

Consolidated Financial Statements

Co-operative Housing Federation of Toronto Inc.

Toronto, Ontario

December 31, 2022

Contents

Independent Auditors' Report.....	3 - 5
Consolidated Statement of Financial Position.....	6 - 7
Consolidated Statement of Operations and Fund Balances.....	8
Consolidated Schedule of Expenses.....	9 - 10
Consolidated Statement of Cash Flows.....	11
Notes to Consolidated Financial Statements.....	12 - 22

Independent Auditors' Report

To the Members of Co-operative Housing Federation of Toronto Inc.:

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Co-operative Housing Federation of Toronto Inc., which comprise the consolidated statement of financial position as at December 31, 2022 and the consolidated statements of operations and fund balances and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Co-operative Housing Federation of Toronto Inc. as at December 31, 2022, and its results of operations and 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 charitable organizations, the Corporation derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Corporation. Therefore, we are not able to determine whether any adjustments might be necessary to donations revenue, surplus and cash flows from operations for the years ended December 31, 2022 and December 31, 2021 and current assets and net assets as at December 31, 2022 and December 31, 2021. Our audit opinion on the financial statements for the year ended December 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Co-operative Housing Federation of Toronto Inc. 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 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.

Independent Auditors' Report - continued

In preparing the financial statements, management is responsible for assessing Co-operative Housing Federation of Toronto Inc.'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Co-operative Housing Federation of Toronto Inc.'s financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Co-operative Housing Federation of Toronto Inc.'s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditors' Report - continued

- 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 Co-operative Housing Federation of Toronto Inc.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation 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.

Toronto, Ontario
April 24, 2023



Chartered Professional Accountants, Licensed Public Accountants

Co-operative Housing Federation of Toronto Inc.

December 31, 2022

Consolidated Statement of Financial Position	2022	2021
Current Assets		
Cash, Note 4	\$ 923,201	\$ 587,430
Accounts receivable and recoverable costs, net of allowance \$0 (2021 - \$0)	352,682	353,043
HST receivable	0	4,668
Prepaid expenses	12,084	11,284
Total Current	1,287,967	956,425
Capital Assets, Note 6	65,711	63,751
Restricted Funds, Note 4	752,746	744,444
	2,106,424	1,764,620

Approved by The Board

Director: Katherine Bontje

Director: Namulinda Lester

Co-operative Housing Federation of Toronto Inc.

December 31, 2022

Consolidated Statement of Financial Position	2022	2021
Current Liabilities		
Accounts payable and accrued liabilities	\$ 227,831	\$ 187,122
Payroll liabilities	45,845	32,248
Payroll taxes	18,664	19,559
HST payable	30,638	0
Deferred revenue	255,251	79,420
	<hr/>	<hr/>
Total Liabilities	578,229	318,349
Net Assets, per statement		
Capital asset fund, Note 7	65,711	63,751
Internally restricted funds, Note 7	752,746	744,444
Unrestricted operating fund	709,738	638,076
	<hr/>	<hr/>
	1,528,195	1,446,271
	<hr/>	<hr/>
	2,106,424	1,764,620
	<hr/>	<hr/>

The notes on pages 12 through 22 form an integral part of these financial statements.

Co-operative Housing Federation of Toronto Inc.

