

**Catholic Family Services of Simcoe County
O/A CFS Counselling + Wellbeing
Financial Statements
For the year ended December 31, 2024**

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Independent Auditor's Report

To the Board of Directors of Catholic Family Services of Simcoe County O/A CFS Counselling + Wellbeing

Qualified Opinion

We have audited the accompanying financial statements of Catholic Family Services of Simcoe County O/A CFS Counselling + Wellbeing (the "organization"), which comprise the statement of financial position as at December 31, 2024, and the statement of changes in net assets, statement of operations and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect 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 organization as at December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenues from donations, fundraising activities and client fees, 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 organization. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenues or client fees, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2024 and 2023, current assets as at December 31, 2024 and 2023, and net assets as at January 1 and December 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation in the scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of 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 qualified audit opinion.

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

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

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario
May 27, 2025

**Catholic Family Services of Simcoe County
O/A CFS Counselling + Wellbeing
Statement of Financial Position**

December 31 2024 2023

Assets

Current

Cash (note 2)	\$ 1,340	\$ 152,234
Short term investments (note 3)	127,623	101,505
Accounts receivable (note 4)	127,515	267,204
Grants receivable	201,270	119,001
Prepaid expenses	23,841	32,489

481,589 672,433

Capital Assets, at cost less accumulated amortization (note 5) 233,247 225,024

\$ 714,836 \$ 897,457

Liabilities and Net Assets

Current

Bank indebtedness (note 2)	\$ 25,000	\$ -
Accounts payable and accrued liabilities (note 6)	258,323	194,455
Demand loan (note 7)	30,510	-
Deferred contributions (note 8)	32,671	13,580

346,504 208,035

Deferred Contributions Related to Capital Assets (note 9) 126,581 155,519

473,085 363,554

Commitments (note 10)

Net Assets

Unrestricted	(263,933)	33,716
Internally restricted reserve fund (note 11)	505,684	500,187

241,751 533,903

\$ 714,836 \$ 897,457

On behalf of the Board:

 Director

 Director

The accompanying notes are an integral part of these financial statements.

**Catholic Family Services of Simcoe County
O/A CFS Counselling + Wellbeing
Statement of Changes in Net Assets**

For the year ended December 31	Unrestricted	Internally Restricted Reserve Fund	2024 Total	2023 Total
		(note 11)		
Balance, beginning of the year	\$ 33,716	\$ 500,187	\$ 533,903	\$ 526,158
Excess of revenues over expenses (expenses over revenues) for the year	(292,152)	-	(292,152)	7,745
Interfund transfers (note 11)	(5,497)	5,497	-	-
Balance, end of the year	\$ (263,933)	\$ 505,684	\$ 241,751	\$ 533,903

The accompanying notes are an integral part of these financial statements.

Catholic Family Services of Simcoe County O/A CFS Counselling + Wellbeing Statement of Operations

For the year ended December 31	2024	2023
Revenues		
Catholic charities		
- Regular contribution	\$ 1,169,714	\$ 932,836
- Special projects	73,369	8,420
Wendat Community Programs	766,243	757,121
Purchased services	715,432	983,396
Ministry of the Attorney General (note 12)	369,852	456,709
County of Simcoe	191,270	129,001
City of Barrie	93,027	47,500
Client fees	83,118	52,655
Centre for Addiction and Mental Health	50,000	-
Amortization of deferred contributions related to capital assets (note 9)	36,338	26,193
Donations and fundraising	26,705	42,322
Ontario Trillium Foundation	20,000	76,506
Employment and Social Development Canada	16,847	-
Other income	11,076	25,719
Employee assistance programs	9,840	10,600
Canada Summer Jobs program	5,203	9,712
United Way	5,000	91,667
	<u>3,643,034</u>	<u>3,650,357</u>
Expenses		
Advertising and promotion	41,192	31,227
Agency dues and fees	14,824	13,975
Amortization of capital assets	66,974	59,824
Fundraising expenses	1,484	271
Insurance	31,254	25,642
Interest and bank charges	5,227	4,151
License fees, computer and internet expenses	82,420	69,282
Meeting expenses	17,045	39,597
Occupancy	264,529	268,011
Office supplies, equipment leases and maintenance	38,247	61,429
Professional fees	96,628	72,831
Program expenses	93,344	93,497
Telephone	11,504	24,644
Training and education	12,931	29,255
Travel	21,217	10,686
Wages and benefits	3,136,366	2,838,290
	<u>3,935,186</u>	<u>3,642,612</u>
Excess of revenues over expenses (expenses over revenues) for the year	<u>\$ (292,152)</u>	<u>\$ 7,745</u>

The accompanying notes are an integral part of these financial statements.

