

Macaulay Centres for Children
Financial Statements
For the year ended December 31, 2023

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Independent Auditor's Report

To the Directors of Macaulay Centres for Children

Opinion

We have audited the financial statements of Macaulay Centres for Children (the "Centre"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, 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 Centre as at December 31, 2023, 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 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 Centre 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 audit opinion.

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 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 Centre'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 Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre'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.



Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 Centre'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 Centre'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 Centre 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.

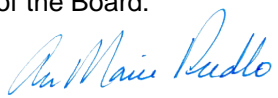
BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Oakville, Ontario
May 10, 2024


Macaulay Centres for Children
Statement of Financial Position

December 31	2023	2022
Assets		
Current		
Cash (Note 2)	\$ 11,748,969	\$ 7,363,369
Accounts receivable (Note 3)	803,174	896,090
Prepaid expenses	65,058	53,129
	12,617,201	8,312,588
Investments (Note 4 (a))	3,946,656	3,759,509
Capital assets (Note 5)	2,436,552	2,561,339
	\$ 19,000,409	\$ 14,633,436
Liabilities and Fund Balances		
Current		
Accounts payable and accrued liabilities (Note 6)	\$ 5,242,194	\$ 3,388,572
Current portion of leasehold inducements (Note 7)	20,690	20,690
Deferred contributions (Note 8 (a))	3,753,697	3,143,880
	9,016,581	6,553,142
Leasehold inducements (Note 7)	117,240	137,930
Deferred contributions (Note 9 (b))	1,201,257	1,379,797
	10,335,078	8,070,869
Commitments and indemnifications (Notes 12 and 16)		
Fund balances		
Capital asset fund (Note 10)	1,125,784	1,078,891
Endowment fund	290,831	250,706
Internally restricted funds (Note 11)	4,236,673	4,047,840
Operating fund	3,012,043	1,185,130
	8,665,331	6,562,567
	\$ 19,000,409	\$ 14,633,436

On behalf of the Board:



Director



Director

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

Macaulay Centres for Children Statement of Operations

For the year ended December 31	2023	2022
Revenue		
Fees for services (Note 13)	\$ 10,904,319	\$ 10,244,214
Grants (Note 14)	15,922,194	12,615,919
United Way of Toronto and York Region	482,122	481,170
Amortization of deferred contributions related to capital assets (Note 9 (a))	185,722	156,440
Donations, fundraising and other	96,633	73,393
	27,590,990	23,571,136
Expenditures		
Salaries and wages	14,531,611	12,928,318
Home child care providers	4,319,698	3,835,634
Employee benefits (Note 15)	2,689,549	2,349,340
Building occupancy and maintenance	1,100,254	855,529
Food services	953,958	698,537
Professional services	679,768	361,872
Program expenses	500,036	515,479
Office and general	496,185	326,214
Amortization	469,966	319,201
Recruitment and education	109,414	75,062
Promotion and publicity	94,071	38,656
Insurance	82,594	66,606
Transportation	17,299	7,676
	26,044,403	22,378,124
Excess of revenue over expenditures from operations	1,546,587	1,193,012
Investment income (Note 4(b) and (c))	516,052	45,854
Excess of revenue over expenditures for the year	\$ 2,062,639	\$ 1,238,866

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

Macaulay Centres for Children
Statement of Changes in Fund Balances

For the year ended December 31, 2023

	Operating Fund	Capital Asset Fund	Dorothy and Hugh Macaulay Endowment	Internally Restricted Funds	2023 Total
Net assets, beginning of year	\$ 1,185,130	\$ 1,078,891	\$ 250,706	\$ 4,047,840	\$ 6,562,567
Excess (deficiency) of revenue over expenditures for the year	2,326,193	(263,554)	-	-	2,062,639
Contributions received for capital assets	34,732	(34,732)	-	-	-
Purchase of capital assets	(345,179)	345,179	-	-	-
Transfer of investment income (Note 4(b))	(209,599)	-	-	209,599	-
Investment income	-	-	40,125	-	40,125
Transfer of management fees on investment income	20,766	-	-	(20,766)	-
Net assets, end of year	\$ 3,012,043	\$ 1,125,784	\$ 290,831	\$ 4,236,673	\$ 8,665,331

