

# **Consolidated Financial Statements**

**Co-operative Housing Federation of Toronto Inc.**

Toronto, Ontario

*December 31, 2024*

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## **Independent Auditors' Report**

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

### **Report on the Audit of the Consolidated Financial Statements**

#### **Qualified Opinion**

We have audited the consolidated financial statements of Co-operative Housing Federation of Toronto Inc., which comprise the consolidated statement of financial position as at December 31, 2024 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, 2024, 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, 2024 and December 31, 2023 and current assets and net assets as at December 31, 2024 and December 31, 2023. 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 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 Consolidated 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 Consolidated 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  
May 6, 2025



Chartered Professional Accountants, Licensed Public Accountants

**Co-operative Housing Federation of Toronto Inc.**

*December 31, 2024*

<b>Consolidated Statement of Financial Position</b>	2024	2023
		Note 19
<b>Current Assets</b>		
Cash, Note 4	\$ 507,513	\$ 854,958
Temporary investments, Note 4	97,627	57,459
Accounts receivable and recoverable costs, net of allowance \$19,215 (2023 - \$0)	299,415	277,237
Related parties, Note 17	440,012	158,384
Prepaid expenses	10,899	8,947
	1,355,466	1,356,985
<b>Capital Assets</b> , Note 6	31,481	51,331
<b>Restricted Funds</b> , Note 4	778,453	692,693
	2,165,400	2,101,009

**Approved by The Board**

Director: Namulinda Lester

Director: Kathy Bontje

**Co-operative Housing Federation of Toronto Inc.**

*December 31, 2024*

<b>Consolidated Statement of Financial Position</b>	2024	2023
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 308,129	\$ 296,705
Payroll liabilities	54,281	51,393
Payroll taxes	31,275	21,528
HST payable	46,427	27,657
Deferred revenue	159,494	222,378
<b>Total Liabilities</b>	<b>599,606</b>	<b>619,661</b>
<b>Net Assets</b> , per statement		
Capital asset fund, Note 7	31,481	51,331
Internally restricted funds, Note 7	760,380	692,693
Unrestricted operating fund	773,933	737,324
	1,565,794	1,481,348
	2,165,400	2,101,009

The notes on pages 12 through 28 form an integral part of these financial statements.

## Co-operative Housing Federation of Toronto Inc.

Year ended December 31, 2024

### Consolidated Statement of Operations and Fund Balances

	Internally Restricted			Unrestricted Operating Fund	Total 2024	Total 2023
	Capital Asset Fund	Co-operative Development Fund	Note 9			
			Other Funds			
<b>Revenues</b>						
Member dues	\$ 0	\$ 0	\$ 0	\$ 826,584	\$ 826,584	\$ 815,871
Revenue sharing with CHFC	0	0	0	56,324	56,324	47,901
Education and course fees	0	0	0	60,080	60,080	46,577
Publication sales	0	0	0	1,247	1,247	318
Consulting fees - member services	0	0	0	15,000	15,000	12,600
Consulting fees - development	0	199,212	0	0	199,212	135,236
Consulting fees - CHFT Development Society Inc., Note 17	0	174,681	0	0	174,681	0
Grants	0	0	0	4,370	4,370	3,720
CHIP and cost cutter marketing fees	0	0	0	426,499	426,499	452,722
Administrative service fees, Note 17	0	0	0	222,803	222,803	74,064
Investment income	0	10,549	0	36,128	46,677	30,188
Diversity scholarship donations	0	0	150,764	0	150,764	174,419
Other donations	0	0	50,876	18,786	69,662	35,119
Miscellaneous	0	0	0	32,500	32,500	19,603
<b>Total Revenues</b>	<b>0</b>	<b>384,442</b>	<b>201,640</b>	<b>1,700,321</b>	<b>2,286,403</b>	<b>1,848,338</b>
<b>Expenses</b>						
Salaries and benefits	0	41,391	71,827	1,229,907	1,343,125	1,249,902
Education program costs	0	0	9,850	55,357	65,207	21,887
Charitable Fund project costs	0	0	126,000	6,864	132,864	148,872
Amortization	22,067	0	0	0	22,067	22,067
Members services costs, per schedule	0	0	0	234,219	234,219	196,701
Administrative costs, per schedules	0	177,404	33,370	115,933	326,707	198,128
Bad debts	0	0	1,500	19,215	20,715	4,246
Development costs	0	57,053	0	0	57,053	53,382
<b>Total Expenses</b>	<b>22,067</b>	<b>275,848</b>	<b>242,547</b>	<b>1,661,495</b>	<b>2,201,957</b>	<b>1,895,185</b>
<b>Surplus (Deficit), Note 8</b>	<b>(22,067)</b>	<b>108,594</b>	<b>(40,907)</b>	<b>38,826</b>	<b>84,446</b>	<b>(46,847)</b>
Balance opening, January 1	51,331	221,802	470,891	737,324	1,481,348	1,528,195
Investment in capital assets, Note 10	2,217	0	0	(2,217)	0	0
<b>Balance Ending, December 31</b>	<b>31,481</b>	<b>330,396</b>	<b>429,984</b>	<b>773,933</b>	<b>1,565,794</b>	<b>1,481,348</b>

