and equipment that have not been expended are recorded as part of deferred capital contributions in the statement of financial position.

(h) **Employee Future Benefits**

Effective January 1, 2020, the Catholic Charities of the Archdiocese of Toronto and Participating Member Agencies became a participating employer in the Colleges of Applied Arts and Technology Pension Plan (the "Plan"), which is a multi-employer contributory defined benefit pension plan. The Plan covers all of the employees of the Organization. The plan assets of the former defined benefit pension plan and defined contribution pension plan were all transferred to the Plan. Full time employees commencing employment on or after January 1, 2020 are automatically enrolled in the Plan effective on the date of hire. Employees other than full time employees commencing employment on or after January 1, 2020 have the option to enrol in the Plan effective on the date of hire.

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

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

December 31, 2025

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

(i) **Management Estimates**

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

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

2. **Amalgamation**

Effective June 12, 2025, Catholic Family Services of Toronto (the "Agency") and Catholic Family Services of Toronto Foundation (the "Foundation") (together, the "Combining organizations") amalgamated pursuant to an Amalgamation Agreement and continue to operate under the name Catholic Family Services of Toronto (the "Amalgamated Organization").

Catholic Family Services of Toronto

The Agency is committed to providing innovative, relevant and quality services to the entire community within the context of Catholic beliefs and values and affirming the cultural, racial and special differences of families and individuals. The Agency provides extensive preventative (wellness) as well as treatment (counselling) services and is committed to promoting and strengthening healthy families, marriages and individuals.

Catholic Family Services of Toronto Foundation

The Foundation raises funds to support healthy, productive and fruitful lives for families and individuals. The Foundation supports, develops and enhances the work of the Agency through financially supporting activities, programs and services for which funding is not otherwise available.

Catholic Family Services of Toronto - the Amalgamated Organization

Effective June 12, 2025, the Amalgamated Organization commenced operations and assumed responsibility for the services previously provided by the combining organizations. On that date, the assets, obligations, employees and operations of the combining organizations were transferred to the Amalgamated Organization at the carrying amounts reflected in the respective financial statements of the Combining organizations.

The combination of the assets, obligations, employees and operations of the combining organizations does not constitute an acquisition. As no acquirer can be identified in the transaction, the merger method has been used to combine the assets, obligations, employees and operations of the combining organizations. Accordingly, the financial statements of the combining organizations for the year ended December 31, 2024 have been combined to present the financial position, results of operations and cash flows as if the operations of the combining organizations had been combined since inception.

December 31, 2025

2. **Amalgamation (continued)**

Financial information derived from the audited financial statements of each combining organization as at December 31, 2024 and for the year then ended, are as follows:

Combined statement of financial position as at December 31, 2024

	Catholic Family Services of Toronto $	Catholic Family Services of Toronto Foundation $	Total $
ASSETS			
Current assets			
Cash	585,161	71,776	656,937
Investments	1,047,901	798,189	1,846,090
Accounts receivable	67,200	1,862	69,062
Prepaid expense	15,093	274	15,367
	1,715,355	872,101	2,587,456
Property and equipment	46,155	-	46,155
	1,761,510	872,101	2,633,611
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	15,999	4,850	20,849
Accrued vacation pay	89,007	-	89,007
Unearned revenue	148,332	-	148,332
Funding repayable	1,605	-	1,605
	254,943	4,850	259,793
NET ASSETS			
Invested in property and equipment	46,155	-	46,155
Internally restricted net assets			
Equipment reserve fund	49,135	-	49,135
Contingency reserve fund	527,925	-	527,925
Unrestricted net assets	883,352	867,251	1,750,603
	1,506,567	867,251	2,373,818
	1,761,510	872,101	2,633,611

December 31, 2025

2. **Amalgamation (continued)**

Combined statement of operations for the year ended December 31, 2024

	Catholic Family Services of Toronto $	Catholic Family Services of Toronto Foundation $	Total $
Revenues			
Sharelife - Catholic Charities of the Archdiocese of Toronto	1,752,363	-	1,752,363
Fees for services	519,483	-	519,483
Ministry of Children, Community and Social Services	907,235	-	907,235
Archdiocesan grant			
- Office of Marriage and Family Life	239,385	-	239,385
- New Beginnings Program	253,508	-	253,508
Canadian Red Cross COVID-19 Mental Health and Wellbeing Program	3,625	-	3,625
Investment income	83,149	125,644	208,793
Donations and other income	3,643	15,730	19,373
	3,762,391	141,374	3,903,765
Expenses			
Salaries	2,813,342	-	2,813,342
Employee benefits	495,356	-	495,356
Building occupancy	140,803	-	140,803
Depreciation	17,873	-	17,873
Office	133,699	4,541	138,240
Training and education	51,173	-	51,173
Advertising and promotion	4,388	-	4,388
Purchased services	119,116	16,634	135,750
Evaluation project	4,963	-	4,963
Transportation	793	-	793
Group and education program	29,131	-	29,131
Organization dues and fees	9,698	-	9,698
	3,820,335	21,175	3,841,510
Excess of revenues over expenses (expenses over revenues) for year	(57,944)	120,199	62,255

