

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

*March 31, 2023*

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

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*For the year ended March 31, 2023*

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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, 2023, 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, 2023, 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 accounting policies prescribed by the Ministry of Children, Community and Social Services. 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.

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 22, 2023

**MNP LLP**

Chartered Professional Accountants

Licensed Public Accountants

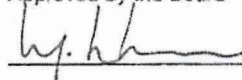
**Contact Hamilton for Children's and Developmental Services/  
Contact Hamilton pour les Services à l'Enfance et à l'Adaptation**  
**Statement of Financial Position**

*As at March 31, 2023*

	2023	2022
<b>Assets</b>		
<b>Current assets</b>		
Cash	3,061,342	817,102
Accounts receivable	158	158
Harmonized sales tax receivable	181,796	75,193
Prepaid expenses	10,350	8,988
	<b>3,253,646</b>	<b>901,441</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	1,826,667	265,617
Surplus repayable to the Ministry (note 2)	1,362,154	570,209
	<b>3,188,821</b>	<b>835,826</b>
Commitments (note 4)		
<b>Fund balances (deficits)</b>		
Internally restricted	66,037	66,827
Externally restricted	(1,212)	(1,212)
	<b>64,825</b>	<b>65,615</b>
	<b>3,253,646</b>	<b>901,441</b>

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

Approved by the Board

 \_\_\_\_\_, Director

\_\_\_\_\_, Director

*L. Allard*  
*Executive Director*  
*June 22, 2023.*

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, 2023*

	Ministry	Non-Ministry	2023	2022
<b>Revenue</b>				
Ministry grants (note 2)	13,043,171	—	13,043,171	5,914,070
Other income	—	—	—	47,423
	<b>13,043,171</b>	<b>—</b>	<b>13,043,171</b>	<b>5,961,493</b>
<b>Expenses</b>				
Salaries and wages	3,784,746	—	3,784,746	3,555,875
Purchased client services	6,700,271	—	6,700,271	605,832
Employee benefits	795,684	—	795,684	713,952
Other services	181,332	—	181,332	82,645
Rent/lease/mortgage interest	240,421	—	240,421	274,093
COVID-19 expenses	391	—	391	7,725
Other supplies and equipment	55,021	—	55,021	81,242
IT - supplies and equipment	93,087	—	93,087	96,713
Professional/ contracted-out services	80,236	—	80,236	67,056
Advertising and promotion	9,852	790	10,642	9,673
Professional/contracted-out IT services	130,143	—	130,143	94,859
Staff training	37,275	—	37,275	97,633
Communication	71,260	—	71,260	87,837
Travel	14,631	—	14,631	324
Services related to repairs and maintenance	6,718	—	6,718	3,164
Supplies, equipment related to repairs and maintenance	16,109	—	16,109	2,704
Insurance	23,478	—	23,478	22,823
Utilities	8,946	—	8,946	6,309
Board expenses	1,951	—	1,951	19,666
	<b>12,251,552</b>	<b>790</b>	<b>12,252,342</b>	<b>5,830,125</b>
Excess of revenue over expenses				
before funding repayable to the Ministry	791,619	(790)	790,829	131,368
Surplus funding repayable to the Ministry	(791,619)	—	(791,619)	(132,544)
Excess (deficiency) of revenue over expenses	—	(790)	(790)	(1,176)
Fund balance (deficit), beginning of the year	(1,212)	66,827	65,615	66,791
<b>Fund balance (deficit), end of the year</b>	<b>(1,212)</b>	<b>66,037</b>	<b>64,825</b>	<b>65,615</b>

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, 2023*

	2023	2022
<b>Operating activities</b>		
Deficiency of revenue over expenses	(790)	(1,176)
Changes in non-cash working capital items		
Accounts receivable	-	(158)
Harmonized sales tax receivable	(106,603)	(29,272)
Prepaid expenses	(1,362)	1,251
Accounts payable and accrued liabilities	1,561,050	(48,960)
Surplus repayable to the Ministry	791,945	137,217
Net change in cash	2,244,240	58,902
Cash, beginning of year	817,102	758,200
<b>Cash, end of year</b>	<b>3,061,342</b>	<b>817,102</b>

*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

## Notes to the financial statements

March 31, 2023

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### 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 2023 amounted to \$13,043,171 (\$5,914,070 in 2022). 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 \$791,619 excess of revenue over expenses (\$132,544 in 2022).

#### *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.

#### *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. Significant financial statement areas which involve the use of estimates include accrued liabilities. Actual results could differ from these estimates.



# 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

March 31, 2023

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

#### *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.

Transaction costs related to financial instruments measured subsequent to initial recognition at fair value are expensed as incurred. Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the effective interest method and recognized in excess (deficiency) of revenue over expenses as interest income or expense.

With respect to financial assets measured at cost or amortized cost, the Organization recognizes in operations an impairment loss, if any, when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed in the period the reversal occurs.

#### *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 ASPE Handbook Section 3856, related party financial instruments. Transaction costs directly attributable to related party transactions are immediately recognized in the statement of financial activities.

