

**Contact Hamilton for
Children's and Developmental
Services/Contact Hamilton pour les
Services à l'Enfance et à l'Adaptation**
Financial statements

March 31, 2025

Contact Hamilton for Children’s and Developmental Services/Contact Hamilton pour les Services à l’Enfance et à l’Adaptation

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To the Directors of Contact Hamilton for Children's and Developmental Services/ Contact Hamilton pour les Services à l'Enfance et à l'Adaptation:

Opinion

We have audited the financial statements of Contact Hamilton for Children's and Developmental Services/ Contact Hamilton pour les Services à l'Enfance et à l'Adaptation (the "Organization"), which comprise the statement of financial position as at March 31, 2025, and the statements of revenue and expenses and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with the accounting policies prescribed by the Ministry of Children, Community and Social Services (the "financial reporting framework").

Basis for Opinion

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Organization in complying with the financial reporting framework. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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 framework, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Burlington, Ontario

June 26, 2025

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

**Contact Hamilton for Children's and Developmental Services/
Contact Hamilton pour les Services à l'Enfance et à l'Adaptation**
Statement of Financial Position

As at March 31, 2025

	2025	2024
Assets		
Current assets		
Cash	3,324,681	2,347,477
Accounts receivable	19,086	—
Harmonized sales tax receivable	336,295	374,488
Prepaid expenses	14,818	13,382
	3,694,880	2,735,347
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,908,230	1,322,923
Surplus repayable to the Ministry (<i>note 3</i>)	1,722,553	1,348,327
	3,630,783	2,671,250
Commitments (<i>note 4</i>)		
Fund balances (deficits)		
Internally restricted	65,309	65,309
Externally restricted	(1,212)	(1,212)
	64,097	64,097
	3,694,880	2,735,347

The accompanying notes are an integral part of the financial statement.

Approved by the Board

_____, Director

_____, Director

The accompanying notes are an integral part of these financial statements.

**Contact Hamilton for Children's and Developmental Services/
Contact Hamilton pour les Services à l'Enfance et à l'Adaptation**
Statement of Revenue and Expenses and Changes in Fund Balances

For the year ended March 31, 2025

	Ministry	Non-Ministry	2025	2024
Revenue				
Ministry grants (note 2)	21,987,507	—	21,987,507	18,007,901
Interest income	523	—	523	—
	21,988,030	—	21,988,030	18,007,901
Expenses				
Salaries and wages	3,669,927	—	3,669,927	3,890,881
Purchased client services	16,284,783	—	16,284,783	11,788,454
Employee benefits	731,456	—	731,456	840,596
Other services	111,578	—	111,578	28,078
Rent/lease/mortgage interest	159,230	—	159,230	356,005
Other supplies and equipment	71,854	—	71,854	60,931
IT - supplies and equipment	52,925	—	52,925	58,294
Professional/contracted-out services	85,525	—	85,525	154,935
Advertising and promotion	14,607	—	14,607	8,651
Professional/contracted-out IT services	169,108	—	169,108	96,430
Staff training	44,570	—	44,570	56,330
Communication	79,956	—	79,956	72,400
Travel	36,345	—	36,345	26,610
Services related to repairs and maintenance	695	—	695	2,615
Supplies, equipment related to repairs and maintenance	19,254	—	19,254	5,453
Insurance	34,057	—	34,057	28,953
Utilities	9,542	—	9,542	9,316
Board expenses	38,392	—	38,392	1,098
	21,613,804	—	21,613,804	17,486,030
Excess of revenue over expenses				
before funding repayable to the Ministry	374,226	—	374,226	521,871
Surplus funding repayable to the Ministry (note 2)	(374,226)	—	(374,226)	(522,599)
Excess (deficiency) of revenue over expenses	—	—	—	(728)
Fund balance (deficit), beginning of the year	(1,212)	65,309	64,097	64,825
Fund balance (deficit), end of the year	(1,212)	65,309	64,097	64,097

The accompanying notes are an integral part of these financial statements.

**Contact Hamilton for Children's and Developmental Services/
Contact Hamilton pour les Services à l'Enfance et à l'Adaptation**
Statement of Cash Flows
For the year ended March 31, 2025

	2025	2024
Operating activities		
Deficiency of revenue over expenses	—	(728)
Changes in non-cash working capital items		
Accounts receivable	(19,086)	158
Harmonized sales tax receivable	38,193	(192,692)
Prepaid expenses	(1,436)	(3,032)
Accounts payable and accrued liabilities	585,307	(503,744)
Surplus repayable to the Ministry	374,226	(13,827)
Net change in cash	977,204	(713,865)
Cash, beginning of year	2,347,477	3,061,342
Cash, end of year	3,324,681	2,347,477

The accompanying notes are an integral part of the financial statement.