Catholic Family Services of Simcoe County O/A CFS Counselling + Wellbeing Statement of Cash Flows

For the year ended December 31	2024	2023
Cash flows from operating activities		
Excess of revenues over expenses (expenses over revenues) for the year	\$ (292,152)	\$ 7,745
Adjustment for items not involving cash		
Amortization of capital assets	66,974	59,824
Amortization of deferred contributions related to capital assets	(36,338)	(26,193)
	<u>(261,516)</u>	<u>41,376</u>
Changes in non-cash working capital balances related to operations		
Accounts receivable	139,689	(100,109)
Grants receivable	(82,269)	68,921
Prepaid expenses	8,648	24,475
Accounts payable and accrued liabilities	63,868	20,664
Deferred contributions	19,091	13,580
	<u>149,027</u>	<u>27,531</u>
Cash flows from investing activities		
Decrease (increase) in investments	(26,118)	208
Acquisition of capital assets	(75,197)	(19,600)
	<u>(101,315)</u>	<u>(19,392)</u>
Cash flows from financing activities		
Increase in deferred contributions related to capital assets	7,400	67,500
Increase in bank indebtedness	25,000	-
Increase in demand loan	30,510	-
	<u>62,910</u>	<u>67,500</u>
Net (decrease) increase in cash during the year	(150,894)	117,015
Cash, beginning of the year	152,234	35,219
Cash, end of the year	\$ 1,340	\$ 152,234

The accompanying notes are an integral part of these financial statements.

Catholic Family Services of Simcoe County O/A CFS Counselling + Wellbeing Notes to Financial Statements

December 31, 2024

1. Significant Accounting Policies

Nature and Purpose of Organization	Catholic Family Services of Simcoe County O/A CFS Counselling + Wellbeing (the "organization") is a non-profit organization incorporated without share capital under the laws of the Province of Ontario. The organization provides counselling services to those who could not otherwise afford these services in Simcoe County, Ontario.
Basis of Accounting	The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.
Revenue Recognition	The organization follows the deferral method of accounting for contributions which includes donations and grants. Operating revenue, including grants, are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. When a portion of a grant relates to a future period, it is deferred and recognized in that future period. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a declining balance or straight line basis at a rate corresponding with the amortization rate for the related capital assets. Unrestricted net investment income is recognized as revenue when earned. Client fees and purchased services are recognized once services have been provided and collection is reasonably assured. Rental income is recorded in the period earned.
Contributed Services and Materials	Contributions of services and materials are not recognized in the financial statements due to the inherent difficulty in determining their fair market value.

Catholic Family Services of Simcoe County O/A CFS Counselling + Wellbeing Notes to Financial Statements

December 31, 2024

1. Significant Accounting Policies (continued)

Capital Assets	Purchased capital assets are stated at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution, unless fair value is not determinable in which case contributed capital assets are recorded at nominal value at the date of contribution. Amortization based on the estimated useful life of the asset is calculated as follows: <table><tr><td>Computer equipment</td><td>30% declining balance basis</td></tr><tr><td>Computer software</td><td>20% declining balance basis</td></tr><tr><td>Furniture and equipment</td><td>20% declining balance basis</td></tr><tr><td>Leasehold improvements</td><td>6-10 years straight line basis</td></tr><tr><td>Vehicle</td><td>30% declining balance basis</td></tr></table>	Computer equipment	30% declining balance basis	Computer software	20% declining balance basis	Furniture and equipment	20% declining balance basis	Leasehold improvements	6-10 years straight line basis	Vehicle	30% declining balance basis
Computer equipment	30% declining balance basis										
Computer software	20% declining balance basis										
Furniture and equipment	20% declining balance basis										
Leasehold improvements	6-10 years straight line basis										
Vehicle	30% declining balance basis										
Impairment of Long Lived Assets	In the event that facts and circumstances indicate that the organization's long lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value or discounted cash flow is required. The organization considers that no circumstances exist that would require such an evaluation.										
Employee Future Benefits	The organization participates in a multi-employer defined benefit pension plan, however, sufficient information is not available to use defined benefit accounting. Therefore, the organization accounts for the plan as if it were a defined contribution plan, recognizing contributions as an expense in the year to which they relate (see note 14).										
Income Taxes	The organization is not subject to federal or provincial income taxes pursuant to exemptions accorded to registered charities in the income tax legislation.										
Use of Estimates	The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. The principal estimates used in the preparation of these financial statements are the useful life of capital assets and the fair value of financial instruments. Actual results could differ from management's best estimates as additional information becomes available in the future.										

