

Financial Statements

Homeward Family Shelter

Scarborough, Ontario

March 31, 2024

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Independent Auditors' Report

**To the Members of Homeward Family Shelter and
to the Ministry of Children, Community and Social Services (MCCSS):**

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Homeward Family Shelter, which comprise the statement of financial position as at March 31, 2024 and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, 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 Homeward Family Shelter as at March 31, 2024, and its results of operations and cash flows for the year then ended in accordance with the financial reporting requirements of the Ministry of Children, Community and Social Services (MCCSS).

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, our verification of these revenues was limited to the amounts recorded in the records of the Corporation and we are not able to determine whether any adjustments might be necessary to revenues, surplus and cash flows from operations for the years ended March 31, 2024 and March 31, 2023, and current assets and net assets as at March 31, 2024 and March 31, 2023. Our audit opinion on the financial statements for the year ended March 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 Homeward Family Shelter 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.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist Homeward Family Shelter to meet the financial reporting requirements of MCCSS. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for members of Homeward Family Shelter and MCCSS and should not be distributed to parties other than the members of Homeward Family Shelter and MCCSS. Our opinion is not modified in respect of this matter.

Independent Auditors' Report - continued

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 the financial reporting requirements of MCCSS, 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 Homeward Family Shelter'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 Homeward Family Shelter'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 Homeward Family Shelter'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 Homeward Family Shelter'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
July 2, 2024



Chartered Professional Accountants, Licensed Public Accountants

Homeward Family Shelter

March 31, 2024

Statement of Financial Position	2024	2023
Current Assets		
Cash, Note 4	\$ 179,831	\$ 256,923
Accounts receivable (net of allowance 2024 \$0, 2023 \$0)	7,744	23,047
HST receivable	27,670	17,070
MCCSS funding receivable - shelter	29,511	0
Prepaid expenses	18,253	17,786
Total Current	263,009	314,826
Capital Assets , Note 6	384,894	505,034
Reserve Funds , Note 4	592,470	555,073
	1,240,373	1,374,933

Approved by The Board

Director: Agatha McPhee MBA, CPA, CGA, FCCA

Director: Brenda Reber

Homeward Family Shelter

March 31, 2024

Statement of Financial Position	2024	2023
Current Liabilities		
Accounts payable and accrued liabilities	\$ 142,870	\$ 153,454
Accrued mortgage interest	322	590
Total Current	143,192	154,044
Deferred Contributions Relating to Capital Assets , Note 7	172,315	144,234
Mortgage Payable , Note 8	160,337	294,232
Total Liabilities	475,844	592,510
Net Assets , per statement		
Invested in capital assets, Note 10	52,242	66,568
Externally restricted, Note 2	353,078	333,239
Internally restricted, Note 2	239,392	221,834
Accumulated surplus	119,817	160,782
	764,529	782,423
	1,240,373	1,374,933

The notes on pages 12 through 20 form an integral part of these financial statements.

Homeward Family Shelter

Year ended March 31, 2024

Statement of Changes in Net Assets

2024

2023

	Invested in Capital Assets	Externally Restricted Replacement Reserve	Internally Restricted			Special Projects Reserve	Accumulated Surplus	Total	Total
			Furniture and Equipment Reserve	Contingency Reserve					
Balance beginning of year	\$ 66,568	\$ 333,239	\$ 17,187	\$ 172,763	\$ 31,884	\$ 160,782	\$ 782,423	\$ 678,165	
Add (deduct)									
Surplus (deficit)	(151,439)	0	0	0	0	127,097	(24,342)	97,810	
Reserve funding	0	6,448	0	0	0	0	6,448	6,448	
Transfer of reserve investment income, Note 4	0	13,391	1,360	13,673	2,525	(30,949)	0	0	
Purchase of capital assets	100,490	0	0	0	0	(100,490)	0	0	
Principal repaid on mortgage	133,895	0	0	0	0	(133,895)	0	0	
Contributions for capital assets	(97,272)	0	0	0	0	97,272	0	0	
Balance End of Year	52,242	353,078	18,547	186,436	34,409	119,817	764,529	782,423	