Contact Hamilton for Children's and Developmental Services/ Contact Hamilton pour les Services à l'Enfance et à l'Adaptation

Notes to the financial statements

For year ended March 31, 2025

1. Description of operations

The Organization is a not-for-profit organization incorporated by letters patent dated October 18, 1999. The Organization's mandate is to implement the Ministry of Children, Community and Social Services (the "Ministry" or "MCCSS") plan relating to "Making Services Work for People."

The Organization is registered as a not-for-profit organization and is exempt from tax under section 149 (1)(e) of the Income Tax Act.

The Organization and the Ministry entered into a service contract that will remain in force until superseded or replaced by a subsequent contract. Under the terms of this contract, the Organization is to have a March 31 year end in compliance with the Ministry's reporting and funding requirements.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with the significant accounting policies set out by the Ministry funding agreement. The basis of accounting used in these financial statements is in accordance with Canadian accounting standards for not-for-profit organizations, except for:

- (a) Capital assets purchased are charged to operations in the year the expense is incurred;
- (b) Amortization is not provided on capital assets as they are expensed directly in the year acquired; and
- (c) Accruals are not provided for expenses relating to future funding agreement years.

MCCSS guidelines

Grants received from the MCCSS are provided to the Organization through an annual Funding Agreement allowing the Organization to provide mandated services to qualifying recipients. In the case of Children's Services, qualified service recipients are provided for Hamilton children. In the case of Adult Developmental Services, qualified services are provided in the Hamilton-Niagara region. The amount of grants received in fiscal 2025 amounted to \$21,987,507 (\$18,007,901 in 2024). The Funding Agreement with the MCCSS requires that Organization funding not spent in accordance with the terms of this Agreement must be returned to the MCCSS unless otherwise agreed to by the MCCSS in writing. Accordingly, any related excess of revenue over expenses would be recorded as a liability at year end. At current year end, there was \$374,226 excess of revenue over expenses (\$522,599 in 2024).

Fund accounting

The Organization follows restricted fund method of accounting for contributions.

The externally restricted fund reports the funding received from the MCCSS expenses related to the operations and administration of the various programs run with the funding provided by the MCCSS.

The internally restricted fund reports funding and expenses non-related to the MCCSS.

Cash

Cash includes cash on hand and in the bank.

Revenue recognition

Ministry grants and other income are recognized as revenue when they have become contractually due, when the amount is fixed or determinable, and collection is reasonably assured.

Contact Hamilton for Children's and Developmental Services/ Contact Hamilton pour les Services à l'Enfance et à l'Adaptation

Notes to the financial statements

For year ended March 31, 2025

2. Summary of significant accounting policies (continued from previous page)

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations and in accordance with Ministry guidelines requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when the Organization becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has not made such an election during the year.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in net excess of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Organization initially measures financial instruments in a related party transaction ("related party financial instrument") at cost and subsequently, are measured at cost or amortized cost in accordance with Accounting Standards for Private Enterprises "ASPE" Handbook Section 3856, related party financial instruments. Transaction costs directly attributable to related party transactions are immediately recognized in the statement of revenue and expenses, and changes in fund balances.

Financial asset impairment

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset group. When there is an indication of impairment, the Organization determines whether it has resulted in significant adverse change in the expected timing of amount of future cash flows during the year.

For related party debt instruments measured at cost, the Organization reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding interest payments of the instrument; the present value of cash flows expected to be generated from holding the assets; the amount that could be realized by selling the assets at the balance sheet date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year net excess of revenue over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in net excess of revenue over expenses in the year the reversal occurs.

**Contact Hamilton for Children's and Developmental Services/
Contact Hamilton pour les Services à l'Enfance et à l'Adaptation**
Notes to the financial statements

For year ended March 31, 2025

3. Contracts with the MCCSS

The Organization is economically dependent on the MCCSS for assistance. Under the terms of the Funding Agreement, any funding not spent in accordance with the terms of this Agreement must be returned to the MCCSS unless otherwise agreed to by the MCCSS in writing.

One requirement of the agreement is the production by management of an Annual Reconciliation Report (ARR) which shows a summary by service of all revenues and expenditures and any resulting surplus or deficit that relates to the service contract.

The Fund Balance for the Ministry fund shows the position under these contracts as at March 31, 2025. The surplus/deficit presented on the financial statements will differ from the presentation in the Schedule of Annual Reconciliation Report attached to the end of this report due to specific instructions for the ARR preparation.

4. Commitments

The Organization leases office space under an operating lease that expires in June 2029. Future lease payments are as follows:

	\$
2026	156,478
2027	160,855
2028	165,227
2029	41,580
	<u>524,140</u>

5. Financial instruments

Unless otherwise noted, it is the Directors' opinion that the Organization is not exposed to significant interest rate or credit risks arising from its financial instruments.