**Catholic Family Services of Simcoe County
O/A CFS Counselling + Wellbeing
Notes to Financial Statements**

December 31, 2024

1. Significant Accounting Policies (continued)

Financial Instruments	Financial instruments are recorded at fair value at initial recognition. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any unrealized gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.
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2. Cash & Bank Indebtedness

The organization's bank accounts are held at a Canadian chartered bank. The bank accounts earn interest at a variable rate dependent on the monthly minimum balance.

The organization has an operating line of credit facility available in the amount of \$100,000. Any outstanding amount bears interest at the bank's prime rate plus 2.33% per annum and is secured by a cash collateral agreement assigning term deposits and/or guaranteed investment certificates in the amount of \$100,000 (see note 3). The balance outstanding on this credit facility at December 31, 2024 is \$25,000 (2023 - \$NIL).

**Catholic Family Services of Simcoe County
O/A CFS Counselling + Wellbeing
Notes to Financial Statements**

December 31, 2024

3. Short Term Investments

The carrying amounts of investments are comprised of the following:

	<u>2024</u>	<u>2023</u>
RBC redeemable GIC, interest at 4.00%, interest paid when redeemed, maturing July 15, 2025	\$ 101,852	\$ -
RBC redeemable GIC, interest at prime less 2.45%, interest paid when redeemed, maturing May 8, 2025	25,771	-
RBC non redeemable GIC, interest at 3.25%, interest paid when redeemed, matured July 15, 2024	-	101,505
	<u>\$ 127,623</u>	<u>\$ 101,505</u>

The Board passed a policy in 2021 whereby all income earned on the short term investments is transferred into the internally restricted reserve fund (see note 11).

4. Accounts Receivable

	<u>2024</u>	<u>2023</u>
Accounts receivable	\$ 71,283	\$ 243,356
HST recoverable	56,232	23,848
	<u>\$ 127,515</u>	<u>\$ 267,204</u>

**Catholic Family Services of Simcoe County
O/A CFS Counselling + Wellbeing
Notes to Financial Statements**

December 31, 2024

5. Capital Assets

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 167,702	\$ 135,470	\$ 167,702	\$ 121,656
Computer software	74,218	59,044	74,218	55,251
Furniture and equipment	94,937	75,888	94,937	71,126
Leasehold improvements	238,553	135,678	238,553	102,353
Vehicle	75,197	11,280	-	-
	\$ 650,607	\$ 417,360	\$ 575,410	\$ 350,386
Net book value		\$ 233,247		\$ 225,024

6. Government Remittances

Included in accounts payable and accrued liabilities are government remittances payable of \$49,121 (2023 - \$42,648).

7. Demand Loan

On January 7, 2025, the organization entered into a demand promissory note credit facility in the amount of \$170,000 from Catholic Charities of the Archdiocese of Toronto. Any outstanding amount bears interest at 0% per annum as long as the principal sum is repaid within 30 days of the lender providing written notice of demand. In the event of default of payment, the organization will pay the lender interest at 5% per annum calculated from the date of default. There is no security on this demand loan. The balance outstanding on this credit facility at December 31, 2024 is \$30,510 (2023 - \$NIL). Subsequent to year end, the balance of the credit facility was received in the amount of \$139,490.

8. Deferred Contributions

Deferred contributions represent restricted operating funding received in the current period that is related to expenses of a subsequent period.

**Catholic Family Services of Simcoe County
O/A CFS Counselling + Wellbeing
Notes to Financial Statements**

December 31, 2024

9. Deferred Contributions Related to Capital Assets

Deferred contributions represent the unamortized portion of restricted contributions used in the purchase of certain capital assets. The amortization is recorded as revenue in the statement of operations.

	<u>2024</u>	<u>2023</u>
Balance, beginning of the year	\$ 155,519	\$ 114,212
Contributions received for the purchase of capital assets	7,400	67,500
Amounts amortized to revenue	<u>(36,338)</u>	<u>(26,193)</u>
Balance, end of the year	<u>\$ 126,581</u>	<u>\$ 155,519</u>

10. Commitments

The organization operates from leased space in Barrie and Orillia. These leases have varying expiry dates ranging between December 31, 2025 and October 31, 2029.

The organization also has a contract for services relating to IT support that expires October 19, 2025.

The minimum annual commitments for the next five fiscal years are as follows:

2025	\$ 266,840
2026	230,132
2027	238,143
2028	246,154
2029	<u>210,690</u>
	<u>\$ 1,191,959</u>

Catholic Family Services of Simcoe County O/A CFS Counselling + Wellbeing Notes to Financial Statements

December 31, 2024

11. Internally Restricted Reserve Fund

The Reserve Fund has been established to cover approximately three months of operating expenses in the event of cash difficulties. The Board of Directors and the Executive Director have discretion over the use of these funds.

