

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

For the year ended March 31, 2024

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

Contents

For the year ended March 31, 2024

	<i>Page</i>
Independent Auditor’s Report	
Financial Statements	
Statement of Financial Position	1
Statement of Revenue and Expenses and Changes in Fund Balances	2
Statement of Cash Flows.....	3
Notes to the financial statements	4
Schedule of Annual Reconciliation Report	7

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, 2024, 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, 2024, 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 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 27, 2024

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, 2024

	2024	2023
Assets		
Current assets		
Cash	2,347,477	3,061,342
Accounts receivable	—	158
Harmonized sales tax receivable	374,488	181,796
Prepaid expenses	13,382	10,350
	2,735,347	3,253,646
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,322,923	1,826,667
Surplus repayable to the Ministry (<i>note 3</i>)	1,348,327	1,362,154
	2,671,250	3,188,821
Commitments (<i>note 4</i>)		
Fund balances (deficits)		
Internally restricted	65,309	66,037
Externally restricted	(1,212)	(1,212)
	64,097	64,825
	2,735,347	3,253,646

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, 2024

	Ministry	Non-Ministry	2024	2023
Revenue				
Ministry grants (<i>note 2</i>)	18,007,901	—	18,007,901	13,043,171
Expenses				
Salaries and wages	3,890,881	—	3,890,881	3,784,746
Purchased client services	11,788,454	—	11,788,454	6,700,271
Employee benefits	840,596	—	840,596	795,684
Other services	28,078	—	28,078	181,332
Rent/lease/mortgage interest	356,005	—	356,005	240,421
COVID-19 expenses	—	—	—	391
Other supplies and equipment	60,931	—	60,931	55,021
IT - supplies and equipment	58,294	—	58,294	93,087
Professional/contracted-out services	154,935	—	154,935	80,236
Advertising and promotion	7,923	728	8,651	10,642
Professional/contracted-out IT services	96,430	—	96,430	130,143
Staff training	56,330	—	56,330	37,275
Communication	72,400	—	72,400	71,260
Travel	26,610	—	26,610	14,631
Services related to repairs and maintenance	2,615	—	2,615	6,718
Supplies, equipment related to repairs and maintenance	5,453	—	5,453	16,109
Insurance	28,953	—	28,953	23,478
Utilities	9,316	—	9,316	8,946
Board expenses	1,098	—	1,098	1,951
	17,485,302	728	17,486,030	12,252,342
Excess of revenue over expenses				
before funding repayable to the Ministry	522,599	(728)	521,871	790,829
Surplus funding repayable to the Ministry (<i>note 2</i>)	(522,599)	—	(522,599)	(791,619)
Excess (deficiency) of revenue over expenses	—	(728)	(728)	(790)
Fund balance (deficit), beginning of the year	(1,212)	66,037	64,825	65,615
Fund balance (deficit), end of the year	(1,212)	65,309	64,097	64,825

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, 2024

	2024	2023
Operating activities		
Deficiency of revenue over expenses	(728)	(790)
Changes in non-cash working capital items		
Accounts receivable	158	—
Harmonized sales tax receivable	(192,692)	(106,603)
Prepaid expenses	(3,032)	(1,362)
Accounts payable and accrued liabilities	(503,744)	1,561,050
Surplus repayable to the Ministry	(13,827)	791,945
Net change in cash	(713,865)	2,244,240
Cash, beginning of year	3,061,342	817,102
Cash, end of year	2,347,477	3,061,342

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

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

For year ended March 31, 2024

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 2024 amounted to \$18,007,901 (\$13,043,171 in 2023). 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 \$522,599 excess of revenue over expenses (\$791,619 in 2023).

Fund accounting

The Organization follows restricted fund method of accounting for contributions.

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

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

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, 2024

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. Significant financial statement areas which involve the use of estimates include accrued liabilities. 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.

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 statement of revenue and expenses, and changes in fund balances.

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, 2024. 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.