For the year ended December 31, 2022

	Operating Fund	Capital Asset Fund	Dorothy and Hugh Macaulay Endowment	Internally Restricted Funds	2022 Total
Net assets, beginning of year	\$ 188,829	\$ 736,884	\$ 294,411	\$ 4,106,960	\$ 5,327,084
Excess (deficiency) of revenue over expenditures for the year	1,380,937	(142,071)	-	-	1,238,866
Contributions received for capital assets	174,706	(174,706)	-	-	-
Purchase of capital assets	(658,784)	658,784	-	-	-
Transfer of fund balances	40,322	-	(40,322)	-	-
Transfer of investment income (Note 4(b))	38,824	-	-	(38,824)	-
Investment income (loss)	-	-	(3,383)	-	(3,383)
Transfer of management fees on investment income	20,296	-	-	(20,296)	-
Net assets, end of year	\$ 1,185,130	\$ 1,078,891	\$ 250,706	\$ 4,047,840	\$ 6,562,567

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

Macaulay Centres for Children Statement of Cash Flows

For the year ended December 31	2023	2022
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenditures for the year	\$ 2,062,639	\$ 1,238,866
Adjustments to reconcile excess of revenue over expenditures to net cash provided by operating activities		
Unrealized losses (gains) on investments (Note 4(c))	(84,113)	67,309
Amortization of capital assets	469,966	319,201
Amortization of deferred contributions related to capital assets	(185,722)	(156,440)
Amortization of lease inducements (Note 7)	(20,690)	(20,690)
Changes in non-cash working capital balances		
Accounts receivable	92,916	420,197
Prepaid expenses	(11,929)	66,073
Accounts payable and accrued liabilities	1,853,622	1,486,962
Deferred contributions	582,267	(1,205,614)
	4,758,956	2,215,864
Investing activities		
Purchase of capital assets	(345,179)	(658,784)
Purchase of investments, net of proceeds from sale of investments	(103,034)	75,486
Investment income earned on Endowment Fund	40,125	(3,383)
	(408,088)	(586,681)
Financing activity		
Increase in deferred contributions related to Capital Asset Fund	34,732	174,706
Increase in cash	4,385,600	1,803,889
Cash, beginning of year	7,363,369	5,559,480
Cash, end of year	\$ 11,748,969	\$ 7,363,369

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

Macaulay Centres for Children

Notes to Financial Statements

December 31, 2023

1. Summary of Significant Accounting Policies

Purpose of the Organization

Effective July 7, 2023. The Macaulay Child Development Centre amended its name to Macaulay Centres for Children (the "Centre"). The Centre is a not-for-profit organization incorporated under the laws of Ontario as a corporation without share capital. The Centre provides specialized childcare and family support services.

The Centre is subject to the Charities Accounting Act and the Charitable Gifts Act and is registered as a charitable organization and, as such, is exempt from income taxes.

General

The financial statements of the Centre have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The preparation of financial statements in conformity with these standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. These financial statements are prepared on the basis that the Centre will be able to continue as a going concern, which is dependent upon the continued financial support of the City of Toronto, the United Way and others.

Basis of Accounting

The Centre follows the deferral method of accounting for contributions.

Revenue Recognition

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

Restricted contributions for the purchase of capital assets that will be amortized are deferred and recognized as revenue of the Capital Asset Fund on the same basis as the amortization expense related to the acquired capital assets.

Fees for services are recognized as revenue in the period in which the services are provided.

Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization is charged as an expense of the Capital Asset Fund on a straight line basis over the assets' estimated useful lives as follows:

Building, playground and building improvements	- 15 years
Computer hardware and software	- 3 years
Equipment	- 5 years
Furniture and fixtures	- 5 years

Leasehold improvements are amortized on a straight line basis over the lease term which varies between 1 to 10 years.

Macaulay Centres for Children Notes to Financial Statements

December 31, 2023

1. Summary of Significant Accounting Policies (continued)

Funds

(a) Operating Fund

This fund reports the revenue and expenditures pertaining to the Centre's programs and services.

(b) Capital Asset Fund

This fund reports the assets, liabilities, revenue and expenditures of the Centre's capital asset activities.

(c) Internally Restricted Funds

Internally Restricted Funds are funds designated by the Board of Directors for specific purposes. These funds are as follows:

- The Contingency Fund is operating surplus set aside by the Board of Directors to be used for purposes determined by the Board of Directors.
- The Building Sustaining Account is used to record the receipt and disbursement of monies related to major repairs and renovations to the Child Care Centre located at 48 Regent Street.

(d) Dorothy and Hugh Macaulay Endowment Fund

The Dorothy and Hugh Macaulay Endowment Fund is an externally restricted fund set up by the donors to be maintained in perpetuity. Income from the Endowment Fund is to be used for projects of the Centre that benefit children with special needs as determined by the Centre's senior management.

Contributed Services

Volunteers contributed 7,564 hours during the year (2022 - 3,388 hours) to assist the Centre in carrying out its activities. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Pledges

Pledges to donate funds are not recorded in the financial statements.

Macaulay Centres for Children Notes to Financial Statements

December 31, 2023

1. Summary of Significant Accounting Policies (continued)

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, except for investments, which are measured at fair value. 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 expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

Foreign Currency Translation

Foreign currency transactions are translated at the rates of exchange in effect at the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the rates of exchange in effect at the statement of financial position date. Gains and losses on translation of monetary assets and liabilities are included in the statement of operations.

2. Cash

Cash consists of bank and a treasury account held at a chartered bank. Investments in the treasury account are designated into the fair value category. At December 31, 2023, the treasury account balance was \$11,231,090 (2022 - \$6,512,876) and earns interest at 4.20% (2022 - 3.75%).

3. Accounts Receivable

	<u>2023</u>	<u>2022</u>
Operating Fund		
City of Toronto	\$ 23,689	\$ 407,050
Other receivables	393,792	146,227
HST	324,193	274,234
Parent fees	70,071	92,376
Ministry of Tourism, Culture and Sports	22,803	22,803
Allowance for doubtful accounts	(31,374)	(46,600)
	<u>\$ 803,174</u>	<u>\$ 896,090</u>

Macaulay Centres for Children Notes to Financial Statements

December 31, 2023

4. Investments

- (a) Investments consists of cash, Guaranteed Investment Certificates (GIC's), fixed income securities and Canadian and foreign equities. The investments are subject to an investment policy set by the Board of Directors which has as its main objective, the preservation of capital while maximizing returns without undue exposure to risk.

GIC's earn interest between 1.58% and 5.30% (2022 - 1.58% and 4.60%), maturing between February 2024 to December 2028 (2022 - July 2023 to December 2027).

Fixed income securities consist of Canadian bonds and preferred shares, with bonds having an original cost of \$125,000 (2022 - ranging from \$66,446 to \$201,163), interest rate of 3.10% (2022 - ranging from 2.65% to 3.40%) and maturing in June 2024 (2022 - ranging from September 2023 to June 2024).

	2023	2022
Cash	\$ 4,266	\$ 1,055
Guaranteed Investment Certificates	2,507,362	2,077,061
Fixed income securities	238,229	584,403
Canadian equities	484,639	460,030
Foreign equities	712,160	636,960
	\$ 3,946,656	\$ 3,759,509
Total	\$ 3,946,656	\$ 3,759,509

Foreign equities denominated in U.S. dollars total \$537,480 (2022 - \$469,280).