Year ended December 31, 2022

Consolidated Statement of Operations and Fund Balances

	Internally Restricted			Unrestricted Operating Fund	Total 2022	Total 2021
	Capital Asset Fund	Co-operative Development Fund	Note 10			
			Other Funds			
Revenues						
Member dues	\$ 0	\$ 0	\$ 0	\$ 794,624	\$ 794,624	\$ 788,637
Revenue sharing with CHFC	0	0	0	46,741	46,741	47,100
Education and course fees	0	0	0	41,163	41,163	34,340
Publication sales	0	0	0	526	526	647
Consulting fees - member services	0	0	0	14,700	14,700	19,700
Consulting fees - development	0	131,814	0	0	131,814	87,461
Grants	0	0	0	4,200	4,200	3,990
10% wage subsidy	0	0	0	371	371	4,250
CHIP and cost cutter marketing fees	0	0	0	422,492	422,492	387,409
Administrative service fees	0	0	0	10,000	10,000	10,000
Investment income	0	2,409	0	9,439	11,848	9,321
Diversity scholarship donations	0	0	187,966	0	187,966	195,867
Other donations	0	0	5,050	12,779	17,829	12,599
Miscellaneous	0	0	0	27,090	27,090	22,381
Total Revenues	0	134,223	193,016	1,384,125	1,711,364	1,623,702
Expenses						
Salaries and benefits	0	64,797	30,000	1,012,277	1,107,074	972,296
Education program costs	0	0	0	20,400	20,400	19,415
Charitable Fund project costs	0	0	135,500	3,932	139,432	169,573
Amortization	14,985	0	0	0	14,985	13,280
Members services costs, per schedule	0	0	0	179,276	179,276	165,089
Administrative costs, per schedules	0	14,745	11,804	79,633	106,182	100,205
Development costs	0	62,091	0	0	62,091	66,181
Total Expenses	14,985	141,633	177,304	1,295,518	1,629,440	1,506,039
Surplus (Deficit), Note 8	(14,985)	(7,410)	15,712	88,607	81,924	117,663
Balance opening, January 1	63,751	291,976	452,468	638,076	1,446,271	1,328,608
Investment in capital assets, Note 11	16,945	0	0	(16,945)	0	0
Balance Ending, December 31	65,711	284,566	468,180	709,738	1,528,195	1,446,271

Co-operative Housing Federation of Toronto Inc.

Year ended December 31, 2022

Consolidated Schedule of Expenses	2022	2021
Schedule 1 - Members Services Costs		
Communication and promotion	\$ 10,116	\$ 11,497
Hands-on services	34,188	23,928
Staff expenses	9,222	10,639
Awards night	21,210	8,571
Legal - members	6,000	14,356
Member meetings	1,834	500
Miscellaneous	1,165	1,359
Allocation of general office expenses	95,541	94,239
	179,276	165,089
 Schedule 2 - Administrative Costs		
Staff expenses	10,548	8,613
Audit	16,222	15,541
Director expenses	2,976	200
Bank and interest charges	1,026	1,126
Miscellaneous	7,915	7,137
Allocation of general office expenses	40,946	40,389
	79,633	73,006
 Schedule 3 - Development Administrative Costs		
Audit	1,400	1,400
Legal	0	9,238
Miscellaneous	12,045	11,694
Allocation of general office expenses	1,300	1,200
	14,745	23,532

Co-operative Housing Federation of Toronto Inc.

Year ended December 31, 2022

Consolidated Schedule of Expenses - continued	2022	2021
Schedule 4 - General Office Expenses		
Office rent	\$ 52,293	\$ 50,808
Office cleaning and maintenance	9,806	9,806
Equipment maintenance	22,831	25,105
Office supplies	16,307	13,623
Telephone and internet connection	22,228	22,236
Postage and shipping	6,817	6,907
Insurance	5,131	5,051
Miscellaneous	2,374	2,292
	<hr/> 137,787	<hr/> 135,828
Allocated as follows:		
Member services	95,541	94,239
Administrative	40,946	40,389
Development administrative	1,300	1,200
	<hr/> 137,787	<hr/> 135,828

Co-operative Housing Federation of Toronto Inc.