## Co-operative Housing Federation of Toronto Inc.

*Year ended December 31, 2024*

<b>Consolidated Schedule of Expenses</b>	2024	2023
		Note 19
<b>Schedule 1 - Members Services Costs</b>		
Communication and promotion	\$ 4,902	\$ 7,589
Hands-on services	46,843	38,417
Staff expenses	18,219	9,255
Awards night	15,784	20,898
Legal - members	16,724	19,295
Member meetings	11,392	2,344
Property management fees	14,500	0
Miscellaneous	1,461	1,643
Allocation of general office expenses	104,394	97,260
	234,219	196,701
 <b>Schedule 2 - Administrative Costs</b>		
Staff expenses	12,578	12,993
Audit	24,319	19,736
Director expenses	5,490	5,836
Bank and interest charges	1,814	1,013
Legal	6,856	0
Miscellaneous	20,136	11,327
Allocation of general office expenses	44,740	41,684
	115,933	92,589
 <b>Schedule 3 - Development Administrative Costs</b>		
Audit	1,900	1,400
Legal	0	(18,108)
Donated grants	160,996	100,200
Miscellaneous	13,008	13,733
Allocation of general office expenses	1,500	1,300
	177,404	98,525

**Co-operative Housing Federation of Toronto Inc.**

*Year ended December 31, 2024*

<b>Consolidated Schedule of Expenses - continued</b>	2024	2023
<b>Schedule 4 - General Office Expenses</b>		
Office rent, Note 12	\$ 56,292	\$ 52,952
Office cleaning and maintenance	9,930	9,734
Equipment maintenance	24,222	19,995
Office supplies	28,600	19,577
Telephone and internet connection	22,322	24,393
Postage and shipping	3,310	6,061
Insurance	5,294	5,737
Miscellaneous	664	1,795
	<hr/> 150,634	<hr/> 140,244
<b>Allocated as follows:</b>		
Member services	104,394	97,260
Administrative	44,740	41,684
Development administrative	1,500	1,300
	<hr/> 150,634	<hr/> 140,244

## Co-operative Housing Federation of Toronto Inc.

*Year ended December 31, 2024*

<b>Consolidated Statement of Cash Flows</b>	2024	2023
<b>Operating Activities</b>		
Surplus (deficit)	\$ 84,446	\$ (46,847)
Adjusted for changes not requiring a current cash payment		
Amortization	22,067	22,067
	<u>106,513</u>	<u>(24,780)</u>
Add (deduct) changes in non-cash working capital components		
Current receivables	(303,806)	(82,939)
Prepaid expenses	(1,952)	3,137
Current payables	42,829	74,305
Deferred revenue	<u>(62,884)</u>	<u>(32,873)</u>
<b><i>Cash Used In Operating Activities</i></b>	<u>(219,300)</u>	<u>(63,150)</u>
<b>Investing Activities</b>		
Decrease (increase) in investments	(125,928)	2,594
Purchase of capital assets	<u>(2,217)</u>	<u>(7,687)</u>
<b><i>Cash Used In Investing Activities</i></b>	<u>(128,145)</u>	<u>(5,093)</u>
Net cash decrease during the year	(347,445)	(68,243)
Cash position beginning of year	854,958	923,201
<b><i>Cash Position End of Year</i></b>	<u>507,513</u>	<u>854,958</u>

# Co-operative Housing Federation of Toronto Inc.

December 31, 2024

## Notes to Consolidated Financial Statements

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### 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).

