

**Central West Specialized
Developmental Services
Financial Statements**
For the year ended March 31, 2024

Central West Specialized Developmental Services
Financial Statements
For the year ended March 31, 2024

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Independent Auditor's Report

To the Board of Directors of Central West Specialized Developmental Services

Opinion

We have audited the financial statements of Central West Specialized Developmental Services (the "Organization"), which comprise the statements of financial position of the Operating Fund, Charitable Donation Fund, and People Supported Trust Fund as at March 31, 2024, and the statements of revenue and expenditures and surplus (deficit) of the Operating Fund, revenue and expenditures and net assets of the Charitable Donation Fund and cash flows for the years 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 its results of operations and its cash flows for the years then ended in accordance with the financial reporting provisions in the Transfer Payment Operating Funds - Basis of Accounting established by the Ministry of Children, Community and Social Services.

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 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Organization to comply with the financial reporting provisions in the Transfer Payment Operating Funds - Basis of Accounting established 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 these financial statements in accordance with the basis of accounting as described in Note 1, 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Guelph, Ontario
June 25, 2024

**Central West Specialized Developmental Services
Statement of Financial Position
Operating Fund**

March 31 **2024** **2023**

Assets

Current

Cash (Note 2)	\$4,487,029	\$ 3,245,513
Accounts receivable	<u>454,859</u>	<u>550,024</u>
	\$4,941,888	\$ 3,795,537

Liabilities and Surplus (Deficit)

Current

Accounts payable and accrued liabilities (Note 3)	\$ 4,469,328	\$ 2,730,775
Due to People Supported Trust Fund	-	873
Due to Province of Ontario	39,831	1,051,464
Recoverable by Province of Ontario	<u>82,159</u>	<u>14,510</u>
	4,591,318	3,797,622

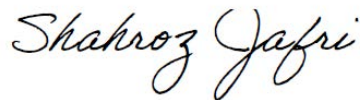
Surplus (Deficit) **350,570** **(2,085)**

\$4,941,888 **\$ 3,795,537**

On behalf of the Board:



Chair



Treasurer

**Central West Specialized Developmental Services
Statements of Financial Position**

March 31 **2024** **2023**

Charitable Donation Fund

Asset

Cash (Note 2) **\$ 223,016** **\$ 209,027**

Liabilities and Net Assets

Net assets

Restricted net assets **108,188** 107,378
 Unrestricted net assets **114,828** 101,649

\$ 223,016 **\$ 209,027**

People Supported Trust Fund

Assets

Current

Cash (Note 2) **\$ 563,864** \$ 510,065
 Due from Operating Fund **-** 873

\$ 563,864 **\$ 510,938**

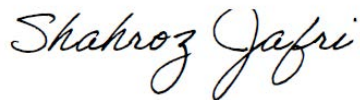
Liability

Trust liability **\$ 563,864** \$ 510,938

On behalf of the Board:



_____ Chair



_____ Treasurer

**Central West Specialized Developmental Services
Statement of Revenue and Expenditures and Surplus (Deficit)
Operating Fund**

For the year ended March 31	2024	2023
Revenue		
MCCSS funding (Note 5)	\$ 39,089,244	\$ 37,878,432
Passport funding (Note 4)	1,312,698	1,184,422
Accommodation funding	888,123	853,413
Grant funding (Note 6)	326,255	153,931
Other revenue	<u>91,972</u>	<u>248,581</u>
	<u>41,708,292</u>	<u>40,318,779</u>
Expenditures (Schedule)		
Administration	65,385	1,794,872
Building and property	874,582	1,025,420
Community Homes	3,198,096	3,293,627
Community Network of Specialized Care	617,466	1,011,954
Complex Treatment Homes	11,902,591	9,000,861
Dual Diagnosis Services	1,504,431	1,815,098
Halton/Peel Support Services	11,273,439	10,027,652
Passport Administration (Note 4)	2,469,925	2,843,882
Respite	1,181,651	1,205,872
Supported Group Living	<u>8,268,071</u>	<u>8,285,031</u>
	<u>41,355,637</u>	<u>40,304,269</u>
Excess of revenue over expenditures for the year before other items	352,655	14,510
Recoverable by Province of Ontario	<u>-</u>	<u>(14,510)</u>
Excess of revenue over expenditures for the year	352,655	-
Deficit, beginning of year	<u>(2,085)</u>	<u>(2,085)</u>
Surplus (Deficit), end of year	\$ 350,570	\$ (2,085)

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

**Central West Specialized Developmental Services
Statement of Revenue and Expenditures and Net Assets
Charitable Donation Fund**

For the year ended March 31

	Restricted Net Assets	Unrestricted Net Assets	2024 Total	2023 Total
Revenue				
Donations	\$ 25,250	\$ 14,967	\$ 40,217	\$ 40,878
Expenditures				
Equipment	18,968	-	18,968	16,367
Recreation	5,472	1,788	7,260	8,937
	24,440	1,788	26,228	25,304
Excess of revenue over expenditures for the year	810	13,179	13,989	15,574
Balance, beginning of year	107,378	101,649	209,027	193,453
Balance, end of year	\$ 108,188	\$ 114,828	\$ 223,016	\$ 209,027

