Financial Statements of

MALTBY CENTRE

Year ended March 31, 2024

MALTBY CENTRE
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Year ended March 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Maltby Centre

Opinion

We have audited the financial statements of Maltby Centre (the Entity), which comprise:

- the statement of financial position as at March 31, 2024
- the statement of operations for the year then ended
- the statement of changes in net assets (deficiency) for the year then ended
- the statement of cash flows for the year then ended
- and the notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibility under those standards are further described in the **"*Auditor's Responsibilities for the Audit of the Financial Statements*"** section of our auditor's report.

We are independent of the Entity 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.

Responsibility of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the financial statements.

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

We also:

- Identify and assess the risk 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, internal 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 purposes of expressing an opinion on the effectiveness of the Entity'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 the events or conditions that may cast significant doubt on the Entity'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 Entity's 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.

- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

June 24, 2024

MALTBY CENTRE

Statement of Financial Position

March 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash	$ 1,944,949	$ 2,092,006
Accounts receivable	327,857	254,306
Prepaid expenses and deposits	63,690	79,933
	2,336,496	2,426,245
Capital assets (note 3)	2,475,013	2,279,521
Less accumulated amortization	1,317,825	1,160,462
	1,157,188	1,119,059
	$ 3,493,684	$ 3,545,304
Liabilities and Net Assets (Deficiency)		
Current liabilities:		
Accounts payable and accrued liabilities (note 4)	$ 1,285,064	$ 902,137
Accrued vacation liability	199,967	199,083
Deferred revenue (note 6)	127,275	171,693
Amounts payable to the Province of Ontario (note 5(b))	914,913	1,219,182
	2,527,219	2,492,095
Deferred capital contributions (note 7)	1,028,663	1,119,059
	3,555,882	3,611,154
Net assets (deficiency):		
Unrestricted deficit (note 8)	(105,198)	(108,850)
Internally restricted	43,000	43,000
	(62,198)	(65,850)
Commitments (note 9)		
Economic dependence (note 12)		
	$ 3,493,684	$ 3,545,304

See accompanying notes to financial statements.

On behalf of the Board:

Steven Kingston
Director

Director

MALTBY CENTRE

Statement of Operations

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Revenue:		
Provincial government funding (note 5(a))	$ 13,762,073	$ 15,947,346
Investment and other income	813,109	845,363
Services revenue	487,374	202,879
Amortization of deferred capital contributions	157,362	196,627
	15,219,918	17,192,215
Expenses:		
Salaries	8,770,513	8,834,063
Benefits	2,477,425	2,393,358
Purchased services - client related	1,583,699	2,942,999
Building occupancy	905,186	979,173
Residential and respite	419,339	338,812
Purchased services - non-client related	209,319	463,981
Office administration - information technology	185,797	305,683
Amortization	157,362	196,627
Miscellaneous	139,475	162,028
Office administration – general	126,022	170,720
Training	91,125	177,377
Travel	61,039	72,201
Program costs	50,447	92,315
Client expenses – other	40,402	62,249
	15,217,150	17,191,586
Excess of revenue over expenses before the undernoted	2,768	629
Change in accrued vacation liability	884	17,834
Gain on disposal of deferred capital contributions	–	45,350
Loss on disposal of capital assets	–	(2,350)
Excess of revenue over expenses	$ 3,652	$ 61,463

See accompanying notes to financial statements.

MALTBY CENTRE

Statement of Changes in Net Assets (Deficiency)

Year ended March 31, 2024, with comparative information for 2023

	Unrestricted	Internally restricted	2024 Total	2023 Total
Net assets (deficiency), beginning of year	$ (108,850)	$ 43,000	$ (65,850)	$ (127,313)
Excess of revenue over expenses	3,652	–	3,652	61,463
Interfund transfers (note 13)	–	–	–	–
Net assets (deficiency), end of year	$ (105,198)	$ 43,000	$ (62,198)	$ (65,850)

See accompanying notes to financial statements.

