

PLANNED PARENTHOOD TORONTO

FINANCIAL STATEMENTS

MARCH 31, 2024

HILBORN  **LLP**

Independent Auditor's Report

To the Board of Directors of Planned Parenthood Toronto

Qualified Opinion

We have audited the financial statements of Planned Parenthood Toronto (the "Organization"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenues from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether, as at and for the year ended March 31, 2024, any adjustments might be necessary to revenues, excess of revenues over expenses reported in the statement of operations, and assets and net assets reported in the statement of financial position.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Matter

The financial statements for the year ended March 31, 2023 were audited by another auditor who expressed a qualified opinion on those financial statements on June 12, 2023 on the basis as described in the Basis for Qualified Opinion paragraph.

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 ability of the Organization 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 financial reporting process of the Organization.

Independent Auditor's Report (continued)

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 the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Organization.
- 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 ability of the Organization 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Toronto, Ontario
June 28, 2024

Chartered Professional Accountants
Licensed Public Accountants

PLANNED PARENTHOOD TORONTO

Statement of Financial Position

March 31

	General Fund \$	Capital Fund \$	Health Services Fund \$	2024 Total \$	2023 Total \$
ASSETS					
Current assets					
Cash	184,422	-	-	184,422	151,497
Short-term investments (note 3)	350,000	-	-	350,000	500,000
Accounts receivables	559,785	-	-	559,785	352,397
HST rebate receivable	73,106	-	-	73,106	75,584
Inventory	18,018	-	-	18,018	26,292
Prepaid expenses	23,168	-	-	23,168	108,488
	1,208,499	-	-	1,208,499	1,214,258
Tangible capital assets (note 4)	-	772,111	-	772,111	692,475
	1,208,499	772,111	-	1,980,610	1,906,733
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities (note 5)	446,203	-	-	446,203	192,130
Deferred contributions (note 6)	100,957	-	-	100,957	160,238
	547,160	-	-	547,160	352,368
FUND BALANCES					
General fund					
Unrestricted	292,300	-	-	292,300	423,158
Internally restricted (note 7)	369,039	-	-	369,039	369,039
Capital fund	-	772,111	-	772,111	762,168
	661,339	772,111	-	1,433,450	1,554,365
	1,208,499	772,111	-	1,980,610	1,906,733

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board:

Director

Director

PLANNED PARENTHOOD TORONTO

Statement of Operations

Year ended March 31

	2024				2023			
	General Fund	Capital Fund	Health Services Fund	Total	General Fund	Capital Fund	Health Services Fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Ontario Health - base (note 8)	-	65,603	3,474,795	3,540,398	-	141,402	3,414,641	3,556,043
City of Toronto - Toronto Public Health	117,708	-	-	117,708	122,517	-	-	122,517
United Way of Greater Toronto	230,289	-	-	230,289	230,289	-	-	230,289
Project revenue								
Recovery of administration overhead	-	-	63,768	63,768	-	-	66,744	66,744
SVC Grant	-	-	-	-	17,394	-	-	17,394
Other	46,074	-	-	46,074	86,111	-	-	86,111
Donations and Fundraising								
Individuals and corporations	184,515	-	-	184,515	141,832	-	-	141,832
Foundations	183,213	-	-	183,213	143,163	-	-	143,163
United Way - Donor Choice	5,103	-	-	5,103	4,804	-	-	4,804
Productive enterprise								
Contraceptive sales	76,049	-	-	76,049	77,917	-	-	77,917
Workshops and training	-	-	-	-	913	-	-	913
Other income	-	-	-	-	2	-	-	2
Interest income	30,694	-	-	30,694	5,623	-	-	5,623
	873,645	65,603	3,538,563	4,477,811	830,565	141,402	3,481,385	4,453,352
Expenses								
Salaries and benefits	670,533	-	2,670,926	3,341,459	638,444	-	2,577,129	3,215,573
Building	-	-	129,054	129,054	76	-	77,943	78,019
Purchased and contractual services	165,139	-	222,290	387,429	38,851	-	290,358	329,209
Operating	34,554	-	132,445	166,999	2,736	-	143,957	146,693
Administrative	15,477	-	21,740	37,217	8,455	-	52,405	60,860
Cost of resale contraceptives	76,686	-	18,120	94,806	83,812	-	-	83,812
Fundraising	3,578	-	325	3,903	19,322	-	-	19,322
Programming	38,536	-	42,000	80,536	130,887	-	54,978	185,865
Non-insured	-	-	301,663	301,663	-	-	270,361	270,361
Amortization	-	55,660	-	55,660	-	96,793	-	96,793
	1,004,503	55,660	3,538,563	4,598,726	922,583	96,793	3,467,131	4,486,507
Excess (deficiency) of revenues over expenses for the year before the following:	(130,858)	9,943	-	(120,915)	(92,018)	44,609	14,254	(33,155)
Amount refundable to Ontario Health (note 5)	-	-	-	-	-	-	(14,254)	(14,254)
Excess (deficiency) of revenues over expenses for the year	(130,858)	9,943	-	(120,915)	(92,018)	44,609	-	(47,409)