Year ended December 31, 2022

Consolidated Statement of Cash Flows	2022	2021
Operating Activities		
Surplus	\$ 81,924	\$ 117,663
Adjusted for changes not requiring a current cash payment		
Amortization	14,985	13,280
	96,909	130,943
Add (deduct) changes in non-cash working capital components		
Current receivables	5,029	(102,343)
Prepaid expenses	(800)	(733)
Current payables	84,049	(50,620)
Deferred revenue	175,831	(8,986)
	361,018	(31,739)
<i>Cash Provided By (Used In) Operating Activities</i>	361,018	(31,739)
Investing Activities		
Increase in investments	(8,302)	(29,191)
Purchase of capital assets	(16,945)	(5,557)
	(25,247)	(34,748)
<i>Cash Used In Investing Activities</i>	(25,247)	(34,748)
Net cash increase (decrease) during the year	335,771	(66,487)
Cash position beginning of year	587,430	653,917
<i>Cash Position End of Year</i>	923,201	587,430

Co-operative Housing Federation of Toronto Inc.

December 31, 2022

Notes to Consolidated Financial Statements

Note 1 Status and Nature of Activities

Co-operative Housing Federation of Toronto Inc. (the Corporation) was incorporated under the Co-operative Corporations Act as a corporation without share capital to provide staffing and consulting services to members of the non-profit co-operative housing sector.

The Corporation claims an exemption from income tax under section 149(1)(l) of the Income Tax Act as a corporation operating exclusively for social welfare. No portion of the Corporation's income is available for the personal benefit of any member.

Note 2 Significant Accounting Policies

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (NFPO).

Consolidation

These financial statements consolidate the financial statements of the following corporations:

- Co-operative Housing Federation of Toronto Inc.
- CHFT Charitable Fund
- Bathurst Quay Community Land Co-operative Inc.
- Colandco Co-operative Homes Inc.
- Colandco Co-operative Homes (South) Inc.

Capital Assets

Capital assets are recorded at cost. The Corporation uses the following rates and methods for calculating amortization:

Leasehold improvements	- straight-line basis over ten years
Furniture and fixtures	- 20% declining balance
Equipment	- straight-line basis over five years
Computers	- straight-line basis over five years

Co-operative Housing Federation of Toronto Inc.

December 31, 2022

Note 2 Significant Accounting Policies - continued

Financial Instruments

(a) Measurement of Financial Instruments

The Corporation initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Corporation subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, term deposits and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and deferred revenue.

(b) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the surplus. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Leased Properties

The Corporation has a number of leased properties as listed in Note 14.

Canadian accounting standards for NFPO require that accounting for these properties be determined by the test of whether substantially all the risks and benefits of ownership lie with the corporation or the lessees during the lives of the leases.

It is the opinion of the Board of Directors that substantially all the risks and benefits of ownership lie with the lessees. Therefore, the properties are not accounted for as assets of the Corporation.

Co-operative Housing Federation of Toronto Inc.

December 31, 2022

Note 2 Significant Accounting Policies - continued

Fund Accounting

Revenues and expenses related to member services, administrative activities and public housing conversion are reported in the Operating Fund.

Revenues and expenses related to assisting co-operative development except for public housing conversion are reported in the Co-operative Development Fund.

Revenues and expenses related to supporting the creation of new coop housing by providing technical assistance in the early stages of new coop development are reported in the Coop Development Reserve Fund.

Revenues and expenses related to capital assets are reported in the Capital Asset Fund.

Revenues and expenses related to offsetting anticipated future costs associated with employee separations are reported in the Employee Separation Fund.

Revenues and expenses related to providing members with assistance for post-secondary education are reported in the Scholarship Fund.

Revenue Recognition

The Corporation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue received from membership dues is recognized in the period in which the related dues apply.

Revenue received from education and consulting services is recognized in the period in which the related services are provided.

Revenue generated through the CHFC shared revenue facility are received quarterly throughout the year and are recognized in the period in which the related services are completed.

Revenue related to publication sales is recognized in the period the publications are sold.

Diversity scholarship donations and other donations are recognized in the period they are received.

Co-operative Housing Federation of Toronto Inc.

December 31, 2022

Note 2 Significant Accounting Policies - continued

Administration service fees are recognized in the period in which the related services are completed.