#### Controlled Non-Profit Organizations

Controlled corporations that are economically dependant on the Corporation or are integrated and have complimentary objectives are consolidated. The following controlled corporations have been consolidated into these financial statements:

- Co-operative Housing Federation of Toronto Inc.
- CHFT Charitable Fund
- Bathurst Quay Community Land Co-operative Inc.

Controlled corporations that are economically independent and are able to support their own financial objectives are not consolidated. The following controlled corporations have not been consolidated into these financial statements:

- Colandco Co-operative Homes (South) Inc.
- Colandco Co-operative Homes Inc.
- Tenants Non-Profit Redevelopment Co-operative Inc.
- TNRC Community Properties Co-operative Inc.
- TNRC Co-operative Inc.
- Kennedy Green Non-Profit Co-operative Inc.

#### Capital Assets

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

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

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**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 18.

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.

**Impairment of Long-Lived Assets**

Long-lived assets subject to amortization are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

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**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 co-operative housing by providing technical assistance in the early stages of new co-operative development are reported in the Co-op 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, CHIP and cost cutter marketing fees are recognized in the period in which the related services 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.

**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 \$1,500 (\$1,300 - 2023) 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.

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**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, 2024:

**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 4.2% (2023, 4.1%). These investments have maturity dates between August 29, 2025 and February 28, 2026.

**Co-operative Housing Federation of Toronto Inc.**

*December 31, 2024*

**Note 4 Cash, Investments and Restricted Funds**

	2024	2023
<b>Cash</b>		
Petty cash	\$ 400	\$ 400
Current operating accounts	507,113	854,558
	507,513	854,958
<b>Temporary Investments</b>		
Term deposits	101,975	101,359
Credit union shares	350	335
Mutual funds	12	6,638
	102,337	108,332
<b>Long-Term Investments</b>		
Term deposits	773,743	641,820
	1,383,593	1,605,110
<b>Composed of:</b>		
Cash	507,513	854,958
Temporary investments	97,627	57,459
Amount required to fund reserve - restricted	778,453	692,693
	1,383,593	1,605,110

**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 2024	Net 2023
Furniture and fixtures	\$ 43,747	\$ (39,713)	\$ 4,034	\$ 5,378
Equipment	18,573	(11,131)	7,442	11,092
Computers	33,859	(25,121)	8,738	12,327
Leasehold improvements	60,537	(49,270)	11,267	22,534
	156,716	(125,235)	31,481	51,331

## Co-operative Housing Federation of Toronto Inc.

December 31, 2024

### 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, 2024	\$    302,927
Less commitments for:	
2025	(143,000)
2026	(116,000)
2027	(58,000)
2028	(4,000)
	(321,000)
Remaining over committed funds	(18,073)

### Note 8      **Supplementary Surplus Information**

	2024	2023
Capital Asset Fund	\$    (22,067)	\$    (22,067)
Co-operative Development Fund	108,594	(62,764)
Employee Separation Fund	0	0
Unrestricted Operating Fund - CHFT	40,335	20,785
Total CHFT Fund Activity	126,862	(64,046)
Co-op Development Reserve Fund	(801)	1,306
Scholarship Fund	(40,106)	1,405
Unrestricted Operating Fund - CHFT Charitable Fund	(1,509)	14,488
Total CHFT Charitable Fund Activity	(42,416)	17,199
	84,446	(46,847)

## Co-operative Housing Federation of Toronto Inc.

December 31, 2024

### Note 9 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
<b>Revenues</b>	\$ 150,764	\$ 0	\$ 50,876	\$ 201,640
<b>Expenses</b>				
Education program costs	0	0	9,850	9,850
Salaries and benefits	30,000	0	41,827	71,827
Administrative costs	33,370	0	0	33,370
Bad debts	1,500	0	0	1,500
Scholarships	126,000	0	0	126,000
<b>Total Expenses</b>	190,870	0	51,677	242,547
<b>Surplus (deficit),</b> Note 8	(40,106)	0	(801)	(40,907)
Balance opening	343,033	121,502	6,356	470,891
	302,927	121,502	5,555	429,984

### Note 10 Investment in Capital Assets

For the year ended December 31, 2024, \$2,217 (\$7,687 in 2023) was transferred from the Operating Fund in order to fund the purchase of capital assets.