The accompanying notes are an integral part of these financial statements

PLANNED PARENTHOOD TORONTO

Statement of Changes in Net Assets

Year ended March 31

				2024
	General Fund	Capital Fund	Health Services Fund	Total
	\$	\$	\$	\$
Balance, beginning of year	792,197	762,168	-	1,554,365
Excess (deficiency) of revenues over expenses for the year	(130,858)	9,943	-	(120,915)
Balance, end of year	661,339	772,111	-	1,433,450

				2023
	General Fund	Capital Fund	Health Services Fund	Total
	\$	\$	\$	\$
Balance, beginning of year	884,215	717,559	-	1,601,774
Excess (deficiency) of revenues over expenses for the year	(92,018)	44,609	-	(47,409)
Balance, end of year	792,197	762,168	-	1,554,365

The accompanying notes are an integral part of these financial statements

PLANNED PARENTHOOD TORONTO

Statement of Cash Flows

Year ended March 31	2024 \$	2023 \$
Cash flows from operating activities		
Excess (deficiency) of revenues over expenses for the year	(120,915)	(47,409)
Adjustments for non-cash items		
Amortization	55,660	96,793
	(65,255)	49,384
Change in non-cash working capital items		
Increase in accounts receivable	(207,388)	(183,633)
Decrease (increase) in HST rebate receivable	2,478	(15,489)
Decrease in inventory	8,274	7,855
Decrease (increase) in prepaid expenses	85,320	(68,601)
Increase (decrease) in accounts payable and accrued liabilities	254,073	(152,029)
Increase (decrease) in deferred contributions	(59,281)	96,495
	18,221	(266,018)
Cash flows from investing activities		
Purchase of tangible capital assets	(135,296)	(71,709)
Proceeds on sale of investments	500,000	1,182,500
Purchase of investments	(350,000)	(1,030,624)
	14,704	80,167
Net change in cash	32,925	(185,851)
Cash, beginning of year	151,497	337,348
Cash, end of year	184,422	151,497

The accompanying notes are an integral part of these financial statements

PLANNED PARENTHOOD TORONTO

Notes to Financial Statements

March 31, 2024

Nature and description of the organization

Planned Parenthood Toronto (the "Organization") is incorporated under the laws of Ontario as a non-profit corporation without share capital. The Organization is also a registered charity.

The Organization is a fully accredited community health centre that provides primary and sexual health care services to youth between the ages of 13 and 29. The Organization offers health promotion programming, education, training and research to improve the health and well-being of Toronto's diverse communities.

1. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Fund accounting

The Organization uses fund accounting, whereby a separate set of accounts is maintained for each fund based on its specific purpose as follows:

General Fund

The General Fund reports general programs and operating activities including grants, donations, fundraising, product sales and investment income activities.

Health Services Fund

The Health Services Fund is an externally restricted fund and accounts for all contributions and expenses towards the operation of a community health centre. All unexpended funds are repayable to Ontario Health as outlined in note 5.

Capital Fund

The Capital Fund reports the assets and expenditures related to the Organization's tangible capital assets. Included in the Capital Fund is \$461,703 (2023 - \$500,720) of funding for capital assets not covered by Ontario Health.

