

**CATHOLIC CROSSCULTURAL SERVICES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2025**

CATHOLIC CROSSCULTURAL SERVICES
Financial Statements
March 31, 2025

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AKLER BROWNING LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Directors of Catholic Crosscultural Services

Opinion

We have audited the financial statements of Catholic Crosscultural Services, which comprise the statement of financial position as at March 31, 2025, and the statements of changes in unrestricted net funds, changes in internally restricted reserve fund, operations 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 March 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.

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 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.

AKLER BROWNING LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT, continued

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

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

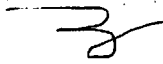
Akler Browning LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
July 24, 2025

CATHOLIC CROSSCULTURAL SERVICES
Statement of Financial Position
March 31, 2025

	2025	2024
Assets		
Current		
Cash	\$ 1,439,432	\$ 1,563,829
Government grants receivable	997,828	1,256,475
Government remittances receivable	167,532	177,143
Prepays and sundry receivables	337,002	337,614
Total Assets	\$ 2,941,794	\$ 3,335,061
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 1,676,418	\$ 2,067,405
Deferred contributions (note 2)	334,944	378,380
Total Liabilities	2,011,362	2,445,785
Fund Balances		
Changes In Unrestricted Net Funds	409,750	368,594
Internally Restricted Reserve Fund	520,682	520,682
Total Fund Balances	930,432	889,276
Total Liabilities and Fund Balances	\$ 2,941,794	\$ 3,335,061

Approved on behalf of the Board:


 _____ Director
 July 24, 2025 Date

Sean Kennedy
 _____ Director

CATHOLIC CROSSCULTURAL SERVICES
Statement of Changes In Unrestricted Net Funds
Year ended March 31, 2025

	2025	2024
Balance, beginning of year	\$ 368,594	\$ 447,174
Add (deduct)		
Excess of revenues over expenditures	41,156	21,420
Allocation to internally restricted reserve funds (note 4)	-	(100,000)
Balance, end of year	\$ 409,750	\$ 368,594

Statement of Changes In Internally Restricted Reserve Fund
Year ended March 31, 2025

	2025	2024
Balance, beginning of year	\$ 520,682	\$ 420,682
Add		
Allocation from unrestricted net funds (note 4)	-	100,000
Balance, end of year	\$ 520,682	\$ 520,682

CATHOLIC CROSSCULTURAL SERVICES
Statement of Operations
Year ended March 31, 2025

	2025	2024
Revenues		
IRCC - Welcoming Communities	\$ 5,153,106	\$ 5,001,527
IRCC - Language and Skills Development	4,200,741	4,284,786
IRCC - Refugee Sponsorship Training Program	2,769,334	2,791,758
IRCC - Orientation	2,398,804	2,583,585
IRCC - Labour Market Access	910,864	908,757
Catholic Charities	666,282	337,498
IRCC - Local Immigration Partnership	545,655	546,668
Ministry of Children, Community and Social Services	383,768	378,369
IRCC- Families in Settlement	368,057	312,433
Ministry of Labour, Training and Skills Development	307,492	879,182
IRCC - Data Hub	300,965	321,875
Earned income	251,656	273,643
Donations	216,219	13,853
Pay Equity revenue (note 5)	203,602	201,682
ESDC	66,560	144,327
IRCC - Capacity Building Project for Racialized Organizations	50,001	188,844
City of Toronto	49,321	81,958
Miscellaneous Funding	29,816	70,343
Ontario Trillium Foundation	23,368	3,957
IRCC - Service Delivery Improvement Projects	-	482,940
Canadian Women's Foundation	-	42,740
Total revenues	18,895,611	19,850,725
Expenditures		
Wages	12,077,545	11,983,181
Employee benefits	2,423,410	2,513,056
Building occupancy	2,082,496	1,919,110
Program	1,191,438	1,898,109
Office and general	576,399	454,042
Equipment lease and purchase	255,742	671,078
Purchased services	116,799	155,130
Staff travel	61,606	56,175
Promotion and publicity	35,521	49,791
Training and conferences	33,499	129,633
Total expenditures	18,854,455	19,829,305
Excess of revenues over expenditures for the year	\$ 41,156	\$ 21,420

CATHOLIC CROSSCULTURAL SERVICES
Statement of Cash Flows
Year ended March 31, 2025

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenditures for the year	\$ 41,156	\$ 21,420
Adjustments for non-cash items		
Amortization	-	18,368
Amortization of deferred contributions related to capital assets	-	(18,368)
	41,156	21,420
Net change in non-cash working capital items		
Government grants receivable	258,647	757,958
Government remittances receivable	9,611	(14,150)
Prepays and sundry receivables	612	(29,713)
Accounts payable and accrued liabilities	(390,987)	735,782
Deferred contributions	(43,436)	228,626
	(165,553)	1,678,503
Cash (Used in) Provided by Operating Activities	(124,397)	1,699,923
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank operating loan	-	(136,094)
Cash Used in Financing Activities	-	(136,094)
Net (decrease) increase in cash	(124,397)	1,563,829
Cash, beginning of year	1,563,829	-
Cash, end of year	\$ 1,439,432	\$ 1,563,829