**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, 2024

4. Commitments

The Organization leases office space under an operating lease that expires in June 2025. Future lease payments are as follows:

	<u>\$</u>
2025	153,195
2026	<u>38,299</u>
	<u>191,494</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, 2024, 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, 2024

	MOH			DS Community Support			Children's DS			CNPC	FASD	Service Planning Coordinators	Children Serv. Coord. Case Mgmt.	Non-Ministry	Total 2024	Total 2023	
	Allocated Central Admin	CYMH Coordinated Access and Intake	CYMH Case Management and Service Coordination	DSO	DS Coordination Processes	DS Temporary Family Supports	DS Passport Admin	Access Mechanism - Childrens	Placement Advisory Committee								CSN - Community Enhancement
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Revenue																	
Grants - MCCSS	—	—	—	2,624,316	183,600	621,900	1,087,560	66,148	18,688	70,000	12,040,624	180,000	364,200	140,000	—	17,397,036	12,432,306
Grants - MOH	—	559,515	51,350	—	—	—	—	—	—	—	—	—	—	—	—	610,865	610,865
	—	559,515	51,350	2,624,316	183,600	621,900	1,087,560	66,148	18,688	70,000	12,040,624	180,000	364,200	140,000	—	18,007,901	13,043,171
Expenses																	
Salaries and wages	162,166	319,748	40,785	1,683,396	159,731	—	614,617	53,849	15,509	57,851	258,318	132,310	276,937	115,664	—	3,890,881	3,784,746
Purchased client services	—	1,780	—	2,327	—	474,784	115	446	—	—	11,308,844	—	158	—	—	11,788,454	6,700,271
Employee benefits	39,150	59,201	8,565	372,841	23,622	—	141,338	11,499	3,179	12,149	54,416	34,395	55,905	24,336	—	840,596	795,684
Other services	8,690	1,170	—	6,367	—	—	11,341	—	—	—	354	78	78	—	—	28,078	181,332
Rent/lease/mortgage interest	60,263	35,100	—	122,749	—	—	133,598	—	—	—	—	—	4,295	—	—	356,005	240,421
COVID-19 expenses	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	391
Other supplies and equipment	5,414	4,470	—	14,947	—	94	27,639	—	—	—	7,392	500	475	—	—	60,931	55,021
IT - supplies and equipment	10,295	5,570	—	30,761	—	—	3,971	—	—	—	—	—	7,697	—	—	58,294	93,087
Professional/ contracted-out services	109,135	15,401	—	6,881	—	—	9,096	180	—	—	12,722	760	760	—	—	154,935	80,236
Advertising and promotion	4,692	299	—	1,943	18	—	971	—	—	—	—	—	—	—	728	8,651	10,642
Professional contracted-out IT services	5,476	28,277	—	44,615	—	—	14,313	—	—	—	1,050	1,237	1,462	—	—	96,430	130,143
Staff training	12,117	19,789	—	15,793	229	—	4,280	—	—	—	3,819	147	156	—	—	56,330	37,275
Communication	9,726	10,855	—	29,096	—	—	13,178	174	—	—	3,908	2,236	3,227	—	—	72,400	71,260
Travel	2,638	317	—	10,472	—	—	1,599	—	—	—	10,478	161	945	—	—	26,610	14,631
Services related to repairs and maintenance	2,498	25	—	62	—	—	30	—	—	—	—	—	—	—	—	2,615	6,718
Supplies, equipment related to repairs and ma	3,108	567	—	973	—	—	805	—	—	—	—	—	—	—	—	5,453	16,109
Insurance	27,941	—	—	—	—	—	—	—	—	—	1,012	—	—	—	—	28,953	23,478
Utilities	772	1,946	—	4,348	—	—	1,969	—	—	—	—	176	105	—	—	9,316	8,946
Board expenses	1,098	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,098	1,951
	465,179	504,515	49,350	2,347,571	183,600	474,878	978,860	66,148	18,688	70,000	11,662,313	172,000	352,200	140,000	728	17,486,030	12,252,342
Allocated central administration	(465,179)	55,000	2,000	270,679	—	—	108,700	—	—	—	8,800	8,000	12,000	—	—	—	—
	—	559,515	51,350	2,618,250	183,600	474,878	1,087,560	66,148	18,688	70,000	11,671,113	180,000	364,200	140,000	728	17,486,030	12,252,342
Excess (deficiency) of revenue over expenses before funding repayable to the Ministry	—	—	—	6,066	—	147,022	—	—	—	—	369,511	—	—	—	(728)	521,871	790,829