(b) Revenue recognition

The Organization follows the restricted fund method of accounting for contributions which include grants, project revenues, donations and fundraising. Contributions received for restricted purposes are recognized as revenue of the appropriate restricted fund at the time the contributions are received.

Restricted contributions accounted for in the General Fund are deferred and recognized as the expenses are incurred.

Unrestricted contributions are recognized as revenue of the General Fund when received or, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Other revenue included in the General Fund includes revenue from contraceptive sales, which is recognized when the goods are delivered and the funds are collected or collectible, and interest income, which is recognized as earned.

Notes to Financial Statements (continued)

March 31, 2024

1. Significant accounting policies (continued)

(c) Financial instruments

Measurement of financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Transaction costs of those financial assets and financial liabilities subsequently measured at fair value are recognized in income in the year incurred.

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

Amortized cost is the amount at which a financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between the initial amount and the maturity amount, and minus any reduction for impairment.

Financial assets measured at amortized cost include cash, short-term investment and accounts receivables.

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

Impairment

At the end of each year, the Organization assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that comes to the attention of the Organization, including but not limited to the following events: significant financial difficulty of the issuer; a breach of contract, such as a default or delinquency in interest or principal payments; and bankruptcy or other financial reorganization proceedings.

When there is an indication of impairment, the Organization determines whether a significant adverse change has occurred during the year in the expected timing or amount of future cash flows from the financial asset.

When the Organization identifies a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it reduces the carrying amount of the financial asset to the greater of the following:

- the present value of the cash flows expected to be generated by holding the financial asset discounted using a current market rate of interest appropriate to the financial asset; and
- the amount that could be realized by selling the financial asset at the statement of financial position date.

Any impairment of the financial asset is recognized in income in the year in which the impairment occurs.

PLANNED PARENTHOOD TORONTO

Notes to Financial Statements (continued)

March 31, 2024

1. Significant accounting policies (continued)

(c) Financial instruments (continued)

Impairment (continued)

When the extent of impairment of a previously written-down financial asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent of the improvement, but not in excess of the impairment loss. The amount of the reversal is recognized in income in the year the reversal occurs.

(d) Ontario Health - Financial Support

Ontario Health provides financial support to the Organization under the terms and conditions of the Multi-Sector Service Accountability Agreement ("MSAA") for the period from April 1, 2023 to March 31, 2024. These financial statements reflect approved funding arrangements under the MSAA, together with estimated adjustments, if any, on year end settlement.

(e) Short-term investments

Short-term investments consist of guaranteed investment certificates with maturity date no more than twelve months from the date of acquisition.

(f) Inventory

Inventory is recorded at the lower of cost and net realizable value with cost determined on a first in and first out basis.

(g) Tangible capital assets

The costs of tangible capital assets are capitalized upon meeting the criteria for recognition as a capital asset; otherwise, costs are expensed as incurred. The cost of a tangible capital asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

Tangible capital assets are measured at cost less accumulated amortization and accumulated impairment losses.

Amortization is provided for using the straight-line method, upon commencement of the utilization of the assets, at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Building	- 25 years
Computer equipment	- 3 years
Furniture and equipment	- 5 years

The above rates are reviewed annually to assess ongoing appropriateness. Any changes are adjusted on a prospective basis. If there is an indication that the assets may be impaired, an impairment test is performed that compares carrying amount to net recoverable amount. There were no impairment indicators in 2024 or 2023.

PLANNED PARENTHOOD TORONTO

Notes to Financial Statements (continued)

March 31, 2024

1. Significant accounting policies (continued)

(h) Contributed goods and services

Volunteers contribute significant amount of time to assist the Organization in carrying out its service delivery activities. The Organization also, from time to time, receives donations of goods. Because of the difficulty in determining their fair value, contributed goods and services are not recognized in the financial statements.

(i) Employee benefits plan

Eligible employees of the Organization can elect to be members of the Healthcare of Ontario Pension Plan ("HOOPP"), which is a multi-employer defined benefit pension plan.