Liquidity risk

The Organization's objective is to have sufficient liquidity to meet its liabilities when due. The Organization monitors its cash balances and cash flows generated from operations to meet its requirements. As at March 31, 2025, the most significant financial liabilities are accounts payable and accrued liabilities and surplus repayable to the Ministry.

Ministry of Community & Social Services and Ministry of Children & Youth Services
Schedule of Annual Reconciliation Report

Year ended March 31, 2025

	Allocated Central Admin	DS Community Support				Children's DS				CNPC	SSAH	FASD	Service Planning Coordinators	Children Serv. Coord. Case Mgmt.	Non- Ministry	Total 2025	Total 2024
		DSO	DS Coordination Processes	DS Temporary Family Supports	DS Passport Admin	Access Mechanism - Childrens	Placement Advisory Committee	CSN - Community Enhancement									
		\$	\$	\$	\$	\$	\$	\$									
Revenue																	
Grants - MCCSS	—	2,539,278	183,600	621,900	1,121,903	67,707	19,088	70,000	16,569,210	93,380	180,354	376,667	144,420	—	21,987,507	17,397,036	
Grants - MOH	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	610,865	
Other income	523	—	—	—	—	—	—	—	—	—	—	—	—	—	523	—	
	523	2,539,278	183,600	621,900	1,121,903	67,707	19,088	70,000	16,569,210	93,380	180,354	376,667	144,420	—	21,988,030	18,007,901	
Expenses																	
Salaries and wages	177,737	1,656,512	122,476	—	703,263	25,144	15,906	58,333	333,195	77,813	137,830	256,892	104,826	—	3,669,927	3,890,881	
Purchased client services	—	5,365	2,299	456,795	200	3,512	—	—	15,816,612	—	—	—	—	—	16,284,783	11,788,454	
Employee benefits	40,669	311,667	26,923	—	137,776	4,219	3,182	11,667	54,467	15,567	38,698	54,213	32,408	—	731,456	840,596	
Other services	20,268	80,000	—	—	11,310	—	—	—	—	—	—	—	—	—	111,578	28,078	
Rent/lease/mortgage interest	—	85,000	—	—	60,000	—	—	—	—	—	—	14,230	—	—	159,230	356,005	
Other supplies and equipment	6,743	18,680	767	51	31,016	1,779	—	—	2,746	—	28	10,044	—	—	71,854	60,931	
IT - supplies and equipment	17,310	16,855	—	—	22,687	—	—	—	—	—	—	(3,927)	—	—	52,925	58,294	
Professional/ contracted-out services	48,960	1,998	856	—	14,318	3,139	—	—	15,960	—	147	147	—	—	85,525	154,935	
Advertising and promotion	9,335	2,262	970	—	1,318	722	—	—	—	—	—	—	—	—	14,607	8,651	
Professional contracted-out IT services	1,310	51,570	8,604	—	16,202	18,481	—	—	56,586	—	608	15,747	—	—	169,108	96,430	
Staff training	9,041	14,654	3,111	—	6,964	1,162	—	—	1,900	—	392	3,859	3,487	—	44,570	56,330	
Communication	8,566	26,378	10,902	—	14,022	5,635	—	—	4,110	—	2,288	4,356	3,699	—	79,956	72,400	
Travel	3,224	11,624	4,965	—	766	492	—	—	13,857	—	363	1,054	—	—	36,345	26,610	
Services related to repairs and maintenance	695	—	—	—	—	—	—	—	—	—	—	—	—	—	695	2,615	
Supplies, equipment related to repairs and ma	2,178	2,684	—	—	1,749	—	—	—	12,643	—	—	—	—	—	19,254	5,453	
Insurance	28,472	—	—	—	—	—	—	—	5,585	—	—	—	—	—	34,057	28,953	
Utilities	—	4,029	1,727	—	312	922	—	—	2,500	—	—	52	—	—	9,542	9,316	
Board expenses	7,318	—	—	—	—	—	—	—	31,074	—	—	—	—	—	38,392	1,098	
	381,826	2,289,278	183,600	456,846	1,021,903	65,207	19,088	70,000	16,351,235	93,380	180,354	356,667	144,420	—	21,613,804	17,486,030	
Allocated central administration	(381,303)	250,000	—	—	100,000	2,500	—	—	8,803	—	—	20,000	—	—	—	—	
	523	2,539,278	183,600	456,846	1,121,903	67,707	19,088	70,000	16,360,038	93,380	180,354	376,667	144,420	—	21,613,804	17,486,030	
Excess (deficiency) of revenue over expenses before funding repayable to the Ministry																	
	—	—	—	165,054	—	—	—	—	209,172	—	—	—	—	—	374,226	521,871	