MALTBY CENTRE

Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	$ 3,652	$ 61,463
Items not involving cash:		
Amortization	157,362	196,627
Amortization of deferred capital contributions	(157,362)	(196,627)
Loss on disposal of capital assets	–	2,350
Gain on disposal of deferred capital contributions	–	(45,350)
Changes in non-cash working capital balances:		
Amounts receivable	(73,551)	(7,283)
Prepaid expenses and deposits	16,243	48,498
Accounts payable and accrued liabilities	382,927	(146,737)
Accrued vacation liability	884	(17,834)
Amounts payable to the Province of Ontario	(304,269)	(449,583)
Deferred revenue	(44,418)	(83,709)
	(18,532)	(638,185)
Investing activities:		
Purchase of capital assets	(195,491)	–
Proceeds on disposal capital assets	–	43,000
	(195,491)	43,000
Financing activities:		
Deferred capital contributions received	66,966	–
Decrease in cash	(147,057)	(595,185)
Cash, beginning of year	2,092,006	2,687,191
Cash, end of year	$ 1,944,949	$ 2,092,006

See accompanying notes to financial statements.

1. Purpose of the Organization:

Maltby Centre (the "Agency") is incorporated without share capital under the laws of Ontario. It is a registered charity and is exempt from income taxes under the Canadian Income Tax Act. The Agency's objectives are to offer a broad range of services and supports that are responsive to the mental health and autism needs of children, youth and families in the counties of Kingston Frontenac Lennox & Addington.

2. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook – Accounting and include the following significant accounting policies:

(a) Revenue recognition:

The Agency follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred.

Unrestricted contributions are recognized as revenue when received or receivable, provided that the amounts to be received can be reasonably estimated and collection is reasonably assured.

Investment and other income is recorded as earned.

(b) Capital assets:

Capital assets are recorded at acquisition cost. Amortization is provided on the straight-line method over their estimated useful lives as follows:

Asset	Useful life
Vehicles	10 years
Furniture and fixtures	5 years
Computer hardware	3 years
Leasehold improvements	over the term of the lease

The carrying value of an item of capital assets is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount is not recoverable and exceeds its fair value.

2. Significant accounting policies (continued):

(c) Deferred capital contributions:

Deferred capital contributions represent financial assistance received for the purchase of capital assets. This financial assistance is deferred and amortized to income on the same basis as the related capital assets.

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Agency has not elected to subsequently carry its financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Agency determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Agency expects to realize by exercising its right to any collateral.

If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(e) Government funding:

The Agency is funded primarily by the Ontario Ministry of Children, Community and Social Services ("MCCSS") and the Ontario Ministry of Health/Ontario Health ("MOH"). These financial statements reflect the funding arrangements approved by the Province of Ontario for the year ended March 31, 2024.

2. Significant accounting policies (continued):

(e) Government funding (continued):

From time to time, the Agency receives funding that permits the Agency to disburse funds to clients and their families for specific purposes, with the requirement that the recipients subsequently provide evidence that funds were spent in accordance within agreed upon parameters. If funds were not spent appropriately by the recipient or reconciliations are not provided within specific timelines, the Agency will recover all or part of the funds provided. Funds disbursed under such agreements are recorded as expenses as they are disbursed, with recoveries (if any) recognized as a reduction in expenses once the recoveries are quantified with reasonable precision and collection is reasonably assured.

Amounts repayable to the MCCSS and MOH are recorded as reductions in revenue on the Statement of Operations.

(f) Pension plan:

The Agency participates in the Healthcare of Ontario Pension plan, a defined benefit multi-employer pension plan. The plan is accounted for on a defined contribution plan basis as contributions to the benefit plan are determined by the plan administrator and are expensed when due. The most recent regulatory funding valuation of this multi-employer pension plan conducted as at December 31, 2023 disclosed actuarial assets of $113 billion (2022 - $104 billion) with accrued pension liabilities of $102 billion (2022 - $93 billion), resulting in a surplus of $10 billion (2022 - $11 billion). This filing valuation also confirmed that the plan was fully funded on a solvency basis as at December 31, 2023 based on the assumptions and methods adopted for the valuation.