CATHOLIC CROSSCULTURAL SERVICES

Notes to the Financial Statements

March 31, 2025

NATURE OF OPERATIONS

Catholic Crosscultural Services ("the organization") is a non-profit organization incorporated without share capital and is registered with the Canada Revenue Agency as a charity, within the meaning of the Income Tax Act. The objects of the organization are to provide immigrants and refugees with the skills and assistance to succeed in their environment. The organization is exempt from income tax by virtue of section 149 of the Income Tax Act.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Fund accounting

The accounts of the organization are maintained in accordance with the principles of fund accounting by which resources for various purposes are classified for accounting and reporting purposes into funds relating to the specific activities and operations. These funds are as follows:

(i) Unrestricted net funds

This fund accounts for the funding received and the expenses incurred for general operations. This represents net unrestricted funds available to the organization.

(ii) Reserve fund

This fund is an internally restricted fund established by the board of directors. The funds are to be used in accordance with specific parameters established by the board of directors. Transfers into the fund are determined annually by the board of directors based on available excess funds generated by general operations.

(b) Revenue recognition

The organization uses the deferral method of accounting for its revenue contributions, in which restricted contributions related to expenditures of future periods are deferred and recognized as revenue in the period in which the related expenditures are incurred. Earned income and other income are recorded on the accrual basis.

(c) Cloud computing arrangements

The organization applies the simplification approach to account for expenditures in cloud computing arrangements and will be treated as a supply of services. The expenditures in the arrangements are expensed as incurred in office and general.

(d) Employee future benefits

The organization has a defined benefit pension plan covering some of its employees. The benefits are based on years of services and the employee's compensation.

The organization measures the costs of its defined benefit plan based on its best estimate. The last actuarially determined measurement was January 1, 2025 and the next scheduled measurement is January 1, 2028.

CATHOLIC CROSSCULTURAL SERVICES

Notes to the Financial Statements

March 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Allocated expenses

The organization engages in immigration services, language development and employment and training services. The cost of each program includes the costs of personnel and other expenses that are directly related to providing the services. The organization also incurs other expenses that are common to the management and operations of the organization and each of its programs.

The organization allocates certain of its administration expenses, salaries and employee benefits, professional fees, insurance, rent, telephone and advertising by identifying the appropriate basis of allocating each component expense, and applies the basis consistently each year according to the contracts with the Federal, Provincial and Municipal governments. These costs are included in the expenses and/or recoveries between programs.

(f) Financial instruments

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenues over expenditures in the period incurred.

Financial assets measured at amortized cost include cash, government grants receivable, and sundry receivables.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The organization has not designated any financial asset or financial liability to be measured at fair value.

Impairment

For financial assets measured at amortized cost, the organization determines whether there are indications of possible impairment. When there is an indication of impairment, and the organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in excess of revenues over expenditures. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be 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 in excess of revenues over expenditures.

(g) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the reported amounts of revenues and expenditures for the period covered. The main estimates relate to collectibility of receivables and accrued expenses.

CATHOLIC CROSSCULTURAL SERVICES

Notes to the Financial Statements

March 31, 2025

2. DEFERRED CONTRIBUTIONS

Deferred contributions are intended for the following purposes:

Catholic Charities of the Archdiocese of Toronto - Amounts to improve the conditions and quality of lives of immigrants and refugees, but are restricted to period of use.

Ontario Trillium Foundation - Amounts to support organizational planning, pilot a new program, and build their capacity to plan for future programs and services, but are restricted to period of use.

Immigration Refugees and Citizenship Canada - Amounts to facilitate the arrival of immigrants to Canada, provides protection to refugees, and offers programming to help newcomers settle in Canada, but are restricted to the period of use.

Ministry of Labour, Immigration, Training and Skills Development - Amounts to help protect workers and settle workplace disputes, supporting skilled trades and employment services, attracting highly-skilled newcomers and helping people get settled in Ontario, but are restricted to period of use.

Employment and Social Development Canada - Amounts to improve the conditions and quality of lives of all Canadians by promoting a labour force that is highly skilled, but are restricted to period of use.