### Note 11 Transactions With Members

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

### Note 12 Commitment

The Corporation is committed under non-cancelable operating lease agreements for rental of office space ending August 31, 2025. Future minimum payment requirements are as follows:

2025	\$ 37,469
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### Note 13 Contractual Obligation

During the year, the Corporation entered into a contract with CMS Building Consultants & Engineers for the Riverdale Co-operative redevelopment project in the amount of \$61,000 plus HST. \$50,500 plus HST has been reflected in these financial statements.

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**Note 14 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 \$58,654 (2023 - \$51,384). 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.

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, 2022. The results of this valuation disclosed total actuarial liabilities of \$562.684 million in respect of benefits accrued for service with actuarial assets at that date of \$598.775 million indicating an actuarial surplus of \$36.091 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.

**Note 15 Controlled Non-Profit Organizations**

**Consolidated Corporations**

Controlled corporations that are economically dependant on the Corporation or are integrated and have complimentary objectives are consolidated. The following controlled Corporations have been consolidated into these financial statements:

**CHFT Charitable Fund**

The CHFT Charitable Fund is controlled by the Corporation by virtue of the right to pre-approve 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.

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**Note 15      Controlled Non-Profit Organizations - continued**

The Charitable Fund was incorporated under The Corporations Act on January 28, 1997 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 Charitable Fund is to relieve poverty by assisting persons of low income to obtain affordable housing and other necessities. Other functions include disbursing scholarship grants and 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 pre-approve the majority of its directors and its economic dependence on funding its operating costs. 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)(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.

**Non Consolidated Corporations**

Controlled Corporations that are economically independent and are able to support their own financial objectives are not consolidated. The following controlled Corporations have not been consolidated into these financial statements:

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

Colandco Co-operative Homes (South) Inc. is controlled by the Corporation by virtue of the right to pre-approve its directors. Colandco Co-operative Homes (South) Inc. was incorporated under the Co-operative Corporations Act on April 17, 1989 and was incorporated without share capital to lease properties to other co-operative organizations that provide housing accommodation for persons of low or modest income.

Colandco Co-operative Homes (South) Inc. is exempt from income tax under section 149(1)(l) of the Income Tax Act as the Corporation operates exclusively for social welfare. No portion of the Corporation's income is available for the personal benefit of any member.

**Co-operative Housing Federation of Toronto Inc.**

*December 31, 2024*

**Note 15      Controlled Non-Profit Organizations - continued**

Colandco Co-operative Homes (South) Inc. financial statements are summarized below:

	2024	2023
<b>Financial Position</b>		
Assets	\$ 3,359,219	\$ 761,132
Liabilities	683,922	140,899
Net assets	2,675,297	620,233
	3,359,219	761,132
<b>Results of Operations</b>		
Lease rent	2,988,700	988,000
Forgiven rent	(688,921)	(228,000)
Other revenue	30,326	1,776
Expenses	(275,041)	(141,543)
<b>Surplus</b>	2,055,064	620,233
<b>Cash Flows</b>		
Cash provided by operating activities	2,090,125	761,132
Cash used in investing activities	(1,224,074)	0
<b>Increase in cash</b>	866,051	761,132

On September 1, 2023, a monthly lease payment began.

**Colandco Co-operative Homes Inc.**

Colandco Co-operative Homes Inc. is controlled by the Corporation by the virtue of the right to pre-approve its directors. Colandco Co-operative Homes Inc. was incorporated under the Co-operative Corporations Act on December 19, 1986. 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.

Colandco Co-operative Homes Inc. is exempt 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.

**Co-operative Housing Federation of Toronto Inc.**

*December 31, 2024*

**Note 15      Controlled Non-Profit Organizations - continued**

Colandco Co-operative Homes Inc. financial statements are summarized below:

	2024	2023
<b>Financial Position</b>		
Assets	\$ 35,833	\$ 0
Liabilities	22,130	0
Net assets	13,703	0
	35,833	0
<b>Results of Operations</b>		
Lease rent	35,833	0
Expenses	(22,130)	0
<b>Surplus</b>	13,703	0
<b>Cash Flows</b>		
Cash provided by operating activities	0	0
<b>Increase in cash</b>	0	0

On December 1, 2024, a monthly lease payment began.