Homeward Family Shelter

Year ended March 31, 2024

Statement of Operations	2024			2023
	Shelter	Care	Total	Total
Revenues				
MCCSS - shelter	\$ 354,142	\$ 0	\$ 354,142	\$ 354,142
MCCSS - core	0	1,463,394	1,463,394	1,458,113
Metro Social Services - PNA	0	19,656	19,656	19,775
Donations	0	100,427	100,427	128,377
Fundraising	0	36,302	36,302	0
Investment income, Note 4	7,737	23,212	30,949	5,559
Amortization of deferred contributions	9,818	59,373	69,191	54,849
Canadian Red Cross	0	88,100	88,100	0
Employment and Social Development Canada	0	44,808	44,808	56,564
City of Toronto Investing in Neighbourhoods	0	20,332	20,332	18,806
Status of Women funding	0	34,882	34,882	61,900
COVID-19 emergency funds Government of Canada	0	0	0	156,044
Other	0	4,915	4,915	6,945
Total Revenues	371,697	1,895,401	2,267,098	2,321,074
Expenses				
Payroll, schedule 1, Note 9	69,315	1,175,495	1,244,810	1,277,315
Resident care, schedule 2	0	270,429	270,429	223,993
Administrative, schedule 3, Note 9	62,056	196,615	258,671	243,484
Insurance	24,062	0	24,062	17,138
Utilities	44,383	0	44,383	46,085
Mortgage interest	5,345	0	5,345	8,534
Amortization	144,506	76,124	220,630	202,783
Fundraising and volunteer program	0	12,078	12,078	4,613
Office lease	0	40,513	40,513	38,566
Legal and professional	0	78,589	78,589	10,435
Telephone	3,999	12,637	16,636	17,259
Shelter repairs and maintenance	3,534	0	3,534	7,050
Shelter equipment and furniture	3,967	49,650	53,617	36,703
AGM / special events	0	1,228	1,228	0
Staff development and training	729	3,493	4,222	7,025
Bank charges	223	2,807	3,030	2,252
Memberships	0	3,215	3,215	3,802
COVID-19	0	0	0	69,779
Replacement reserve	6,448	0	6,448	6,448
Total Expenses	368,567	1,922,873	2,291,440	2,223,264
Surplus (Deficit)	3,130	(27,472)	(24,342)	97,810

Homeward Family Shelter

Year ended March 31, 2024

Schedule of Expenses	2024	2023
Schedule 1 - Payroll		
Shelter		
Maintenance salaries	\$ 53,271	\$ 52,835
Benefits	16,044	14,420
	<u>69,315</u>	<u>67,255</u>
Care		
Regular salaries (net of reimbursement \$0; 2023 \$47,952)	755,745	795,396
Relief salaries	171,499	153,106
Volunteer hours	9,780	8,595
Student salaries	42,158	54,727
Payroll benefits (net of reimbursement \$0; 2023 \$13,794)	196,313	198,236
	<u>1,175,495</u>	<u>1,210,060</u>
	<u>1,244,810</u>	<u>1,277,315</u>
Schedule 2 - Resident Care		
Food purchases	46,161	37,519
Allowances	19,542	20,127
Programs and events	51,859	44,638
Personal care	10,684	13,229
TTC and taxi costs	5,252	2,958
Cleaning and household	9,849	7,190
Repairs and maintenance	120,168	92,426
Linen rental	6,914	5,906
	<u>270,429</u>	<u>223,993</u>
Schedule 3 - Administrative		
Regular salaries	183,349	175,700
Benefits	36,320	34,145
Office and general	21,286	17,000
Audit	14,755	14,500
Postage and delivery	2,931	2,139
Board and volunteer expenses	30	0
	<u>258,671</u>	<u>243,484</u>