Miscellaneous revenue consists of advertising revenue, event sponsorship revenue, bookkeeping services and other revenues. The event sponsorship revenue is recognized in the period the event occurs. The advertising and bookkeeping revenues are recognized in the period where the related services are provided.

Investment income includes interest from cash and fixed income investments. Revenue is recognized on an accrual basis. Interest from fixed income investments is recognized over the term of these investments using the effective interest method.

Overhead Allocation

All payroll expenses (salaries and direct salary related employer expenses) are recorded in the General Fund. Any employee separation payments are recorded in the Employee Separation Fund.

For the Co-operative Development Fund, the time spent on activities related to this fund is estimated for each staff person and payroll costs are allocated to this fund at a rate of 1.6 times the hourly rate for the staff in question.

General office expenses have been allocated as follows: a set amount of \$1,300 annually is attributed to the development administrative costs, 70% of the remaining expenses is allocated to member services costs and 30% is allocated to administrative costs.

Employee Future Benefits

The Corporation's contributions to the Co-operative Superannuation Society Pension Plan, a multi-employer pension plan, are recorded in the period in which they become payable.

Use of Estimates

The preparation of financial statements requires management to make assumptions about future events that affect 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 reporting period. Actual results could differ from these estimates.

Note 3 Financial Instruments

Risk Management Policy

The Corporation is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at December 31, 2022:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a loss.

The Corporation is subject to concentrations of credit risk through its cash accounts. The Corporation maintains all of its cash at a single Canadian financial institution. The maximum credit risk is equivalent to the carrying value.

The Corporation is also subject to concentrations of credit risk through its accounts receivable. The maximum credit risk is equivalent to the carrying value.

Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to this risk mainly in respect of its liabilities. This risk is reduced because of considerable sums invested in term deposits.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates. These fluctuations may be significant. The methods and assumptions management uses when assessing market risks have not changed substantially from the prior period and are summarized below:

Interest Rate Risk

The Corporation manages its investments based on its cash flow needs and with a view to optimizing its investment income. The Corporation has invested its excess cash in low risk interest bearing vehicles such as term deposits as the means for managing its interest rate risk.

The average interest rate earned on long-term investments during the year was 0.7% (2021, 0.7%). These investments have a maturity date of July 22, 2023.

Co-operative Housing Federation of Toronto Inc.

December 31, 2022

Note 4 Cash, Investments and Restricted Funds

	2022	2021
Cash		
Petty cash	\$ 400	\$ 400
Current operating accounts	1,394,083	1,053,017
	1,394,483	1,053,417
Temporary Investments		
Credit union shares	335	335
Mutual funds	300	0
	635	335
Long-Term Investments		
Term deposits	280,829	278,122
	1,675,947	1,331,874
Composed of:		
Cash	923,201	587,430
Amount required to fund reserve - restricted	752,746	744,444
	1,675,947	1,331,874

Note 5 Guarantees

The Corporation guaranteed a line of credit for Clintwood Non-Profit Housing Co-operative Inc. in the amount of \$25,000. \$28,750 has been offered as collateral.

The Corporation guaranteed a line of credit for Maple Glen Housing Co-operative Inc. in the amount of \$30,000.

Note 6 Capital Assets

	Cost	Accumulated Amortization	Net 2022	Net 2021
Furniture and fixtures	\$ 43,747	\$ (37,024)	\$ 6,723	\$ 7,242
Equipment	25,882	(11,141)	14,741	3,778
Computers	23,955	(13,508)	10,447	12,876
Leasehold improvements	60,537	(26,737)	33,800	39,855
	154,121	(88,410)	65,711	63,751

Co-operative Housing Federation of Toronto Inc.

December 31, 2022

Note 7 Restrictions on Net Assets

The Co-operative Development Fund is internally restricted by the Board of Directors. The Fund was established to assist in co-operative development.

The Co-op Development Reserve Fund is internally restricted by the Board of Directors. The Fund was established to support the creation of new co-op housing by providing technical assistance in the early stages of new co-op development.

