

**Macauley Centres for Children**  
**Financial Statements**  
For the year ended December 31, 2024

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**Contents**

<b>Independent Auditor's Report</b>	<b>2 - 3</b>
<b>Financial Statements</b>	
Statement of Financial Position	<b>4</b>
Statement of Operations	<b>5</b>
Statement of Changes in Fund Balances	<b>6</b>
Statement of Cash Flows	<b>7</b>
Notes to Financial Statements	<b>8 - 18</b>

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## Independent Auditor's Report

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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, 2024, 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, 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 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 21, 2025

## Macaulay Centres for Children Statement of Financial Position

December 31	2024	2023
<b>Assets</b>		
<b>Current</b>		
Cash (Note 2)	\$ 11,991,468	\$ 11,748,969
Accounts receivable (Note 3)	814,372	803,174
Prepaid expenses	82,853	65,058
	<u>12,888,693</u>	<u>12,617,201</u>
<b>Investments</b> (Note 4 (a))	4,238,342	3,946,656
<b>Capital assets</b> (Note 5)	<u>2,203,644</u>	<u>2,436,552</u>
	<u>\$ 19,330,679</u>	<u>\$ 19,000,409</u>
<b>Liabilities and Fund Balances</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 5,729,885	\$ 5,242,194
Current portion of leasehold inducements (Note 7)	20,690	20,690
Deferred contributions (Note 8 (a))	<u>2,241,242</u>	<u>3,753,697</u>
	<u>7,991,817</u>	<u>9,016,581</u>
<b>Leasehold inducements</b> (Note 7)	96,550	117,240
<b>Deferred contributions</b> (Note 9 (b))	<u>1,188,165</u>	<u>1,201,257</u>
	<u>9,276,532</u>	<u>10,335,078</u>
<b>Commitments and indemnifications</b> (Notes 12 and 16)		
<b>Fund balances</b>		
Capital asset fund (Note 10)	985,016	1,125,784
Dorothy and Hugh Macaulay endowment fund	278,653	290,831
Internally restricted funds (Note 11)	7,530,046	4,236,673
Operating fund	<u>1,260,432</u>	<u>3,012,043</u>
	<u>10,054,147</u>	<u>8,665,331</u>
	<u>\$ 19,330,679</u>	<u>\$ 19,000,409</u>

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	2024	2023
<b>Revenue</b>		
Fees for services (Note 13)	\$ 12,694,662	\$ 10,904,319
Grants (Note 14)	18,248,258	15,922,194
United Way of Toronto and York Region	477,254	482,122
Amortization of deferred contributions related to capital assets (Note 9 (a))	169,173	185,722
Donations, fundraising and other	26,803	96,633
	<u>31,616,150</u>	<u>27,590,990</u>
<b>Expenditures</b>		
Salaries and wages	17,824,629	14,531,611
Home child care providers	4,838,559	4,319,698
Employee benefits (Note 15)	3,205,606	2,689,549
Building occupancy and maintenance	1,352,325	1,100,254
Food services	1,190,217	953,958
Professional services	746,655	679,768
Amortization	491,732	469,966
Office and general	463,354	496,185
Program expenses	456,303	500,036
Recruitment and education	190,181	109,414
Insurance	108,491	82,594
Promotion and publicity	95,713	94,071
Transportation	19,767	17,299
	<u>30,983,532</u>	<u>26,044,403</u>
<b>Excess of revenue over expenditures from operations</b>	<b>632,618</b>	<b>1,546,587</b>
<b>Investment income</b> (Note 4(b) and (c))	<u><b>768,376</b></u>	<u><b>516,052</b></u>
<b>Excess of revenue over expenditures for the year</b>	<b>\$ 1,400,994</b>	<b>\$ 2,062,639</b>

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, 2024**

	Operating Fund	Capital Asset Fund	Dorothy and Hugh Macaulay Endowment	Internally Restricted Funds	2024 Total
<b>Net assets, beginning of year</b>	<b>\$ 3,012,043</b>	<b>\$ 1,125,784</b>	<b>\$ 290,831</b>	<b>\$ 4,236,673</b>	<b>\$ 8,665,331</b>
Excess (deficiency) of revenue over expenditures for the year	1,702,863	(301,869)	-	-	1,400,994
Contributions received for capital assets	97,723	(97,723)	-	-	-
Purchase of capital assets	(258,824)	258,824	-	-	-
Transfer of fund balances	(3,000,000)	-	-	3,000,000	-
Transfer of investment income (Note 4(b))	(314,139)	-	-	314,139	-
Investment loss	-	-	(12,178)	-	(12,178)
Transfer of management fees on investment income	20,766	-	-	(20,766)	-
<b>Net assets, end of year</b>	<b>\$ 1,260,432</b>	<b>\$ 985,016</b>	<b>\$ 278,653</b>	<b>\$ 7,530,046</b>	<b>\$ 10,054,147</b>