Homeward Family Shelter

Year ended March 31, 2024

Statement of Cash Flows	2024	2023
Operating Activities		
Surplus (deficit)	\$ (24,342)	\$ 97,810
Non-cash items		
Amortization of deferred contributions	(69,191)	(54,849)
Amortization of capital assets	220,630	202,783
Replacement reserve	6,448	6,448
	<u>133,545</u>	<u>252,192</u>
Net change in non-cash working capital	<u>(36,127)</u>	<u>11,590</u>
Cash Provided By Operating Activities	<u>97,418</u>	<u>263,782</u>
Investing Activities		
Purchase of capital assets	(100,490)	0
Increase in investments	(37,397)	(12,006)
	<u>(137,887)</u>	<u>(12,006)</u>
Cash Used In Investing Activities	<u>(137,887)</u>	<u>(12,006)</u>
Financing Activities		
Principal portion of mortgage payments	(133,895)	(130,713)
Contributions for capital assets	97,272	0
	<u>(36,623)</u>	<u>(130,713)</u>
Cash Used In Financing Activities	<u>(36,623)</u>	<u>(130,713)</u>
Net cash increase (decrease) during the year	(77,092)	121,063
Cash position beginning of year	256,923	135,860
Cash Position End of Year	<u>179,831</u>	<u>256,923</u>

Notes to Financial Statements

Status and Nature of Activities

Homeward Family Shelter (the Corporation) was incorporated under the Ontario Corporations Act as a corporation without share capital to provide short-term emergency shelter for assaulted women and their children. The Corporation became fully operational on its mortgage interest adjustment date of May 1, 1990.

The Corporation is a registered charitable organization within the meaning of the Income Tax Act. Registration remains valid so long as the charity continues to fulfill the requirements of the Act and regulations in respect of registered charities.

In accordance with its operating agreement with the Ministry of Children, Community and Social Services (MCCSS), the Corporation receives funding from MCCSS and is dependent on this funding for its continued operation.

Note 1

Significant Accounting Policies

Basis of Accounting

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

The Corporation operates under the rules and procedures set out by MCCSS. Certain policies do not comply with Canadian accounting standards for non-for-profit organizations; specifically:

- (a) amortization charged to operations includes amortization of land cost and amortization of land and building is equal to the principal repaid on the mortgage; amortization is not based on the estimated useful life of the land and building;
- (b) capital expenditures may be charged to the replacement reserve rather than capitalized and amortized over their estimated useful lives;
- (c) a reserve for future capital replacement is appropriated from operations; and
- (d) long-term debt is not segregated between current and long-term on the statement of financial position.

Note 1 Significant Accounting Policies - continued

Capital Assets

Capital assets are recorded at cost. Contributed capital assets are accounted for at their fair value at the date of contribution. Amortization is provided on a straight-line basis as follows:

Cost overrun	30 years
Shelter renovations	10 years
Security upgrades	10 years
Equipment	10 years
Bathroom upgrades	10 years
Computers	3 years
Furniture and fixtures	10 years

Deferred Contributions

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

Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets represent amounts received from MCCSS, CMHC and private donors. Deferred contributions are amortized annually at the same basis as the related capital assets.

Contributed Materials and Services

The Corporation records contributed material and services when a fair value can be reasonably estimated and when the Corporation would have otherwise purchased the materials and services.

Donated Services

The Corporation derives a significant benefit from volunteer services. These services are recorded at the estimated fair value of the contribution of volunteer services.

The Corporation also derives a significant benefit from the Directors and members of the organization. Since these services are not normally purchased and because of the difficulty of determining their fair value, these donated services are not recognized in these financial statements.

Note 1 Significant Accounting Policies - continued

Revenue Recognition

Government subsidies are recognized using the deferral method of accounting for contributions.

Investment income includes interest from cash and fixed income investments, realized gains and losses on the disposal of investments and unrealized gains and losses resulting from the changing value of 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.