In accordance with CPA Handbook section 3642, the multi-employer defined benefit plan is accounted for using defined contribution plan accounting due to sufficient information not available to use defined benefit plan accounting.

The Organization's policy is to expense the contributions in the year in which the contributions are made to HOOPP.

(j) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current year. Actual results may differ from these estimates, the impact of which would be recorded in future years.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

2. Financial instrument risk management

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations.

The financial instruments of the Organization and the nature of the risks to which those instruments may be subject, are as follows:

Financial instrument	Risks				
	Credit	Liquidity	Market risk		
			Currency	Interest rate	Other price
Cash	X				
Short-term investments	X			X	
Accounts receivable	X				
Accounts payable and accrued liabilities		X			

PLANNED PARENTHOOD TORONTO

Notes to Financial Statements (continued)

March 31, 2024

2. Financial instrument risk management (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum exposure of the Organization to credit risk is as follows:

	2024 \$	2023 \$
Cash	184,422	151,497
Short-term investments	350,000	500,000
Accounts receivables	559,785	352,397
	<u>1,094,207</u>	<u>1,003,894</u>

The Organization reduces its exposure to the credit risk of cash and short-term investments by maintaining its accounts with a reputable Canadian financial institution.

The Organization is not exposed to significant credit risk in respect of accounts receivables as accounts receivables include \$356,800 (\$227,063 - 2023) from Ontario Health.

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 of its accounts payable and accrued liabilities and commitments. The Organization expects to meet these obligations as they come due from the operating grants it receives from Ontario Health and other funders.

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 is comprised of currency risk, interest rate risk and other price risk.

i) Currency risk

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in foreign exchange rates. The Organization is not exposed to currency risk.

ii) Interest rate risk

Interest rate risk is the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The Organization is exposed to interest rate risk in respect of its short-term investments. Details of short-term investments are disclosed in note 3. The Organization holds cash in bank accounts which are interest-bearing. The Organization is not exposed to significant interest rate risk with respect to its cash.

PLANNED PARENTHOOD TORONTO

Notes to Financial Statements (continued)

March 31, 2024

2. Financial instrument risk management (continued)

Market risk (continued)

iii) Other price risk

Other price risk is the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar financial instruments traded in the market. The Organization is not exposed to other price risk.

Changes in risk

There have been no significant changes in the risk profile of the financial instruments of the Organization from that of the prior year.

3. Short-term investment

	2024 \$	2023 \$
Redeemable GIC - interest at prime - 2.25%, due August 2024	350,000	-
Redeemable GIC - interest at prime - 0.5%, due August 2023	-	350,000
Redeemable GIC - interest at prime - 0.5%, due March 2024	-	150,000
	<u>350,000</u>	<u>500,000</u>

4. Tangible capital assets

	2024		
	Cost \$	Accumulated Amortization \$	Net Book Value \$
Land	184,220	-	184,220
Building	835,291	318,600	516,691
Computer equipment	468,019	423,624	44,395
Furniture and equipment	93,552	66,747	26,805
	<u>1,581,082</u>	<u>808,971</u>	<u>772,111</u>
	2023		
	Cost \$	Accumulated Amortization \$	Net Book Value \$
Land	184,220	-	184,220
Building	765,598	292,329	473,269
Computer equipment	429,221	394,235	34,986
Furniture and equipment	66,747	66,747	-
	<u>1,445,786</u>	<u>753,311</u>	<u>692,475</u>

PLANNED PARENTHOOD TORONTO

Notes to Financial Statements (continued)

March 31, 2024

5. Due to Ontario Health

Amount due to Ontario Health is due on demand and represents the unspent portion of operating grants received from Ontario Health to support the operations of the community health centre. Funds held as cash and short-term investments required to meet this obligation are not available for current operations and the interest earned on these funds is credited to Ontario Health.