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

Central West Specialized Developmental Services Statement of Cash Flows

For the year ended March 31	2024	2023
Cash flows from operating activities		
Excess of revenue over expenditures for the year	\$ 366,644	\$ 15,574
Adjustments to reconcile excess of revenue over expenditures to net cash provided by operating activities		
Changes in non-cash working capital balances		
Accounts receivable	95,165	208,143
Accounts payable and accrued liabilities	1,738,553	(173,000)
Deferred revenue	-	(2,243,980)
Due to Province of Ontario	(1,011,633)	(444,321)
Due to People Supported Trust Fund	(873)	(62,706)
Recoverable by Province of Ontario	67,649	(16,071)
	<u>1,255,505</u>	<u>(2,716,361)</u>
Net increase (decrease) in cash	1,255,505	(2,716,361)
Cash, beginning of year	3,454,540	6,170,901
Cash, end of year	\$ 4,710,045	\$ 3,454,540
Represented by		
Cash – Operating Fund	\$ 4,487,029	\$ 3,245,513
Cash – Charitable Donation Fund	223,016	209,027
	<u>\$ 4,710,045</u>	<u>\$ 3,454,540</u>

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

Central West Specialized Developmental Services

Notes to Financial Statements

March 31, 2024

1. Significant Accounting Policies

Nature of Organization

Central West Specialized Developmental Services (the "Organization" or "Central West") is a not-for-profit organization, incorporated without share capital under the laws of Ontario, which provides residential and community-based support programs to people with intellectual and developmental disabilities and to their families across a number of regions.

Central West is a registered charity under the Income Tax Act.

Basis of Accounting

The financial statements have been prepared in accordance with the financial reporting provisions in the Transfer Payment Operating Funds - Basis of Accounting established by the Ministry of Children, Community and Social Services, using the significant accounting policies set out below. The basis of accounting used in these financial statements differs from Canadian accounting standards for not-for-profit organizations (ASNPO) in the following ways:

Capital assets purchased on a cash basis are charged to operations in the year the expenditure is incurred rather than being capitalized on the balance sheet and amortized over their estimated useful lives.

Revenue and expenditures are accrued using the modified accrual basis of accounting. This method requires the inclusion of short-term accruals in the determination of operating results provided they are payable or receivable within 30 days of the budget year-end.

Provisions or reserves for unused vacation, sick leave and wage settlements are inadmissible expenditures. The costs become an admissible expenditure when the actual payments are made, unless otherwise approved by the Ministry of Children, Community and Social Services.

Revenue Recognition

Central West follows the restricted fund method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted grant funding of the Operating Fund is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Any externally restricted grant funding not spent in the year received or receivable is recoverable by the granter unless approved for carryforward by the granter. Externally restricted contributions of the Charitable Donation Fund are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donations are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Central West is funded by the Province of Ontario through the Ministry of Children, Community and Social Services on the basis of subsidies for approved expenditures.

Community and individualized funding are funds that Central West administers and flows to individuals, families and Agencies.

Central West Specialized Developmental Services Notes to Financial Statements

March 31, 2024

1. Significant Accounting Policies (Continued)

Fund Accounting

The Operating Fund accounts for the operations of all programs and contracts administered by Central West.

The Charitable Donation Fund accounts for restricted and unrestricted contributions. The donor-restricted funds are to be used for purposes specified by the donor. The unrestricted funds consist of donation income.

The People Supported Trust Fund accounts for the assets belonging to the residents of the Organization's supportive living communities.

Contributed Goods and Services

Volunteers contribute significant amounts of time to assist Central West in carrying out its service delivery activities. Central West also, from time to time, receives donations of goods. Because of the difficulty of determining their fair value, contributed goods and services are not recognized in the financial statements.

Employee Future Benefits

Central West participates in a multi-employer defined benefit pension plan, however, sufficient information is not available to use defined benefit accounting. To comply with the stated basis of accounting, Central West accounts for the plan as if it were a defined contribution plan, recognizing contributions as expenditures in the year to which the contributions relate.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are charged to operations in the year the expenditures are incurred.

Use of Estimates

The preparation of financial statements in accordance with the financial reporting provisions in Transfer Payment Operating Funds – Basis of Accounting established by the Ministry of Children, Community and Social Services requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Cash

Central West's bank accounts are held at one chartered bank.

Central West has an unused \$100,000 (2023 - \$100,000) operating credit facility bearing interest at the bank's prime rate. The credit facility is secured by a general security agreement.