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.

Financial Instruments

(a) Measurement of Financial Instruments

The Corporation initially measures its financial assets and financial liabilities at fair value. The Corporation subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in income.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and mortgage payable.

The Corporation's financial assets measured at fair value include mutual funds and common stocks.

(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 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 income.

Note 2 Restrictions on Net Assets

Externally Restricted

The replacement reserve reports the activity relating to capital asset replacement. This interest bearing reserve is externally restricted by MCCSS. MCCSS must approve all expenditures and contributions as set out in the operating budget.

Internally Restricted

A reserve for furniture and equipment has been established in order to replace everyday common furniture, beds, kitchen equipment and other like items not covered under the replacement reserve. The Corporation may not use this internally restricted interest bearing reserve for any other purpose without the approval of the Board of Directors.

A contingency reserve has been established to supplement the shelter's income during periods when residents are unable to be admitted. An example of such a situation is during a quarantine of some kind where no one is permitted to leave or enter the shelter. The Corporation may not use this internally restricted interest bearing reserve for any other purpose without the approval of the Board of Directors.

A reserve for special projects has been established in order to fund projects that the Corporation would like to pursue from unrestricted donations. The Corporation may not use this internally restricted reserve for any other purpose without the approval of the Board of Directors.

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 March 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 two major Canadian financial institution. The maximum credit risk is equivalent to the carrying values.

Note 3 Financial Instruments - continued

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity prices. These fluctuations may be significant. The methods and assumptions management uses when accessing 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 guaranteed investment certificates, mutual funds and common stocks as the means for managing its interest rate risk.

The mortgage bears a fixed interest rate.

Commodity Price Risk

The Corporation is subject to normal price risk associated with consumer products.

Equity Price Risk

The Corporation maintains a portion of investments in equity instruments and as a result is subject to price risk associated with fluctuations in the market price for these investments. The Corporation developed based on risk tolerance, an asset allocation model for its investments, including equity investments. The Corporation manages risk by monitoring its asset allocation and comparing it to this model.

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 accounts payable and long-term debt. This risk is reduced due to the fact that the Corporation has enough cash and investments to meet its short-term obligations.

Homeward Family Shelter

March 31, 2024

Note 4

Cash, Investments and Reserve Funds

	2024	2023
Cash		
Petty cash	\$ 1,843	\$ 2,380
Operating current accounts	78,087	58,135
Savings accounts	132,915	220,264
Brokers' cash accounts	12,587	12,285
	<u>225,432</u>	<u>293,064</u>
Temporary Investments		
Guaranteed investment certificates	375,638	360,435
Mutual funds	162,762	149,897
Common stocks	8,469	8,600
	<u>546,869</u>	<u>518,932</u>
	<u>772,301</u>	<u>811,996</u>
Composed of:		
Cash	179,831	256,923
Amount required to fund reserves - restricted	592,470	555,073
	<u>772,301</u>	<u>811,996</u>
The average rate of return on cash and investments during the year was 3.98% (2023, 0.75%).		
Investment income (loss) includes:		
Interest	13,850	4,753
Reinvested distributions	4,064	4,841
Unrealized gains (losses)	13,035	(4,036)
	<u>30,949</u>	<u>5,558</u>
Allocated as follows:		
Replacement reserve	13,391	2,471
Furniture and equipment reserve	1,360	239
Contingency reserve	13,673	2,404
Special projects reserve	2,525	444
	<u>30,949</u>	<u>5,558</u>

Homeward Family Shelter

March 31, 2024

Note 5 Due to MCCSS

- (a) The Corporation receives subsidies based on an operating budget approved by MCCSS for shelter funding. Subsidy is adjusted at year-end for variances between actual and budget figures. The difference is receivable from (or payable to) MCCSS. The current year payable is subject to adjustment. All fiscal years up to and including the period ended March 31, 2021 have been reconciled.
- (b) The Corporation has a service contract with MCCSS for care funding. A reconciliation report summarizes by service all revenues and expenditures and identifies any resulting surplus or deficit that relates to the service contract. The current year report is subject to review by MCCSS. The current year payable is subject to adjustment. All fiscal years up to and including the period ended March 31, 2021 have been reconciled.