- (b) Investment income earned is reported as follows:

	2023	2022
Operating Fund	\$ 306,453	\$ 84,678
Internally Restricted Funds		
Building Sustaining Account	5,225	(3,114)
Contingency Fund	204,374	(35,710)
	209,599	(38,824)
Total investment income earned	\$ 516,052	\$ 45,854

- (c) Investment income

Realized investment income	\$ 431,939	\$ 113,163
Unrealized gains (losses)	84,113	(67,309)
	\$ 516,052	\$ 45,854
	\$ 516,052	\$ 45,854

Macaulay Centres for Children
Notes to Financial Statements

December 31, 2023

5. Capital Assets

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 2,625	\$ -	\$ 2,625	\$ -
Building, playground and building improvements	1,508,839	832,149	1,407,835	788,453
Computer hardware and software	1,047,000	330,788	943,979	186,904
Equipment	814,359	419,268	733,990	331,073
Furniture and fixtures	330,789	139,217	318,580	83,660
Leasehold improvements	820,583	366,221	820,583	276,163
	\$ 4,524,195	\$ 2,087,643	\$ 4,227,592	\$ 1,666,253
Cost less accumulated amortization		\$ 2,436,552		\$ 2,561,339

6. Accounts Payable and Accrued Liabilities

	2023	2022
Supplier invoices	\$ 726,176	\$ 798,418
Staff salaries and wages	199,812	201,741
Grants repayable (Note 8b)	3,486,065	1,974,683
Home Child Care Providers	355,730	246,485
Accrued professional fees	66,324	83,898
Payroll related remittances	38,813	83,347
Group child care vacancy variable cost repayable (Note 8b)	369,274	-
	\$ 5,242,194	\$ 3,388,572

Amounts payable to Home Child Care Providers were paid in full in January 2024 (2022 - January 2023).

Macaulay Centres for Children Notes to Financial Statements

December 31, 2023

7. Leasehold Inducements

	Capital Asset Fund	
	2023	2022
Free rent inducement	\$ 158,620	\$ 179,310
Amortization of inducement against amortization expense	<u>(20,690)</u>	<u>(20,690)</u>
	137,930	158,620
Less: Current portion	<u>(20,690)</u>	<u>(20,690)</u>
Long-term lease inducement	\$ 117,240	\$ 137,930

8. Deferred Contributions Related to Operating Fund

- (a) Deferred contributions reported in the Operating Fund relate to operating funding received in the current period that is related to a subsequent period.

Changes in the deferred contributions balance reported in the Operating Fund are as follows:

	2023	2022
Balance, beginning of year	\$ 3,143,880	\$ 4,270,110
Amounts received in the year	17,014,133	11,970,859
Amounts recognized as revenue in the year	<u>(16,404,316)</u>	<u>(13,097,089)</u>
Balance, end of year	\$ 3,753,697	\$ 3,143,880

The balances are represented by:

	2023	2022
City of Toronto (Note 8 (b))	\$ 3,464,269	\$ 2,889,979
Public Health Agency of Canada (Note 19)	99,468	77,931
Special initiatives funding (Note 9 (b))	-	28,864
Others	<u>189,960</u>	<u>147,106</u>
	\$ 3,753,697	\$ 3,143,880

**Macaulay Centres for Children
Notes to Financial Statements**

December 31, 2023

8. Deferred Contributions Related to Operating Fund

(b) Deferred contributions related to funding received from the City of Toronto reported in the Operating Fund are as follows:

	Every Child Belongs	Early ON	Healthy Babies Healthy Children	Early Abilities	Professional Learning Strategy	CWELCC Escalation	Wage Subsidies
Balance deferred contributions, beginning of year	\$ 123,743	\$ 317,027	\$ 5,582	\$ 68,574	\$ -	\$ -	\$ 23,039
Balance accounts payable, beginning of year	11,641	50,699	-	-	-	-	-
Amount received in the year	539,327	1,300,533	317,933	1,558,933	504,002	1,818,168	50,207
Amount recognized as revenue in the year	(530,456)	(1,294,048)	(311,014)	(1,604,003)	(469,270)	(1,616,716)	(50,206)
Amount used to purchase capital assets	-	-	-	-	(34,732)	-	-
Group child care vacancy variable cost repayable	-	-	-	-	-	-	-
Amount repaid to funder	-	-	-	-	-	-	-
Current year amount repayable to funder (Note 6)	-	50,669	-	-	-	-	-
Balance deferred contributions, end of year	\$ 144,255	\$ 323,542	\$ 12,501	\$ 23,504	\$ -	\$ 201,452	\$ 23,040

	Provincial Wage Enhancement	Home Child Agency Operating Fund	General Operating Fund	CWELCC	EarlyOn Innovation	Total 2023	Total 2022
Balance deferred contributions, beginning of year	\$ -	\$ 355,490	\$ 317,563	\$ 1,678,961	\$ -	\$ 2,889,979	\$ 4,094,291
Balance accounts payable, beginning of year	268,871	168,834	-	1,474,638	-	1,974,683	531,549
Amount received in the year	1,097,521	1,216,721	1,742,745	7,344,665	300,000	17,790,755	12,903,441
Amount recognized as revenue in the year	(735,842)	(1,257,769)	(1,623,168)	(5,389,714)	(150,000)	(15,032,206)	(12,154,294)
Amount used to purchase capital assets	-	-	-	-	-	(34,732)	(174,706)
Group child care vacancy variable cost repayable	-	-	-	(369,274)	-	(369,274)	-
Amount repaid to funder	(268,871)	(168,834)	-	-	-	(268,871)	(335,619)
Current year amount repayable to funder (Note 6)	361,679	168,834	-	2,904,883	-	3,486,065	1,974,683
Balance deferred contributions, end of year	\$ -	\$ 314,442	\$ 437,140	\$ 1,834,393	\$ 150,000	\$ 3,464,269	\$ 2,889,979

Macaulay Centres for Children Notes to Financial Statements

December 31, 2023

9. Deferred Contributions

(a) Deferred Contributions Related to Capital Assets

Deferred contributions reported in the Capital Asset Fund include the unamortized portions of contributed capital assets and restricted contributions.

Changes in the deferred contributions balance reported in the Capital Asset Fund are as follows:

	2023	2022
Balance, beginning of year	\$ 1,323,828	\$ 1,305,562
City of Toronto funding used for capital asset purchases	34,732	174,706
Amounts amortized to revenue in the year	<u>(185,722)</u>	<u>(156,440)</u>
Balance, end of year	<u>\$ 1,172,838</u>	<u>\$ 1,323,828</u>

(b) Deferred Contributions Related to Special Initiatives

Special Initiatives consist of donations and grants from foundations, corporations, individuals and other fundraising activities to assist the Centre's programs and services, for innovative projects and activities, and for program enhancements.

	2023	2022
Balance, beginning of year	\$ 55,969	\$ 135,353
Fundraising and donations, net	2,040	33,864
Funding allocations	(29,590)	(84,384)
Less: current portion of funding (Note 8 (a))	<u>-</u>	<u>(28,864)</u>
Balance, end of year	<u>\$ 28,419</u>	<u>\$ 55,969</u>
Total deferred contributions	<u>\$ 1,201,257</u>	<u>\$ 1,379,797</u>

10. Capital Asset Fund

Capital asset fund is calculated as follows:

	2023	2022
Capital assets	\$ 2,436,552	\$ 2,561,339
Amounts financed by leasehold inducements	(137,930)	(158,620)
Amounts financed by deferred contributions (Note 9 (a))	<u>(1,172,838)</u>	<u>(1,323,828)</u>
	<u>\$ 1,125,784</u>	<u>\$ 1,078,891</u>