	2025	2024
Catholic Charities of the Archdiocese of Toronto	\$ 281,224	\$ 182,775
Ontario Trillium Foundation	17,533	-
Other	14,151	28,180
Immigration Refugees and Citizenship Canada	13,901	43,715
Ministry of Labour, Immigration, Training and Skills Development	7,272	97,756
Employment and Social Development Canada	863	25,954
	<u>\$ 334,944</u>	<u>\$ 378,380</u>

	2025	2024
Opening balance	\$ 378,380	\$ 149,754
Amount of grants and contributions received	18,852,175	20,079,351
Amount recognized as revenue	(18,895,611)	(19,850,725)
	<u>\$ 334,944</u>	<u>\$ 378,380</u>

3. BANK OPERATING LOAN

A demand operating loan to a maximum of \$1,000,000 is available to the organization. The operating loan bears interest at a rate of prime plus 1.5% per annum and is secured by a general security agreement covering all assets of the organization. As at March 31, 2025, the outstanding loan balance was \$Nil (2024 - \$Nil).

CATHOLIC CROSSCULTURAL SERVICES

Notes to the Financial Statements

March 31, 2025

4. RESERVE FUNDS

Immigration, Refugees and Citizenship Canada contracts can be terminated on three months notice. An internally restricted severance fund of \$520,682 has been established to offset the contingent liability for severance expense. If these contracts were to be terminated within the coming year the estimated severance liability would be approximately \$1,637,474.

In the prior year, the Board of Directors approved a transfer of \$100,000 from the Unrestricted Net Funds to the Internally Restricted Reserve Funds.

5. PAY EQUITY

The organization is partially funded by the Ontario Provincial Government and therefore qualifies for the Pay Equity Program. During the year ended March 31, 2025, the organization received \$83,669 (2024 - \$81,749) from the Ministry of Children, Community and Social Services and \$119,933 (2024 - \$119,933) from the Ministry of Labour, Training and Skills Development towards this program.

6. CLOUD COMPUTING ARRANGEMENTS

During the year, the organization expensed \$30,392 (2024 - \$29,449) with respect to cloud computing arrangements which is included in office and general expense.

7. PENSION PLAN

The organization participates in a multi-employer defined benefit pension plan, administered by The Colleges of Applied Arts and Technology Pension Plan. The current pension plan membership includes 156 of its employees as of March 31, 2025.

In accordance with Generally Accepted Accounting Principles the organization has accounted for their multi-employer pension plan as a defined contribution plan even though the plan is a defined benefit plan as sufficient information is not available to use defined benefit plan accounting.

Every three years the plan is required to have an actuarial valuation prepared. The last valuation was dated January 1, 2025 at which time it was determined the plan was in a surplus position. Payments to the organization's pension plan for the year ended March 31, 2025 were \$900,915 (2024 - \$829,722).

8. ECONOMIC DEPENDENCE

Approximately 88.4% (2024 - 87.8%) of revenues are derived from Immigration, Refugees and Citizenship Canada. Without this level of support the continued existence of the organization is unlikely.

CATHOLIC CROSSCULTURAL SERVICES

Notes to the Financial Statements

March 31, 2025

9. LEASE COMMITMENTS

The organization is obligated under several premises and equipment leases to minimum rentals (excluding certain occupancy charges and property taxes) as follows:

2026	\$	722,363
2027		619,517
2028		612,593
2029		415,981
2030		237,541
		<hr/>
		\$ 2,607,995

The current leases in place and their expiry dates are as follows:

		Minimum Annual Rental
1200 Markham Road Units 525, LL35 Scarborough, Ontario	February 29, 2028	\$ 21,797
1200 Markham Road Units 111, 114, 215, 503 Scarborough, Ontario	February 29, 2028	76,708
2206 Eglinton Avenue East, Suite 124, 144 Toronto, Ontario	November 30, 2028	60,234
3660 Hurontario Street, Suite 701 Mississauga, Ontario	August 31, 2025	126,525
164 Queen Street East, Suites 304, 305, 306 Mississauga, Ontario	September 14, 2029	79,780
3495 Lawrence Ave East, Suite AB1003A Toronto, Ontario	January 31, 2029	151,877
55 Town Centre Court, Suite 401 Scarborough, Ontario	April 30, 2030	189,153
Newt - multiple locations	March 31, 2028	16,289

CATHOLIC CROSSCULTURAL SERVICES

Notes to the Financial Statements

March 31, 2025

10. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Credit risk

Credit risk is the risk that one party to a financial transaction will cause a financial loss for the other party by failing to discharge an obligation. The organization's credit risk is mainly related to amounts due from government agencies. The credit risk is concentrated as 98% of year end government grants receivable are from one government agency (2024 - 90%). There has been no change to the risk exposure from the prior year.

(b) 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 to its trade accounts payable. The organization expects to meet these obligations as they come due by generating sufficient cash flow from operations combined with the receipt of monthly grants from its funders. There has been no change to the risk exposure from the prior year.

(c) 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 organization does not have significant exposure to any of these types of risk.