The balance due is included in accounts payable and accrued liabilities and comprised as follows:

	2024 \$	2023 \$
Approved funding	\$ 3,415,875	\$3,556,042
Recovery of administrative overhead	63,768	66,744
	3,479,643	3,622,786
Less: capital assets funding	65,603	141,401
Total funding for operations	3,414,040	3,481,385
Less: expenses eligible for funding	3,551,293	3,467,131
Excess (deficiency) of funding over expenses for the year	(137,253)	14,254
Add: non-insured reimbursements	137,253	-
Total amount refundable to Ontario Health	-	14,254
Amount refundable (recoverable) - at beginning of year	(12,730)	50,987
Amount recovered (repaid) during year	-	(77,971)
Adjustment	12,730	-
Amount refundable (receivable) - at end of year	-	(12,730)

6. Deferred contributions

Deferred contributions represents funds received for specified expenditures which will be expended in subsequent periods. Revenue is recognized in the period in which the related expenses are incurred. Details of deferred contributions are as follows:

	2024 \$	2023 \$
Balance - at beginning of year	160,238	63,743
Add: contributions received	169,807	206,744
Less: amounts recognized as revenue	(229,088)	(110,249)
Balance - at end of year	100,957	160,238

PLANNED PARENTHOOD TORONTO

Notes to Financial Statements (continued)

March 31, 2024

7. General Fund - internally restricted

The internally restricted balance included in the General Fund is comprised of the following reserves restricted by the Board of Directors:

	2024 \$	2023 \$
Program continuity reserve (i)	200,000	200,000
Project reserve (ii)	60,000	60,000
Compassionate reserve (iii)	57,371	57,371
Tech development reserve (iv)	35,000	35,000
Training centre reserve (v)	16,668	16,668
	<u>369,039</u>	<u>369,039</u>

- (i) The program continuity reserve was established to provide an operating reserve for non-Ontario Health funded programs of approximately two months of operating costs.
- (ii) The projects reserve was established for future projects and/or new project expenses.
- (iii) The compassionate reserve was established to support contraceptive access for youth who are not otherwise able to afford them.
- (iv) The tech development reserve was established to support development of innovative technological solutions in carrying out the Organization's mission.
- (v) The training centre reserve was established to provide continued support training for service providers, youth and the Organization's volunteers to enhance their knowledge on sexual reproductive health, anti-homophobia education, build leadership skills and learn how to work effectively with youth populations.

8. Ontario Health funding

The details of the revenue from Ontario Health are as follows:

	2024 \$	2023 \$
Approved funding	3,415,875	3,556,042
Other income	137,253	-
Less: Capital assets funding	(65,603)	(141,401)
Less: Adjustment	(12,730)	-
	<u>3,474,795</u>	<u>3,414,641</u>

PLANNED PARENTHOOD TORONTO

Notes to Financial Statements (continued)

March 31, 2024

9. Employee pension plan

Substantially all employees are eligible to be members of the Healthcare of Ontario Pension Plan (the "Plan", or "HOOP"), which is a multi-employer defined benefit pension plan. Plan members will receive benefits based on the length of service and on the average of annualized earnings during the five consecutive years prior to retirement, termination or death that provides the highest earnings.

The most recent actuarial evaluation of the Plan was conducted on December 31, 2023. As at December 31, 2023, the Plan is in a surplus position with net assets available for benefits of \$112,635 million and pension obligations of \$102,454 million.

Contributions to the Plan made during the year by the Organization on behalf of participating employees amounted to \$213,576 (2023 - \$213,571) and are included in salaries and benefits on the statement of operations.

10. Economic dependence

The majority of Organization's revenue is from Ontario Health. In 2024, approximately 79% (2023 - 80%) of all funding was contributed by Ontario Health.

11. Credit facilities

The Organization has a demand operating facility agreement with its bank up to \$150,000 for general operating purposes. It can be utilized when cash generated from operations is not sufficient to cover operating and capital expenditures. Advances under this credit facility bear interest at the bank's prime lending rate plus 2.18% per annum, with interest payable monthly, and is secured by a general security agreement over its assets. No amount has been drawn on the demand operating facility as at March 31, 2024 (2023 - \$NIL). Additionally, the Organization has a credit card available to a limit of \$30,000 at prevailing account rates.

12. Commitments

The Organization has entered into an IT service agreement effective from January 2024 for a three-year term. The future annual payments are as follows:

	\$
2025	68,740
2026	51,240
2027	38,430
	<u>158,410</u>