December 31, 2025

2. **Amalgamation (continued)**

Combined statement of changes in net assets for the year ended December 31, 2024

Catholic Family Services of Toronto

Statement of Changes In Net Assets	Investment in equipment and furniture $	Equipment reserve fund $	Contingency reserve fund $	Unrestricted net assets $	Total $
Balance, beginning of year	33,927	49,135	527,925	953,524	1,564,511
Excess of expenses over revenues	(17,873)	-	-	(40,071)	(57,944)
Inter-fund transfers representing Property and equipment additions	30,101	-	-	(30,101)	-
Balance, end of year	46,155	49,135	527,925	883,352	1,506,567

Catholic Family Services of Toronto Foundation

Statement of Changes In Net Assets	Internally restricted reserve $	Unrestricted net assets $	Total $
Balance, beginning of year	210,000	537,052	747,052
Excess of revenues over expenses	-	120,199	120,199
Balance, end of year	210,000	657,251	867,251

Combined

Statement of Changes In Net Assets	Investment in equipment and furniture $	Equipment reserve fund $	Contingency reserve fund $	Unrestricted net assets $	Total $
Balance, beginning of year	33,927	49,135	527,925	1,700,576	2,311,563
Excess of revenues over expenses (expenses over revenues)	(17,873)	-	-	80,128	62,255
Inter-fund transfers representing Property and equipment additions	30,101	-	-	(30,101)	-
Balance, end of year	46,155	49,135	527,925	1,750,603	2,373,818

2. **Amalgamation (continued)**

Combined statement of cash flows for the year ended December 31, 2024

	Catholic Family Services of Toronto $	**Catholic Family Services of Toronto Foundation** $	**Total** $
Cash flows from operating activities			
ShareLife - Catholic Charities for the Archdiocese of Toronto	1,752,363	-	1,752,363
Ministry of Children, Community and Social Services	934,166	-	934,166
Archdiocesan grants - Office of Marriage and Family Life and New Beginnings	381,869	-	381,869
Client fees	514,861	-	514,861
Investment income received	83,398	34,661	118,059
Donations and other income received (expense paid)	(20,556)	19,838	(718)
Cash paid to suppliers	(485,286)	(21,083)	(506,369)
Cash paid to employees	(3,308,697)	-	(3,308,697)
	(147,882)	33,416	(114,466)
Cash flows from investing activities			
Purchase of short term investments	(1,047,901)	(53,719)	(1,101,620)
Proceeds on disposition of short term investments)	1,260,679	38,809	1,299,488
Acquisition of equipment and furniture	(30,101)	-	(30,101)
	182,677	(14,910)	167,767
Net change in cash	34,795	18,506	53,301
Cash, beginning of year	550,366	53,270	603,636
Cash, end of year	585,161	71,776	656,937

3. Financial instrument risk management

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure at the statement of financial position date.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risks relate to cash, accounts receivable and fixed income investments.

The maximum exposure of the Organization to credit risk is as follows:

	2025 $	2024 $
Cash	601,301	656,937
Accounts receivable	74,256	69,062
Fixed income investments at amortized cost	1,082,709	1,047,901
	1,758,266	1,773,900

The Organization reduces its exposure to the credit risk of cash and fixed income investments by maintaining balances with Canadian chartered banks.

Accounts receivable are comprised of mainly property tax rebate, PSB charity rebate and grant receivable from ongoing programs under funding agreements with the provincial government. The Organization is not exposed to significant credit risk on its accounts receivable.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, accrued vacation pay and lease commitments. The Organization expects to meet these obligations as they come due from the operating grants it receives from Catholic Charities, Province of Ontario and from fees collected for services rendered.

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

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.

Currency risk is the risk that changes in the value of the Canadian dollar compared to foreign currencies will affect the value, in Canadian dollars, of any foreign currency denominated securities. The Organization does not have any direct foreign currency exposure. However, the Organization is indirectly exposed to foreign currency risk through its investment in mutual funds, which holds investment instruments including non-Canadian equities, bonds and money market securities.

Interest rate risk is the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The Organization has investments in financial instruments with fixed income. Details of interest bearing financial instruments are disclosed in note 4. The Organization is indirectly exposed to interest rate risk through its investment in mutual funds, which holds investment instruments including bonds and money market securities.

