

**CATHOLIC CROSSCULTURAL SERVICES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2026**

CATHOLIC CROSSCULTURAL SERVICES
Financial Statements
March 31, 2026

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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, 2026, 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, 2026, 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.

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 30, 2026

CATHOLIC CROSSCULTURAL SERVICES

Statement of Financial Position

March 31, 2026

	2026	2025
Assets		
Current		
Cash	\$ 2,080,024	\$ 1,439,432
Government grants receivable	1,233,496	997,828
Government remittances receivable	168,789	167,532
Prepays and sundry receivables	336,691	337,002
Total Assets	\$ 3,819,000	\$ 2,941,794
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 1,791,360	\$ 1,676,418
Deferred contributions (note 2)	1,056,520	334,944
Total Liabilities	2,847,880	2,011,362
Fund Balances		
Unrestricted Net Funds	450,438	409,750
Internally Restricted Reserve Fund	520,682	520,682
Total Fund Balances	971,120	930,432
Total Liabilities and Fund Balances	\$ 3,819,000	\$ 2,941,794

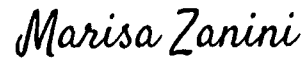
Approved on behalf of the Board:



Director

July 30, 2026

Date



Director

CATHOLIC CROSSCULTURAL SERVICES
Statement of Changes In Unrestricted Net Funds
Year ended March 31, 2026

	2026	2025
Balance, beginning of year	\$ 409,750	\$ 368,594
Add (deduct)		
Excess of revenues over expenditures	40,688	41,156
Balance, end of year	\$ 450,438	\$ 409,750

Statement of Changes In Internally Restricted Reserve Fund
Year ended March 31, 2026

	2026	2025
Balance, beginning and end of year	\$ 520,682	\$ 520,682

CATHOLIC CROSSCULTURAL SERVICES**Statement of Operations****Year ended March 31, 2026**

	2026	2025
Revenues		
IRCC - Welcoming Communities	\$ 5,259,698	\$ 5,153,106
IRCC - Language and Skills Development	4,352,338	4,200,741
IRCC - Orientation	2,325,524	2,398,804
IRCC - Refugee Sponsorship Training Program	2,191,404	2,769,334
IRCC - Labour Market Access	1,254,833	910,864
Catholic Charities	755,393	666,282
Ministry of Children, Community and Social Services	386,730	383,768
Miscellaneous Funding	342,493	53,183
Earned income	254,353	251,656
Ministry of Labour, Training and Skills Development	209,067	307,492
IRCC - Service Delivery Improvement Projects	205,640	-
Pay equity revenue (note 5)	203,602	203,602
ESDC	69,439	66,560
City of Toronto	36,598	49,321
Donations	10,945	216,219
IRCC - Local Immigration Partnership	-	545,655
IRCC - Families in Settlement	-	368,057
IRCC - Data Hub	-	300,965
IRCC - Capacity Building Project for Racialized Organizations	-	50,001
	17,858,057	18,895,610
Expenditures		
Wages	11,578,583	12,077,545
Employee benefits	2,444,112	2,423,410
Building occupancy	2,136,153	2,082,496
Program	625,894	1,191,438
Office and general (note 6)	493,796	576,398
Equipment lease and purchase	278,753	255,742
Purchased services	130,575	116,799
Training and conferences	58,430	33,499
Staff travel	55,760	61,606
Promotion and publicity	15,313	35,521
	17,817,369	18,854,454
Excess of revenues over expenditures for the year	\$ 40,688	\$ 41,156

CATHOLIC CROSSCULTURAL SERVICES**Statement of Cash Flows****Year ended March 31, 2026**

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenditures for the year	\$ 40,688	\$ 41,156
Net change in non-cash working capital items		
Government grants receivable	(235,668)	258,647
Government remittances receivable	(1,257)	9,611
Prepays and sundry receivables	311	612
Accounts payable and accrued liabilities	114,942	(390,987)
Deferred contributions	721,576	(43,436)
	599,904	(165,553)
Net increase (decrease) in cash	640,592	(124,397)
Cash, beginning of year	1,439,432	1,563,829
Cash, end of year	\$ 2,080,024	\$ 1,439,432

CATHOLIC CROSSCULTURAL SERVICES

Notes to the Financial Statements

March 31, 2026

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, 2026 and the next scheduled measurement is January 1, 2029.

CATHOLIC CROSSCULTURAL SERVICES

Notes to the Financial Statements

March 31, 2026

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, 2026

2. DEFERRED CONTRIBUTIONS

Deferred contributions are intended for the following purposes:

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.

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.

Catholic Family Services Peel Dufferin - Amounts to provide services at the Safe Centre of Peel to clients who have experienced Intimate Partner Violence.

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.

	2026	2025
Immigration Refugees and Citizenship Canada	\$ 611,018	\$ 13,901
Catholic Charities of the Archdiocese of Toronto	376,180	281,224
Ontario Trillium Foundation	48,100	17,533
Catholic Family Services Peel Dufferin	16,191	-
Ministry of Labour, Immigration, Training and Skills Development	934	7,272
Employment and Social Development Canada	863	863
Other	3,234	14,151
	\$ 1,056,520	\$ 334,944

	2026	2025
Opening balance	\$ 334,944	\$ 378,380
Amount of grants and contributions received	18,579,633	18,852,174
Amount recognized as revenue	(17,858,057)	(18,895,610)
	\$ 1,056,520	\$ 334,944

CATHOLIC CROSSCULTURAL SERVICES

Notes to the Financial Statements

March 31, 2026

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, 2026, the outstanding loan balance was \$Nil (2025 - \$Nil).

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 \$1,778,344.

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, 2026, the organization received \$83,669 (2025 - \$83,669) from the Ministry of Children, Community and Social Services and \$119,933 (2025 - \$119,933) from the Ministry of Labour, Training and Skills Development towards this program.

6. CLOUD COMPUTING ARRANGEMENTS

During the year, the organization expensed \$37,179 (2025 - \$30,392) 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 161 of its employees as of March 31, 2026.

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, 2026 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, 2026 were \$919,131 (2025 - \$900,915).

8. ECONOMIC DEPENDENCE

Approximately 87.3% (2025 - 88.4%) 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, 2026

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:

2027	\$	673,065
2028		612,593
2029		415,981
2030		237,541
		\$ 1,939,180

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	\$	22,531
1200 Markham Road Units 111, 114, 215, 503 Scarborough, Ontario	February 29, 2028		80,091
2206 Eglinton Avenue East, Suite 124, 144 Toronto, Ontario	November 30, 2028		63,490
3660 Hurontario Street, Suite 701 Mississauga, Ontario	May 30, 2026		53,548
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		162,271
55 Town Centre Court, Suite 401 Scarborough, Ontario	April 30, 2030		195,064
Newt - multiple locations	March 31, 2028		16,289

CATHOLIC CROSSCULTURAL SERVICES

Notes to the Financial Statements

March 31, 2026

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.