12. Ministry of Attorney General Funding

During the year the organization received grants under the terms of an agreement with the Ministry of Attorney General. The amount of funding provided to the organization is subject to final review and approval by the Ministry of the Attorney General. As at the date of these financial statements, some of the funding for the period January 1, 2024 to December 31, 2024 had not been subject to this review process. Any future adjustments required as a result of this review will be accounted for in the year the adjustment is determined.

13. Huronia Community Foundation Endowment Fund

A permanent charitable endowment fund has been created with the Huronia Community Foundation (the "Foundation"). During fiscal 2020, the organization provided a gift of \$20,000 to establish this fund. The original funds provided, as well as any additional contributions, are to be held permanently and invested by the Foundation in accordance with the financial management policies of the Foundation for the exclusive benefit of the organization. The Foundation will determine the annual distributable earnings according to the finance management policies of the Foundation. The organization received a distribution of \$NIL (2023 - \$NIL), which has been included in donations and fundraising on the statement of operations.

Catholic Family Services of Simcoe County O/A CFS Counselling + Wellbeing Notes to Financial Statements

December 31, 2024

14. Pension Plan

Colleges of Applied Arts and Technology Pension Plan (the “Plan”) is a multi-employer defined benefit pension plan available to all eligible employees of the participating members. Plan members will receive benefits based on the length of service and on the average of annualized earnings during the five consecutive years prior to retirement, termination or death, that provide the highest earnings.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by the Plan by placing plan assets in trust and through the Plan investment policy.

Pension expense is based on the best estimates of management of the Plan, in consultation with its actuaries, of the amount, together with the percentage of salary contributed by employees, required to provide a high level of assurance that benefits will be fully represented by fund assets at retirement, as provided by the Plan. The funding objective is for employer contributions to the Plan to remain a constant percentage of employees' contributions.

The Plan provides pension services to 111,100 active and retired members and 710 employers. Substantially all of the full-time employees and some of the part-time employees are members of the Plan. The Plan is a multi-employer plan and therefore the organization's contributions are accounted for as if the Plan were a defined contribution plan with the organization's contributions being expensed in the period they come due. Each year, an independent actuary determines the funding status of the Plan by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The results of the most recent valuation as at December 31, 2024 disclosed a surplus of \$6,686 million. The results of this valuation disclosed total actuarial liabilities and pension obligations of \$17,670 million in respect of benefits accrued for service with actuarial assets at that date of \$24,356 million. Because the Plan is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Canada member organizations and their employees. As a result, the organization does not recognize any share of the Plan surplus or deficit.

Employer contributions made to the Plan during the year by the organization amount to \$162,318 (2023 - \$151,334) and is included in wages and benefits expense.

Catholic Family Services of Simcoe County O/A CFS Counselling + Wellbeing Notes to Financial Statements

December 31, 2024

15. Financial Instruments

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 is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The organization is exposed to credit risk through its accounts receivable. The majority of the organization's receivables are from government sources and the organization works to ensure it meets all eligibility criteria in order to qualify to receive the funding.

The organization is also exposed to credit risk arising from its bank accounts being held at one financial institution in excess of \$100,000, which is the amount insured by agencies of the federal government.

Liquidity Risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The organization is exposed to liquidity risk through its accounts payable and accrued liabilities, bank indebtedness and demand loan.

The organization's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. The organization maintains a portion of its invested assets in liquid securities. The organization also maintains certain credit facilities, which can be drawn upon as needed.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk on its fixed-interest rate financial instruments related to its investments in GICs. Fixed-interest instruments subject the organization to a fair value risk.

The organization is also exposed to this risk through its operating line of credit which bear interest at variable rates. Fluctuations in the bank's prime interest rates will result in increases and decreases in the cash flow requirements of these financial instruments via increases or decreases in the related interest expense.

**Catholic Family Services of Simcoe County
O/A CFS Counselling + Wellbeing
Notes to Financial Statements**

December 31, 2024

15. Financial Instruments (continued)

The organization's primary objective is to ensure the security of principal amounts invested and provide for a high degree of liquidity, while achieving a satisfactory return. Treasury risk management policies specify various investment parameters including eligible types of investment, maximum maturity dates, maximum exposure by counterparties and maximum credit ratings. The organization mitigates interest rate risk on investments by diversifying the durations of the fixed-income investments that are held at a given time.

The risk has increased due to the increase in line of credit and changes in the organization's credit facilities.