The Capital Asset Fund is internally restricted by the Board of Directors. The Fund was established to track capital asset activity.

The Employee Separation Fund is internally restricted by the Board of Directors. The Fund was established to fund future costs associated with employee separations.

The Scholarship Fund is internally restricted by the Board of Directors. The Fund was established to assist Co-operative housing members with post-secondary education.

Scholarship Fund balance at December 31, 2022	\$	<u>341,628</u>
Less commitments for:		
2023		(103,000)
2024		(82,000)
2025		<u>(61,000)</u>
		<u>(246,000)</u>
Remaining uncommitted funds		<u>95,628</u>

Note 8 Supplementary Surplus Information

		<u>2022</u>		<u>2021</u>
Capital Asset Fund	\$	(14,985)	\$	(13,280)
Co-operative Development Fund		(7,410)		(54,859)
Employee Separation Fund		0		0
Unrestricted Operating Fund - CHFT		90,592		190,164
Total CHFT Fund Activity		<u>68,197</u>		<u>122,025</u>
Co-op Development Reserve Fund		5,050		0
Scholarship Fund		10,662		14,050
Unrestricted Operating Fund - CHFT Charitable Fund		<u>(1,985)</u>		<u>(18,412)</u>
Total CHFT Charitable Fund Activity		<u>13,727</u>		<u>(4,362)</u>
		<u>81,924</u>		<u>117,663</u>

Co-operative Housing Federation of Toronto Inc.

December 31, 2022

Note 9 **Controlled Non-Profit Organizations**

CHFT Charitable Fund

The CHFT Charitable Fund is controlled by the Corporation by virtue of the right to appoint its directors. The Corporation provides services to the Fund for the attainment of the charity's objectives. An agreement has been established between both parties regarding the Here To Stay Fund. Both parties work together to assist members with arrears.

The Charitable Fund was incorporated under The Corporations Act as a Corporation without share capital. The Corporation is a charitable corporation within the meaning of the Income Tax Act. As a registered charity, it is exempt from income tax and may issue receipts for charitable donations. The purpose of the fund is to relieve poverty by assisting persons of low income to obtain affordable housing and other necessities. Other functions include carrying on educational programs in order to increase knowledge of the operation and management of social housing through research and the publication and distribution of books, papers, reports and periodicals.

Bathurst Quay Community Land Co-operative Inc.

Bathurst Quay Community Land Co-operative Inc. is controlled by the Corporation by virtue of the right to appoint the majority of its directors. Bathurst Quay Community Land Co-operative Inc. was incorporated under the Co-operative Corporations Act on September 9, 1994. The Corporation is incorporated without share capital to lease properties to other co-operative organizations that provide housing accommodation for persons of low or modest income.

The Corporation is exempt from income tax under section 149(1)(f) of the Income Tax Act as a corporation operating exclusively for social welfare. No portion of the Corporation's income is available for the personal benefit of any member.

Colandco Co-operative Homes Inc. and Colandco Co-operative Homes (South) Inc.

Colandco Co-operative Homes Inc. and Colandco Co-operative Homes (South) Inc. are both controlled by the Corporation by virtue of CHFT's significant economic interest. Colandco Co-operative Homes Inc. was incorporated under the Co-operative Corporations Act on December 19, 1986. Colandco Co-operative Homes (South) Inc. was incorporated under the Ontario Corporations Act on April 17, 1989. Both Corporations are incorporated without share capital to lease properties to other co-operative organizations that provide housing accommodation for persons of low or modest income.

Both Corporations are exempt from income tax under section 149(1)(f) of the Income Tax Act as corporations operating exclusively for social welfare. No portion of the Corporations' income is available for the personal benefit of any member.

Co-operative Housing Federation of Toronto Inc.