**Tenants Non-Profit Redevelopment Co-operative Inc., TNRC Co-operative Inc. and TNRC Community Properties Co-operative Inc.**

Tenants Non-Profit Redevelopment Co-operative Inc., TNRC Co-operative Inc. and TNRC Community Properties Co-operative Inc. are controlled by CHFT by virtue of the right to pre-approve its directors.

Tenants Non-Profit Redevelopment Co-operative Inc., TNRC Co-operative Inc. and TNRC Community Properties Co-operative Inc. are each incorporated under the Co-operative Corporations Act as a corporation without share capital to develop properties that provide housing accommodation for persons of low or modest income.

Tenants Non-Profit Redevelopment Co-operative Inc., TNRC Co-operative Inc. and TNRC Community Properties Co-operative Inc. each claim an exemption from income tax under section 149(1)(l) of the Income Tax Act as corporations operating exclusively for social welfare. No portion of Tenants Non-Profit Redevelopment Co-operative Inc., TNRC Co-operative Inc. and TNRC Community Properties Co-operative Inc. income is available for the personal benefit of any member.

Tenants Non-Profit Redevelopment Co-operative Inc. consolidates the activity of TNRC Co-operative Inc. and TNRC Community Properties Co-operative Inc.

## Co-operative Housing Federation of Toronto Inc.

December 31, 2024

**Note 15      Controlled Non-Profit Organizations - continued**

Tenants Non-Profit Redevelopment Co-operative Inc.'s consolidated financial statements are summarized below:

	2024	2023
<b>Financial Position</b>		
Assets	\$ 875,906	\$ 916,739
Liabilities	683,740	714,837
Net assets	192,166	201,902
	875,906	916,739
<b>Results of Operations</b>		
Revenues	38,693	35,411
Expenses	(48,429)	(23,156)
<b>Surplus (deficit)</b>	(9,736)	12,255
<b>Cash Flows</b>		
Cash provided by (used in) operating activities	(43,050)	34,566
Cash provided by (used in) investing activities	178,249	(34,798)
<b>Increase (decrease) in cash</b>	135,199	(232)

**Kennedy Green Non-Profit Co-operative Inc.**

Kennedy Green Non-Profit Co-operative Inc. is controlled by the Corporation by the virtue of the right to pre-approve its directors. Kennedy Green Non-Profit Co-operative Inc. was incorporated under the Co-operative Corporations Act on March 18, 2024. The Corporation is incorporated without share capital to arrange for housing accommodation for persons of low or modest income and ensure that non-profit housing projects continue to be available to present and future members.

Kennedy Green Non-Profit Co-operative Inc. is exempt 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.

**Co-operative Housing Federation of Toronto Inc.**

*December 31, 2024*

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**Note 15      Controlled Non-Profit Organizations - continued**

Kennedy Green Non-Profit Co-operative Inc.'s financial statements are summarized below:

	2024	2023
<b>Financial Position</b>		
Assets	\$ 8,425,989	\$ 0
Liabilities	8,482,650	0
Net assets	(56,661)	0
	8,425,989	0
<b>Results of Operations</b>		
Expenses	56,661	0
<b>Surplus (deficit)</b>	56,661	0
<b>Cash Flows</b>		
Cash provided by operating activities	0	0
<b>Increase in cash</b>	0	0

**Note 16      Significantly Influenced Organization**

CHFT Development Society Inc. is significantly influenced by the Corporation, as it has advanced funds and has common management with the organization.

CHFT Development Society Inc. was incorporated under the Not-for-Profit Corporations Act on August 19, 2022 and was incorporated without share capital to advise and serve residential communities in the development, construction and operation of housing for persons of low or modest incomes.

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.

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**Note 17**      **Related Party Transactions**

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

Colandco Co-operative Homes (South) Inc. is related to the Corporation because it controls the ability to pre-approve the Organization's Board of Directors.

During the year, the Corporation provided management services in the amount of \$212,803 (\$64,064 in 2023). Management services have been recorded at the exchange value.

Amounts due to the Corporation at year-end total \$219,589 (\$90,500 in 2023). The amounts have no terms of repayment and are non-interest bearing.

**Colandco Co-operative Homes Inc.**

Colandco Co-operative Homes Inc. is related to the Corporation because it controls the ability to pre-approve the Organization's Board of Directors.