**For the year ended December 31, 2023**

	Operating Fund	Capital Asset Fund	Dorothy and Hugh Macaulay Endowment	Internally Restricted Funds	2023 Total
<b>Net assets, beginning of year</b>	<b>\$ 1,185,130</b>	<b>\$ 1,078,891</b>	<b>\$ 250,706</b>	<b>\$ 4,047,840</b>	<b>\$ 6,562,567</b>
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)	-
<b>Net assets, end of year</b>	<b>\$ 3,012,043</b>	<b>\$ 1,125,784</b>	<b>\$ 290,831</b>	<b>\$ 4,236,673</b>	<b>\$ 8,665,331</b>

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	2024	2023
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenditures for the year	\$ 1,400,994	\$ 2,062,639
Adjustments to reconcile excess of revenue over expenditures to net cash provided by operating activities		
Unrealized gains on investments (Note 4(c))	(99,192)	(84,113)
Amortization of capital assets	491,732	469,966
Amortization of deferred contributions related to capital assets	(169,173)	(185,722)
Amortization of lease inducements (Note 7)	(20,690)	(20,690)
Changes in non-cash working capital balances		
Accounts receivable	(11,198)	92,916
Prepaid expenses	(17,795)	(11,929)
Accounts payable and accrued liabilities	487,691	1,853,622
Deferred contributions	(1,454,097)	582,267
	<u>608,272</u>	<u>4,758,956</u>
<b>Investing activities</b>		
Purchase of capital assets	(258,824)	(345,179)
Purchase of investments, net of proceeds from sale of investments	(192,494)	(103,034)
Investment income (loss) earned on endowment fund	(12,178)	40,125
	<u>(463,496)</u>	<u>(408,088)</u>
<b>Financing activity</b>		
Deferred contributions related to capital asset fund	<u>97,723</u>	<u>34,732</u>
<b>Increase in cash</b>	<b>242,499</b>	<b>4,385,600</b>
<b>Cash, beginning of year</b>	<u><b>11,748,969</b></u>	<u><b>7,363,369</b></u>
<b>Cash, end of year</b>	<u><b>\$ 11,991,468</b></u>	<u><b>\$ 11,748,969</b></u>

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

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## Macaulay Centres for Children Notes to Financial Statements

December 31, 2024

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### 1. Summary of Significant Accounting Policies

#### ***Purpose of the Organization***

Macaulay Centres for Children (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 and Basis of Accounting***

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.

#### ***Revenue Recognition***

The Centre follows the deferral method of accounting for contributions.

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.



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## Macaulay Centres for Children Notes to Financial Statements

December 31, 2024

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### 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 Fund is used to support the maintenance and development of the building owned by the Centre.

(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 12,766 hours during the year (2023 - 7,564 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, 2024**

### 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, 2024, the treasury account balance was \$8,329,962 (2023 - \$11,231,090) and earns interest at 2.75% (2023 - 4.20%).

### 3. Accounts Receivable

	<u>2024</u>	<u>2023</u>
Operating Fund		
City of Toronto	\$ 510,693	\$ 23,689
HST	211,539	324,193
Parent fees	92,017	70,071
Other receivables	10,451	393,792
Ministry of Tourism, Culture and Sports	22,719	22,803
Allowance for doubtful accounts	(33,047)	(31,374)
	<u>\$ 814,372</u>	<u>\$ 803,174</u>

## Macaulay Centres for Children

### Notes to Financial Statements

**December 31, 2024**

#### 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% (2023 - 1.58% and 5.30%), maturing between March 2025 to December 2029 (2023 - February 2024 to December 2028).

Fixed income securities consist of Canadian bonds and preferred shares, with bonds having an original cost of \$244,781 (2023 - \$125,000), interest rate of 6.50% (2023 - 3.10%) and maturing in March 2029 (2023 - June 2024).

	<b>2024</b>	2023
Cash	\$ 6,445	\$ 4,266
Guaranteed Investment Certificates	2,529,420	2,507,362
Fixed income securities	335,909	238,229
Canadian equities	553,692	484,639
Foreign equities	812,876	712,160
Total	<b>\$ 4,238,342</b>	<b>\$ 3,946,656</b>

Foreign equities denominated in U.S. dollars total \$565,282 (2023 - \$537,480).