December 31, 2022

Note 10 Other Funds

Other fund balances held by the Corporation are comprised of the following:

	Scholarship Fund	Employee Separation Fund	Co-op Development Reserve Fund	Total
Revenues	\$ 187,966	\$ 0	\$ 5,050	\$ 193,016
Expenses				
Salary and benefits	30,000	0	0	30,000
Administrative costs	11,804	0	0	11,804
Scholarships	135,500	0	0	135,500
Total Expenses	<u>177,304</u>	<u>0</u>	<u>0</u>	<u>177,304</u>
Surplus, Note 8	10,662	0	5,050	15,712
Balance opening	330,966	121,502	0	452,468
	<u>341,628</u>	<u>121,502</u>	<u>5,050</u>	<u>468,180</u>

Note 11 Investment in Capital Assets

For the year ended December 31, 2022, \$16,945 (\$5,557 in 2021) was transferred from the Operating Fund in order to fund the purchase of capital assets.

Note 12 Transactions With Members

Over 80% of the Corporation's revenue has been derived from or on behalf of members of the Corporation.

Note 13 Commitment

The Corporation is committed under non-cancelable operating lease agreements for rental of office space, ending August 31, 2023. Subsequent to year-end, the Corporation renewed the lease until August 31, 2025. Future minimum payment requirements are as follows:

2023	\$ 54,278
2024	55,319
2025	36,879

Co-operative Housing Federation of Toronto Inc.

December 31, 2022

Note 14 Lease Properties

Properties owned and leased to housing co-operatives:

1. Arcadia Housing Co-operative Inc.
2. Atahualpa Co-operative Homes (1987) Incorporated
3. City Park Co-operative Apartments Inc.
4. Chord Housing Co-operative Incorporated
5. Consideration Housing Co-operative Inc.
6. Centre Green Co-operative Homes Inc.
7. Harbour Channel Housing Co-operative Inc.
8. Harbourside Co-operative Homes Inc.
9. Humberview Housing Co-operative Inc.
10. Lakeshore Village Artists' Co-operative Inc.
11. Northview Meadows Co-operative Homes Inc.
12. Orchard Grove Housing Co-operative Inc.
13. Robert Cooke Co-operative Homes Inc.
14. Upwood Park/Salvador Del Mundo Co-operative Homes Inc.
15. Ujamaa Co-operative Homes Inc.
16. Windward Co-operative Homes Inc.

The terms of all these leases are that substantially all of the risks and benefits of ownership are transferred to the lessee. Consequently, the Corporation does not carry the costs of these projects on its statement of financial position.

Note 15 Contractual Obligation

During the year, the Corporation entered into a contract with CMS Building Consultants & Engineers for a Riverdale Co-op redevelopment project in the amount of \$61,000 plus HST. \$8,750 plus HST have been reflected in these financial statements.

Note 16 Employee Future Benefits

The Corporation's employees are eligible to participate in the Co-operative Superannuation Society Pension Plan, a multi-employer pension plan. The pension plan provides the option of a fixed monthly defined benefit pension payment or a variable benefit payment, both based on the employees contribution level at retirement.

On April 1, 2021, the Corporation enrolled in the pension plan. The annual contribution by the Corporation to the plan is 10% of gross regular wages of employees enrolled in the plan. For the current year this amount was \$49,332 (2021 - \$19,157). As this is a multi-employer pension plan, these contributions are the Corporation's pension benefit expenses. No pension liability for this type of plan is included in the Corporation's financial statements.

Co-operative Housing Federation of Toronto Inc.

December 31, 2022

Note 16 Employee Future Benefits - continued

For the variable benefit payment pension plan option, there is no future liability for the Corporation as the plan is treated as a contribution pension plan. For the defined pension payment option 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 of the enrolled retired members. The actuary report is issued every three years. The most recent actuarial value of the plan was conducted at December 31, 2019. The results of this valuation disclosed total actuarial liabilities of \$664.661 million in respect of benefits accrued for service with actuarial assets at that date of \$707.080 million indicating an actuarial surplus of \$42.439 million. As the pension plan is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of the multiple organizations and their employees who are enrolled. As a result, the Corporation does not recognize any share of the pension plan's surplus or deficit.