Amounts due to the Corporation at year-end total \$4,600 (\$0 in 2023). The amounts have no terms of repayment and are non-interest bearing.

**Tenants Non-Profit Redevelopment Co-operative Inc.**

Tenants Non-Profit Redevelopment Co-operative Inc. is related to the Corporation because it controls the ability to pre-approve the Organization's Board of Directors.

During the year, the Corporation provided management services in the amount of \$10,000 (\$10,000 in 2023). Management services have been recorded at the exchange value.

Amounts due to the Corporation at year-end total \$9,460 (\$67,884 in 2023). The amounts have no terms of repayment and are non-interest bearing.

**CHFT Development Society Inc.**

CHFT Development Society Inc. is related to the Corporation through the ability to significantly influence the Organization. The Corporation has advanced funds and has common management with CHFT Development Society Inc.

During the year, the Corporation provided a grant in the amount of \$160,000 (\$100,000 in 2023). In addition, CHFT Development Society Inc. also paid administration fees in the amount of \$174,681 (\$0 in 2023). These transactions have been recorded at the exchange value.

Amounts due to the Corporation at year-end total \$198,862 (\$0 in 2023). The amounts have no terms of repayment and are non-interest bearing.

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**Note 17      Related Party Transactions - continued**

**Kennedy Green Non-Profit Co-operative Inc.**

Kennedy Green Non-Profit Co-operative Inc. is related to the Corporation because it controls the ability to pre-approve the Organization's Board of Directors.

Amounts due to the Corporation at year-end total \$7,501 (\$0 in 2023). The amounts have no terms of repayment and are non-interest bearing.

**Note 18      Leased Properties**

Properties owned and leased to housing co-operatives:

**Bathurst Quay Community Land Co-operative Inc.**

- Arcadia Housing Co-operative Inc.
- Harbourside Co-operative Homes Inc.
- Windward Co-operative Homes Inc.
- Colandco Co-operative Homes Inc. (re Harbour Channel)

**Tenants Non-Profit Redevelopment Co-operative Inc.**

- 55 Howard Park Housing Co-operative Inc.
- Clintwood Non-Profit Housing Co-operative Inc.
- Forestwood Co-operative Homes Inc.
- Spencer Avenue Co-operative Homes Inc.
- 2 Mascot Place Co-operative Homes Inc.
- Woburn Housing Co-operative Inc.
- 15 Thorncliffe Park Co-operative Inc.

**TNRC Community Properties Co-operative Inc.**

- Taylor Creek Co-operative Homes Inc.
- Willow Glen Co-operative Inc.
- Halam Park Co-operative Homes Inc.
- Ernescliffe Non-Profit Housing Co-operative Inc.
- Forty Third Housing Co-operative Inc.
- Liberty Housing Co-operative Inc.
- Broadview Housing Co-operative Inc.

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**Note 18**      **Leased Properties - continued**

**TNRC Co-operative Inc.**

- Bellamy Housing Co-operative 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.

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

- City Park Co-operative Apartments Inc.

In the past, the term of the lease transferred substantially all of the risks and benefits of ownership to the lessee. Consequently, the Corporation does not carry the costs of these projects on its statement of financial position. As of September 1, 2023 a monthly lease payment began.

**Colandco Co-operative Homes Inc.**

- Atahualpa Co-operative Homes (1987) Incorporated
- Chord Housing Co-operative Incorporated
- Consideration Housing Co-operative Inc.
- Centre Green Co-operative Homes Inc.
- Harbour Channel Housing Co-operative Inc.
- Humberview Housing Co-operative Inc.
- Lakeshore Village Artists' Co-operative Inc.
- Northview Meadows Co-operative Homes Inc.
- Orchard Grove Housing Co-operative Inc.
- Robert Cooke Co-operative Homes Inc.
- Upwood Park/Salvador Del Mundo Co-operative Homes Inc.
- Ujamaa Co-operative Homes Inc.

In the past, the term of the lease transferred substantially all of the risks and benefits of ownership to the lessee. Consequently, the Corporation does not carry the costs of these projects on its statement of financial position. As of December 1, 2024 a monthly lease payment began with Harbour Channel Housing Co-operative Inc.

**Note 19**      **Classification**

The prior year figures have been reclassified, where necessary, to conform to the current year's presentation. Deficit for the previous year is not affected by this reclassification.