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

	<b>2024</b>	2023
Operating Fund	\$ 454,237	\$ 306,453
Internally Restricted Funds		
Building Fund	8,700	5,225
Contingency Fund	305,439	204,374
	<b>314,139</b>	209,599
Total investment income earned	<b>\$ 768,376</b>	<b>\$ 516,052</b>

- (c) Investment income:

	<b>2024</b>	2023
Realized investment income	\$ 669,184	\$ 431,939
Unrealized gains	99,192	84,113
	<b>\$ 768,376</b>	<b>\$ 516,052</b>

## Macaulay Centres for Children

### Notes to Financial Statements

**December 31, 2024**

#### 5. Capital Assets

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 2,625	\$ -	\$ 2,625	\$ -
Building, playground and building improvements	1,508,839	881,536	1,508,839	832,149
Computer hardware and software	1,183,740	545,905	1,047,000	330,788
Equipment	832,614	511,420	814,359	419,268
Furniture and fixtures	341,354	194,507	330,789	139,217
Leasehold improvements	913,847	446,007	820,583	366,221
	<b>\$ 4,783,019</b>	<b>\$ 2,579,375</b>	<b>\$ 4,524,195</b>	<b>\$ 2,087,643</b>
Cost less accumulated amortization		<b>\$ 2,203,644</b>		<b>\$ 2,436,552</b>

#### 6. Accounts Payable and Accrued Liabilities

	2024	2023
Supplier invoices	\$ 496,268	\$ 726,176
Home Child Care Providers	483,163	355,730
Grants repayable (Note 8b)	3,511,894	3,486,065
Staff salaries and wages	201,974	199,812
Payroll related remittances	158,498	38,813
Accrued professional fees	70,000	66,324
Other accruals	3,422	-
Group child care vacancy variable cost repayable	804,666	369,274
	<b>\$ 5,729,885</b>	<b>\$ 5,242,194</b>

Amounts payable to Home Child Care Providers were paid in full in January 2025 (2023 - January 2024).

## Macaulay Centres for Children Notes to Financial Statements

**December 31, 2024**

### 7. Leasehold Inducements

	<b>Capital Asset Fund</b>	
	<b>2024</b>	<b>2023</b>
Free rent inducement	\$ 137,930	\$ 158,620
Amortization of inducement against amortization expense	(20,690)	(20,690)
	<b>117,240</b>	137,930
Less: Current portion	(20,690)	(20,690)
Long-term lease inducement	<b>\$ 96,550</b>	\$ 117,240

### 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:

	<b>2024</b>	<b>2023</b>
Balance, beginning of year	\$ 3,753,697	\$ 3,143,880
Amounts received in the year	17,213,057	17,014,133
Amounts recognized as revenue in the year	(18,725,512)	(16,404,316)
Balance, end of year	<b>\$ 2,241,242</b>	\$ 3,753,697

The balances are represented by:

	<b>2024</b>	<b>2023</b>
City of Toronto (Note 8 (b))	\$ 2,124,474	\$ 3,464,269
Public Health Agency of Canada (Note 19)	24,009	99,468
Others	92,759	189,960
	<b>\$ 2,241,242</b>	\$ 3,753,697

## Macaulay Centres for Children Notes to Financial Statements

**December 31, 2024**

### 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	Wage Subsidies	CWELCC Escalation	CWELCC Emerging Issues	CWELCC Workforce Funding
Balance deferred contributions, beginning of year	\$ 144,255	\$ 323,542	\$ 12,501	\$ 23,504	\$ 23,040	\$ 201,452	\$ -	\$ -
Balance accounts payable, beginning of year	-	50,669	-	-	-	-	-	-
Amount received in the year	433,902	1,325,255	373,571	1,480,488	50,207	964,137	2,305,232	2,316
Amount recognized as revenue in the year	(566,516)	(1,322,020)	(304,269)	(1,503,992)	(50,209)	(1,165,589)	(2,305,232)	(2,316)
Amount used to purchase capital assets	-	-	-	-	-	-	-	-
Group child care vacancy variable cost repayable	-	-	-	-	-	-	-	-
Amount repaid to funder	-	-	-	-	-	-	-	-
Current year amount repayable to funder (Note 6)	11,641	50,700	-	-	-	-	-	-
Balance deferred contributions, end of year	\$ -	\$ 326,746	\$ 81,803	\$ -	\$ 23,038	\$ -	\$ -	\$ -