(g) Use of estimates:

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions 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 year. Actual results could differ from those estimates.

3. Capital assets:

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Furniture and fixtures	$ 332,846	$ 249,177	$ 83,669	$ 74,490
Computer hardware	539,422	506,270	33,152	49,918
Leasehold improvements	1,602,745	562,378	1,040,367	994,651
	$ 2,475,013	$ 1,317,825	$ 1,157,188	$ 1,119,059

Cost and accumulated amortization at March 31, 2023, amounted to $2,279,521 and $1,160,462, respectively.

During the year, the Agency's disposed of $Nil (2023 - $80,813) assets with a net book value of $Nil (2023 - $35,462).

Management has reviewed for impairment as at March 31, 2024 and 2023, and determined there is none.

4. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are the following:

	2024	2023
Trade payables - operating	$ 486,943	$ 274,308
Accrued wages	569,724	582,675
Accrued expenses	228,397	45,154
	$ 1,285,064	$ 902,137

5. Provincial government funding:

The Agency has service contracts with MCCSS and MOH. A reconciliation report summarizes, by service, all of the revenues and expenses incurred, and identifies any resulting surplus or deficit relating to the service contracts.

(a) A breakdown of the funding and expenditures for the current year, by program, is as follows:

	Total Funding	Net expenditures	Surplus (deficit)
Children & Youth Mental Health Services:			
Brief	$ 1,143,692	$ 1,135,060	$ 8,632
Counselling/therapy	2,896,341	2,894,980	1,361
Crisis	178,108	178,108	-
Family/Caregiver Skills	106,109	106,109	-
Access intake	581,804	581,804	-
Intensive	1,866,281	1,850,722	15,559
Service Coordination	120,433	120,433	-
Specialized Consultation	181,257	181,257	-
Targeted Prevention	116,251	116,251	-
Road Map to Wellness	329,430	316,804	12,626
Autism Programs and Services:			
Autism Intervention Program	1,922,656	1,705,639	217,017
School Support Program	569,024	749,024	(180,000)
Other ASD Supports	35,800	35,800	-
Foundational Family Services	2,007,307	2,007,307	-
Project Impact	316,321	392,588	(76,267)
Workforce Capacity	200,000	200,000	-
Other programs:			
Community Capacity	95,600	95,600	-
Youth Outreach Worker	-	33,334	(33,334)
SNAP	568,800	562,303	6,497
Complex Special Needs	451,501	435,821	15,680
Court Worker Program	96,098	96,098	-
Court Ordered Assessments Sec 34	20,998	33,998	(13,000)
	13,803,811	13,829,040	(25,229)
Less: allocated to deferred capital contributions	-	66,967	66,967
	$ 13,803,811	$ 13,762,073	$ 41,738

1. Ministry funding is reported in this schedule on the cash basis.
2. Expenses are reported in this schedule on an accrual basis.

5. Provincial government funding (continued):

(b) A summary of the amounts outstanding at year-end is as follows:

	2024	2023
Surplus receivable, fiscal 2020/2021	$ –	$ 198,776
Surplus repayable, fiscal 2021/2022	873,175	873,175
Surplus repayable, fiscal 2022/2023	–	147,231
Surplus repayable, fiscal 2023/2024	41,738	–
	$ 914,913	$ 1,219,182

6. Deferred revenue:

Deferred revenue is comprised of the following:

	2024	2023
Fee-for-Service prepayments	$ 74,985	$ 98,459
Other unexpended grants & directed donations	52,290	73,234
	$ 127,275	$ 171,693

7. Deferred capital contributions:

The changes in the deferred capital contributions balance are as follows:

	2024	2023
Balance, beginning of year	$ 1,119,059	$ 1,361,036
Contributions received	66,966	–
Amounts recognized in revenue	(157,362)	(196,627)
Gain on disposal of deferred capital contributions	–	(45,350)
Balance, end of year	$ 1,028,663	$ 1,119,059

8. Unrestricted deficit:

The deficit is composed of the following:

	2024	2023
Unfunded vacation liability	$ (199,967)	$ (199,083)
Other	94,769	90,233
	$ (105,198)	$ (108,850)

Under the terms of the Agency's operating agreement with the Province of Ontario, expenditures to staff for vacation pay are eligible for funding only when the expenditures are actually paid. Under Canadian accounting standards for not-for-profit organizations, the Agency recognizes the expense and liability associated with vacation pay as staff members earn it. Consequently, the component of the Agency's deficit relating to accrued vacation results from the timing difference between the recognition of the expense and the recognition of the funding revenue. It is the Agency's expectation that the vacation pay owing to staff will be funded through its operating agreements, though this is contingent on the eventual timing of the expenses and the consent of the Province of Ontario.

9. Commitments:

The Agency is committed to annual rent payments under lease agreements for premises occupied as follows:

Location	Approximate annual rental	Expiry
Hyperion Court	$ 430,975	May 31, 2036
Napanee	35,524	November 1, 2027
Sydenham	42,398	December 31, 2024

The Agency entered into a long-term facility lease at Hyperion Court effective June 1, 2016 with a term of twenty years. The terms of the lease include payments for leasehold improvements financed by the landlord. Base rent for the arrangement is fixed for the first five years of the lease at $7 per square foot, following which there will be an increase for each five year period thereafter up to a rate of $7.95 per square foot for the final period. The Agency's share of operating costs associated with the properties, where applicable, are not included in the figures above.

10. Pension plan:

Substantially all of the employees of the Agency are members of the Healthcare of Ontario Pension Plan (the "Plan"), which is a multi-employer defined benefit pension plan available to all eligible employees of the participating members of the Ontario Hospital Association. Contributions to the Plan made during the year by the Agency on behalf of its employees amounted to $752,258 (2023 - $818,988) and are included in the Statement of Operations.

Pension expense is based on Plan management's best estimates, in consultation with its actuaries, of the amount, required to provide a high level of assurance that benefits will be fully represented by fund assets at retirement, as provided by the Plan. The funding objective is for employer contributions to the Plan to remain a constant percentage of employees' contributions.

Variances between actuarial funding estimates and actual experience may be material and any differences are generally to be funded by the participating members. The Plan's 2023 Annual Report indicates the Plan is fully funded at 115%.

11. Financial risks:

In the normal course of operations, the Agency is exposed to a variety of financial risks which are actively managed by the Agency.

The Agency's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and amounts payable to the Province of Ontario. The fair values of these approximate their carrying values because of their expected short term maturity and treatment on normal trade terms.

(a) Credit risk:

The Agency provides credit to its clients in the normal course of operations. It carries out, on a continuing basis, a review of outstanding amounts and maintains provisions for estimates of uncollectible amounts. The Agency assesses, on a continuous basis, accounts receivable and provides for any amounts that are not considered collectible in an allowance for doubtful accounts. The balance in the allowance for doubtful accounts as at March 31, 2024 is $2,500 (2023 - $2,500).

There have been no significant changes to the credit risk exposure from 2023.

(b) Liquidity risk:

Liquidity risk is the risk that the Agency will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Agency manages its liquidity risk by monitoring its operating requirements. At March 31, 2024, the current liabilities of the Agency exceed its current assets by $191,723 (2023 - $65,850). The Agency prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

There have been no significant changes to the liquidity risk exposure from 2023.

12. Economic dependence:

The Agency received 90% (2023 - 93%) of its funding from the Province of Ontario and, in this respect, is economically dependent upon the Province for continued support.

13. Internally restricted net assets:

During the year, the Board of Directors approved the transfer of internally restricted funds in the amount of $Nil (2023 - $90,249) to fund a portion of the unrestricted deficit.

During the fiscal 2023 year, the Board of Directors approved the transfer of in-year surplus in the amount of $43,000 to the internally restricted fund. These funds represent the proceeds on sale of vehicles and will be used in future years for client travel.

14. Credit facility:

The Agency has access to an unsecured demand loan in the amount of $700,000, bearing interest at the lender's prime rate. This credit facility was undrawn as of March 31, 2024 (2023 - undrawn).