Other price risk is the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar financial instruments traded in the market. The Organization is exposed to other price risk in its investments in mutual funds and common shares.

Market risks are monitored by the third party investment advisor who manages the investment portfolio and by Board oversight.

Changes in risk

There have been no significant changes in the risk profile of the financial instruments of the Organization from that of the prior year.

4. **Investments**

	2025 $	**2024** $
Investments at amortized costs - guaranteed investment certificates with effective interest rates from 2.25% to 3.00% (2024 - 3.00% to 4.75%), maturity dates ranging from June 2026 to December 2026 (2024 - June 2025 to December 2025)	1,082,709	1,047,901
Investments at fair value - mutual funds	606,743	558,579
- common shares	271,856	239,610
	1,961,308	1,846,090

5. **Property and equipment**

			2025
	Cost $	Accumulated Amortization $	Net Book Value $
Furniture and fixtures	20,289	20,289	-
Computer equipment	164,206	85,155	79,051
	184,495	105,444	79,051

			2024
	Cost $	Accumulated Amortization $	Net Book Value $
Furniture and fixtures	20,289	18,924	1,365
Computer equipment	111,427	66,637	44,790
	131,716	85,561	46,155

6. **Unearned revenue**

2025	Opening Balance $	Net Received (Returned) During Year $	Recognized as Revenue $	Closing Balance $
Family Life Education - Marriage Preparation Course	65,325	515,133	518,508	61,950
New Beginning Program	13,438	204,296	214,529	3,205
MCCS/CCAS Programs	63,150	1,142,176	1,205,326	-
Resilient Together Project	-	8,114	-	8,114
Other	6,419	473	-	6,892
	148,332	1,870,192	1,938,363	80,161

2024	Opening Balance $	Net Received (Returned) During Year $	Recognized as Revenue $	Closing Balance $
Family Life Education - Marriage Preparation Course	68,617	516,191	519,483	65,325
New Beginning Program	127,278	139,668	253,508	13,438
MCCS/CCAS Programs	43,929	926,456	907,235	63,150
Canadian Red Cross	10,615	(6,990)	3,625	-
Other	6,019	400	-	6,419
	256,458	1,575,725	1,683,851	148,332

7. Deferred capital contributions

Deferred capital contributions represent the unamortized amount of contributions received for the purchase of property and equipment that will be depreciated and contributions that have not been expended for the purchase of property and equipment. The changes in deferred capital contributions are as follows:

	2025 $
Capital contributions received	52,779
Amortization of deferred capital contributions	(3,674)
Balance - at end of year	49,105

8. Pension plan contributions

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

Contributions to the pension plan made during the year by the Organization, on behalf of its employees, amounted to $170,476 (2024 - $167,306) and are included in employee benefits in the Statement of Operations.

According to the most recent actuarial valuation as at January 1, 2025, which was reported in March 2025, the Plan is fully funded on a going concern basis.

The employer normal cost is equal to 7% of payroll in 2025 (2024 - 7%).

9. Investment income

	2025 $	2024 $
Interest	36,979	83,149
Dividends and mutual fund distributions	37,394	34,661
Realized gain on the sale of investments	5,113	20,725
Unrealized gain in the fair value of investments	54,650	70,258
	134,136	208,793

10. Service contracts with Ontario government

The Organization has service contracts with the Ministry of Children, Community and Social Services. An annual reconciliation report summarizes, by service, all revenues and expenses and identifies any surplus or deficit that relates to the service contract. This reconciliation is filed with the Ministries on an April 1 to March 31 fiscal year basis.

A summary of the surplus (deficit) of this service contract is as follows:

Fiscal year ended March 31, 2025	
Violence Against Women	$ (1,448) Deficit
Other - Adults' Social Services	$ (31,563) Deficit
Provincial Initiatives	$ 1,243 Surplus
Period ended December 31, 2025	
Violence Against Women	$ (35,246) Deficit
Other - Adults' Social Services	$ NIL
Child Welfare - Community and Prevention Supports	$ (6,837) Deficit
Provincial Initiatives	$ NIL
CCAS Collaboration (Child Development Institute)	$ (5,679) Deficit

The surplus (deficit) set out above are included in the 2025 financial statements.

As at the year end date, the Organization has $NIL ($1,605 - 2024) of surplus repayable included in the funding repayable reported in the statement of financial position.

11. Contingencies

In the normal course of operations, the Organization may receive complaints or claims from the counterparties. The Organization provides allowances if the potential financial impact on the Organization is material and reasonably estimable. There is no allowance provided for 2025.

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