	Provincial Wage Enhancement	Home Child Agency Operating Fund	General Operating Fund	CWELCC	EarlyON Innovation	Total 2024	Total 2023
Balance deferred contributions, beginning of year	\$ -	\$ 314,442	\$ 437,140	\$ 1,834,393	\$ 150,000	\$ 3,464,269	\$ 2,889,979
Balance accounts payable, beginning of year	361,679	168,834	-	2,904,883	-	3,486,065	1,974,683
Amount received in the year	1,235,958	943,327	1,456,027	8,466,743	-	19,037,163	17,790,755
Amount recognized as revenue in the year	(962,867)	(1,257,769)	(1,893,167)	(8,070,112)	(150,000)	(19,554,058)	(15,032,206)
Amount used to purchase capital assets	-	-	-	-	-	-	(34,732)
Group child care vacancy variable cost repayable	-	-	-	(435,392)	-	(435,392)	(369,274)
Amount repaid to funder	(361,679)	-	-	-	-	(361,679)	(268,871)
Current year amount repayable to funder (Note 6)	273,091	168,834	-	3,007,628	-	3,511,894	3,486,065
Balance deferred contributions, end of year	\$ -	\$ -	\$ -	\$ 1,692,887	\$ -	\$ 2,124,474	\$ 3,464,269

## Macaulay Centres for Children

### Notes to Financial Statements

**December 31, 2024**

#### 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:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 1,172,838	\$ 1,323,828
City of Toronto funding used for capital asset purchases	97,723	34,732
Amounts amortized to revenue in the year	<u>(169,173)</u>	<u>(185,722)</u>
Balance, end of year	<u>\$ 1,101,388</u>	<u>\$ 1,172,838</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.

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 28,419	\$ 55,969
Fundraising and donations, net	120,891	2,040
Funding allocations	<u>(62,533)</u>	<u>(29,590)</u>
Balance, end of year	<u>\$ 86,777</u>	<u>\$ 28,419</u>
Total deferred contributions	<u>\$ 1,188,165</u>	<u>\$ 1,201,257</u>

#### 10. Capital Asset Fund

Capital asset fund is calculated as follows:

	<u>2024</u>	<u>2023</u>
Capital assets	\$ 2,203,644	\$ 2,436,552
Amounts financed by leasehold inducements	(117,240)	(137,930)
Amounts financed by deferred contributions (Note 9 (a))	<u>(1,101,388)</u>	<u>(1,172,838)</u>
	<u>\$ 985,016</u>	<u>\$ 1,125,784</u>

## Macaulay Centres for Children Notes to Financial Statements

**December 31, 2024**

### 11. Internally Restricted Funds

Represented by:

	<u>2024</u>	<u>2023</u>
Contingency Fund	\$ 4,304,232	\$ 4,019,559
Building Fund	3,225,814	217,114
	<u>\$ 7,530,046</u>	<u>\$ 4,236,673</u>

### 12. Commitments

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

Year	Occupancy	Equipment	Total
2025	\$ 567,016	\$ 683	\$ 567,699
2026	580,450	683	581,133
2027	539,691	683	540,374
2028	503,494	683	504,177
2029	410,269	683	410,952
Thereafter	192,789	-	192,789
	<u>\$ 2,793,709</u>	<u>\$ 3,415</u>	<u>\$ 2,797,124</u>

### 13. Fees for Services

	<u>2024</u>	<u>2023</u>
City of Toronto	\$ 7,907,318	\$ 7,373,697
Parents	4,787,344	3,530,622
	<u>\$ 12,694,662</u>	<u>\$ 10,904,319</u>



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## Macaulay Centres for Children

### Notes to Financial Statements

**December 31, 2024**

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#### 14. Grants

	<u>2024</u>	<u>2023</u>
City of Toronto	\$ 17,693,205	\$ 15,830,445
Less: fee subsidy recovery	-	(466,903)
Public Health Agency of Canada (Note 19)	258,720	287,444
Other foundations	173,161	148,352
Ministry of Tourism, Culture and Sport	113,416	106,010
Other Agencies	9,756	16,846
	<u>\$ 18,248,258</u>	<u>\$ 15,922,194</u>

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#### 15. Employee Benefits

The employees of the Centre are members of a defined contribution retirement pension plan. The pension expense of \$494,842 (2023 - \$408,713) recorded in the Operating Fund is the amount of contributions the Centre was required to pay related to services rendered by employees.

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#### 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.

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## Macaulay Centres for Children

### Notes to Financial Statements

December 31, 2024

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#### 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.

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#### 18. Credit Facility

The Centre has a line of credit with a limit of \$80,000 (2023 - \$80,000). This credit facility was not used in 2024 or 2023.

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#### 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>2024</u>	<u>2023</u>
Opening deferred contributions balance	\$ 99,468	\$ 77,931
Funding received	370,142	386,755
Funding distributed to other agencies	(186,881)	(77,774)
Funding utilized by the Centre	<u>(258,720)</u>	<u>(287,444)</u>
Closing deferred contributions balance	<u>\$ 24,009</u>	<u>\$ 99,468</u>