Note 6 Capital Assets

	At cost	Accumulated Amortization	2024 Total	2023 Total
Land and building	\$ 2,632,941	\$ (2,467,239)	\$ 165,702	\$ 299,597
Cost overrun	23,764	(20,595)	3,169	3,961
Shelter renovations	746,348	(652,012)	94,336	70,591
Security upgrades	104,528	(87,823)	16,705	24,313
Equipment	21,047	(17,297)	3,750	2,117
Bathroom upgrades	145,180	(95,565)	49,615	64,133
Computers	116,643	(87,355)	29,288	12,371
Furniture and fixtures	81,787	(59,458)	22,329	27,951
	<u>3,872,238</u>	<u>(3,487,344)</u>	<u>384,894</u>	<u>505,034</u>

Note 7 Deferred Contributions Relating to Capital Assets

Deferred contributions related to capital assets include the unamortized portion of amounts received from the MCCSS, CMHC and other donors. The changes in the deferred contributions balance for the period is as follows:

	2024	2023
Beginning balance	\$ 144,234	\$ 199,083
Contributions received during the year	97,272	0
Amortization of deferred contributions	(69,191)	(54,849)
Ending balance	<u>172,315</u>	<u>144,234</u>

Homeward Family Shelter

March 31, 2024

Note 8 Mortgage Payable

The mortgage, held by Peoples Trust Company, is fully insured by Canada Mortgage and Housing Corporation under Section 6 of the National Housing Act. Details of the mortgage at March 31 are:

Principal balance at last renewal	- \$656,571
Interest rate	- 2.420%
Term and amortization period	- 5 years ending May 1, 2025
Monthly principal and interest payments	- \$11,626

The status of the mortgage is as follows:

	2024	2023
Advances received	\$ 2,627,576	\$ 2,627,576
Principal repaid	(2,357,645)	(2,223,750)
Applied escrow funds	(109,594)	(109,594)
	<u>160,337</u>	<u>294,232</u>

Principal payments due until maturity are approximately as follows:

2025	\$ 137,156
2026	23,181

Note 9 Cost Sharing - Shelter and Care

Maintenance

Payroll costs allocated to shelter represent a significant portion of one employee, including benefits. Costs allocated under the care program are based on the actual time spent under this program.

Administration

Payroll costs of two employees, including benefits, and other administration costs are allocated based on need and actual expenses spent under each program.

Homeward Family Shelter

March 31, 2024

Note 10 Net Assets Invested in Capital Assets

Net assets invested in capital assets consists of the following:

	2024	2023
Capital assets	\$ 384,894	\$ 505,034
Mortgage payable	(160,337)	(294,232)
Deferred contributions related to capital assets	(172,315)	(144,234)
	<u>52,242</u>	<u>66,568</u>

The following capital asset activity has been reflected in the statement of changes in net assets:

	2024	2023
Amortization of deferred contributions	\$ 69,191	\$ 54,849
Amortization of capital assets	(220,630)	(202,783)
Deficit	<u>(151,439)</u>	<u>(147,934)</u>

Note 11 Contributed Materials and Services

During the year, the Corporation recognized contributed materials at their estimated fair value of \$17,290 (2023, \$13,370).

The Corporation derives a significant benefit from volunteer services. Included in donations in the statements of operations is \$9,780 (2023, \$8,595) representing the estimated fair value of the contribution of volunteer services.

Note 12 Contractual Obligation

The Corporation extended the operating lease agreement for rental of office space, for a period of 5 years, from September 1, 2022 to August 31, 2027. Future minimum annual payment requirements are as follows:

2025	\$	39,658
2026		41,542
2027		42,888
2028		17,870