Macaulay Centres for Children
Notes to Financial Statements

December 31, 2023

11. Internally Restricted Funds

Represented by:

	2023	2022
Contingency Fund	\$ 4,019,559	\$ 3,835,951
Building Sustaining Account	217,114	211,889
	\$ 4,236,673	\$ 4,047,840

12. Commitments

The future minimum lease payments under non-cancelable leases for occupancy and equipment are as follows:

Year	Occupancy	Equipment	Total
2024	\$ 461,977	\$ 683	\$ 462,660
2025	369,949	683	370,632
2026	379,655	683	380,338
2027	383,905	683	384,588
2028	363,027	683	363,710
Thereafter	480,564	342	480,906
	\$ 2,439,077	\$ 3,757	\$ 2,442,834

13. Fees for Services

	2023	2022
City of Toronto	\$ 7,373,697	\$ 6,925,818
Parents	3,530,622	3,318,396
	\$ 10,904,319	\$ 10,244,214

Macaulay Centres for Children Notes to Financial Statements

December 31, 2023

14. Grants

	<u>2023</u>	<u>2022</u>
City of Toronto	\$ 15,830,445	\$ 12,137,669
Less: fee subsidy recovery	(466,903)	-
Public Health Agency of Canada (Note 19)	287,444	251,559
Other Agencies	16,846	37,729
Ministry of Tourism, Culture and Sport	106,010	106,010
Other foundations	148,352	82,952
	<u>\$ 15,922,194</u>	<u>\$ 12,615,919</u>

15. Employee Benefits

The employees of the Centre are members of a defined contribution retirement pension plan. The pension expense of \$408,713 (2022 - \$332,877) recorded in the Operating Fund is the amount of contributions the Centre was required to pay related to services rendered by employees.

16. Indemnifications

In the normal course of operations the Centre provides indemnifications in agreements with its funding bodies, landlords and partner agencies. Under these agreements, the Centre may be required to compensate counterparties for costs incurred as a result of various contingencies such as changes in laws and regulations and litigation claims. The nature of the indemnification agreements prevents the Centre from making a reasonable estimate of the maximum potential amount that the Centre would be required to pay such counterparties.

Macaulay Centres for Children Notes to Financial Statements

December 31, 2023

17. Financial Instruments Risks

Market Risk

Market value risk is the risk of potential loss caused by fluctuations in fair value or future cash flows of financial instruments from changes in their underlying market value. While the Centre is exposed to market risk through its investments, this risk is mitigated through purchasing low risk investments and on-going monitoring and reporting.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument, will fluctuate because of changes in market interest rates. While the Centre is exposed to interest rate risk, this risk is mitigated through purchasing low risk investments and on-going monitoring and reporting.

Foreign Currency Risk

The Centre is exposed to financial risks as a result of exchange rate fluctuations with respect to its investments held in U.S. dollars. See Note 4(a) for the currency risk exposure relating to investments.

There have been no changes to the above risks from the prior year.

18. Credit Facility

The Centre has a line of credit with a limit of \$80,000 (2022 - \$80,000). This credit facility was not used in 2023 or 2022.

19. Public Health Agency of Canada Funding

The Centre received funding from the Public Health Agency of Canada to deliver the Program Without Walls program ("PWW"). The Centre administers the funds by distributing it to various organizations who are also involved in the delivery of the PWW program. The details of the funding received are as follows:

	<u>2023</u>	<u>2022</u>
Opening deferred contributions balance	\$ 77,931	\$ 60,002
Funding received	386,755	398,240
Funding distributed to other agencies	(77,774)	(128,752)
Funding utilized by the Centre	<u>(287,444)</u>	<u>(251,559)</u>
Closing deferred contributions balance	<u>\$ 99,468</u>	<u>\$ 77,931</u>