Central West Specialized Developmental Services Notes to Financial Statements

March 31, 2024

3. Contingent Liabilities

Central West occupies a building that may require significant capital upgrades. Central West received \$121,100 (2023 - \$nil) of funding from the Ministry of Children, Community and Social Services to offset the costs of minor capital projects incurred during the year. Due to the uncertainty of the scope of potential future upgrades, Central West has not recorded any additional expenditures or liabilities related to this project nor has the Ministry of Children, Community and Social Services committed any additional specific funding to this project during the year.

Central West has estimated approximately \$900,000 for potential retroactive wages and benefits. This amount is included in accounts payable and accrued liabilities on the balance sheet.

4. Passport Program

During the fiscal year, Passport program invoices of \$41,414 (2023 - \$15,616) related to the prior year were processed. Central West received \$41,414 (2023 - \$15,616) of funding for payment of these invoices during the year. The funding and expenditures have been included in the current period's statement of revenue and expenditures.

5. COVID-19 Related Funding

Central West received fiscal funding from the Ministry of Children, Community and Social Services to offset expenditures related to the COVID-19 pandemic. This included funding for pandemic-related expenses of \$6,035 (2023 - \$48,127).

Temporary wage enhancement funding was being implemented from April 1, 2021 to March 31, 2022. This funding was made permanent in the 2022-2023 fiscal year and was included in 2023-2024 base funding. The Organization is trying to increase this funding for 2024-2025 fiscal year.

6. Grant Funding

In fiscal 2024, Central West received \$326,255 in fiscal funding to support programs and projects.

Rock and Halton CAS	51,698
Halton Region	168,803
Petro Canada – Reverse Respite	12,864
CTF Funding York Hills	<u>92,890</u>
Grant funding revenue	<u>\$326,255</u>

Central West Specialized Developmental Services

Notes to Financial Statements

March 31, 2024

7. Special Services at Home Program

During the year, Central West received \$1,374,507 (2023 - \$1,527,001) fiscal funding to administer the Special Services at Home (“SSAH”) program. There is a receivable of \$54,974 (2023 - \$78,489) to cover the contract totals. The SSAH contracts totalled \$1,429,481 (2023 - \$1,605,490). The SSAH program funding and expenses are administered on behalf of the Ministry of Children, Community and Social Services and as a result, the funding for this program is not included in the Ministry Service Contract funding and has not been included in the statement of revenue and expenditures and surplus (deficit).

8. Employee Future Benefits

Central West is a member of the Healthcare of Ontario Pension Plan (HOOPP), a multi-employer defined benefit pension plan. The pension expense for this plan for the year was \$1,169,504 (2023 - \$1,191,059).

HOOPP is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of participating Centres in Ontario and their employees. As a result, Central West does not recognize any share of the HOOPP pension surplus or deficit. The plan has reported a \$10.2 billion actuarial surplus at the end of December 2023 (2022 - \$11.0 billion surplus), based on actuarial liabilities of \$102.5 billion (2022 - \$92.7 billion) and actuarial net assets of \$112.6 billion (2022 - \$103.7 billion).

9. Economic Dependence

The Organization depends on the Ministry of Children, Community and Social Services to provide funding in order to continue to operate.

10. Financial Instrument Risks

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss to the other party by failing to discharge an obligation. Central West is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligation. Central West's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable balances. This risk has been determined to be nominal and has not changed from the prior year.

Liquidity Risk

Liquidity risk is the risk that Central West encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, Central West will not have sufficient funds to settle a transaction on the due date, will be forced to sell financial assets at a value, which is less than what they are worth, or may be unable to settle or recover a financial asset. Liquidity risk arises from Central West's accounts payable and accrued liabilities balances. This risk has not changed from the prior year.

**Central West Specialized Developmental Services
Notes to Financial Statements**

March 31, 2024

11. Comparative Amounts

Certain comparative amounts have been reclassified to conform to the current year's presentation of revenue and expenditures.

**Central West Specialized Developmental Services
Schedule of Expenditures
Operating Fund**

For the year ended March 31	2024	2023
Salaries and benefits (Note 8)		
Building and property	\$ 277,249	\$ 223,205
Community programs	3,094,831	3,120,556
Complex Treatment Homes	7,864,817	6,758,698
Halton/Peel Support Services	1,118,780	922,064
Passport (Note 4)	1,325,595	1,243,336
Supportive Living	<u>10,143,522</u>	<u>10,444,384</u>
	<u>23,824,794</u>	<u>22,712,243</u>
Non-salary		
Building and property	597,333	615,704
Building and property – one-time projects	-	186,511
Community programs	134,276	837,993
Complex Treatment Homes	4,037,774	2,242,162
Halton/Peel Support Services	10,229,101	9,179,964
Passport (Note 4)	1,144,330	1,600,546
Supported Group Living	<u>1,388,029</u>	<u>2,929,146</u>
	<u>17,530,843</u>	<u>17,592,026</u>
Total expenditures	<u>\$ 41,355,637</u>	<u>\$ 40,304,269</u>