### 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 a 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, 2023. The surplus/deficit presented on the financial statements will differ from the presentation in the ARR due to specific instructions for ARR preparation.

### 4. Commitments

The Organization leases office space under operating leases that expire in June 2025. Future lease payments aggregate \$534,002 and include the following amounts over the next three years.

	\$
2024	236,391
2025	238,089
2026	59,522
	<u>534,002</u>

**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**

*March 31, 2023*

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**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, 2023, 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**

*For the year ended March 31, 2023*

	MOHLTC			DS Community Support				Children's DS				CNPC	FASD	Service Planning Coordinators	Children Serv. Coord. Case Mgmt.	Non-Ministry	Total 2023	Total 2022
	Allocated Central Admin	Coordinated Access and Intake	Management and Service Coordination	DSO	Housing	DS Coordination Processes	DS Temporary Family Supports	DS Passport Admin	Access Mechanism - Children's	Placement Advisory Committee	CSN - Community Enhancement							
<b>Revenue</b>																		
Grants - MCCSS	—	—	—	2,377,026	247,438	183,600	621,900	1,141,933	66,148	18,688	70,000	7,021,373	180,000	364,200	140,000	—	12,432,306	5,303,206
Grants - MOHLTC	—	559,515	51,350	—	—	—	—	—	—	—	—	—	—	—	—	—	610,865	610,864
Other income	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	47,423
	—	559,515	51,350	2,377,026	247,438	183,600	621,900	1,141,933	66,148	18,688	70,000	7,021,373	180,000	364,200	140,000	—	13,043,171	5,961,493
<b>Expenses</b>																		
Salaries and wages	194,364	322,106	40,785	1,430,724	200,079	163,395	—	682,954	51,386	15,509	57,851	95,639	141,469	267,950	120,535	—	3,784,746	3,555,875
Purchased client services	—	986	—	2,840	—	—	481,912	—	—	—	—	6,214,457	—	76	—	—	6,700,271	605,832
Employee benefits	39,488	66,074	8,565	315,101	43,870	20,205	—	155,625	10,874	3,179	12,149	9,942	35,612	55,535	19,465	—	795,684	713,952
Other services	18,523	5,084	—	7,438	—	—	119,250	31,037	—	—	—	—	—	—	—	—	181,332	82,645
Rent/lease/mortgage interest	43,980	34,081	—	95,347	—	—	—	54,129	—	—	—	—	—	12,884	—	—	240,421	274,093
COVID-19 expenses	322	—	—	69	—	—	—	—	—	—	—	—	—	—	—	—	391	7,725
Other supplies and equipment	3,048	6,247	—	21,455	600	—	263	22,230	291	—	—	794	—	93	—	—	55,021	81,242
IT - supplies and equipment	4,271	14,968	—	37,818	—	—	—	27,269	—	—	—	8,761	—	—	—	—	93,087	96,713
Professional/contracted-out services	55,584	3,058	—	11,622	—	—	—	2,588	—	—	—	7,384	—	—	—	—	80,236	67,056
Advertising and promotion	906	730	—	1,459	—	—	—	6,626	—	—	—	—	131	—	790	—	10,642	9,673
Professional contracted-out IT services	5,827	30,646	—	72,557	—	—	—	18,480	735	—	—	—	667	1,231	—	—	130,143	94,859
Staff training	4,991	5,142	—	13,421	1,150	—	—	9,909	208	—	—	1,164	428	862	—	—	37,275	97,633
Communication	6,248	11,017	—	30,557	932	—	—	12,746	735	—	—	3,632	1,501	3,892	—	—	71,260	87,837
Travel	1,461	564	—	5,280	807	—	—	1,148	—	—	—	4,698	192	481	—	—	14,631	324
Services related to repairs and maintenance	327	1,306	—	3,265	—	—	—	1,820	—	—	—	—	—	—	—	—	6,718	3,164
Supplies, equipment related to repairs and maintenance	1,240	3,129	—	7,727	—	—	—	4,013	—	—	—	—	—	—	—	—	16,109	2,704
Insurance	23,478	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	23,478	22,823
Utilities	446	1,905	—	3,490	—	—	—	2,887	218	—	—	—	—	—	—	—	8,946	6,309
Board expenses	1,951	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,951	19,666
	406,455	507,043	49,350	2,060,170	247,438	183,600	601,425	1,033,461	64,447	18,688	70,000	6,346,471	180,000	343,004	140,000	790	12,252,342	5,830,125
Allocated central administration	(406,455)	52,472	2,000	215,614	—	—	—	108,472	1,700	—	—	5,000	—	21,197	—	—	—	—
	—	559,515	51,350	2,275,784	247,438	183,600	601,425	1,141,933	66,147	18,688	70,000	6,351,471	180,000	364,201	140,000	790	12,252,342	5,830,125
<b>Excess (deficiency) of revenue over expenses before funding repayable to the Ministry</b>	—	—	—	101,242	—	—	20,475	—	1	—	—	669,902	—	(1)	—	(790)	790,829	131,368