



Financial Statements

Surrey Place

March 31, 2025

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Independent Auditor's Report

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To the Members of
Surrey Place

Opinion

We have audited the financial statements of Surrey Place, which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in net assets 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 Surrey Place as at March 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

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 Surrey Place 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.

Other Matters

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. The supplementary information included in the Schedule is presented for purposes of additional information and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion on the audit of the financial statements taken as a whole.

The financial statements of Surrey Place were audited by another auditor for the year ended March 31, 2024, who expressed an unqualified opinion on those financial statements on June 26, 2024.

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 ASNPO, 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 Surrey Place's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate Surrey Place or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Surrey Place's financial reporting process.

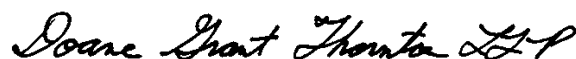
Auditor's Responsibilities for the Audit of the Financial Statements

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 Surrey Place'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 Surrey Place'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 Surrey Place 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.



Mississauga, Canada
July 18, 2025

Chartered Professional Accountants
Licensed Public Accountants

Surrey Place

Statement of Financial Position

(in thousands of dollars)
March 31


	2025	2024
Assets		
Current		
Cash	\$ 12,056	\$ 22,207
Short-term investments	1,000	500
Accounts receivable (Note 7)	1,956	2,904
Prepaid expenses	<u>579</u>	<u>205</u>
	15,591	25,816
Investments	627	700
Capital assets (Note 3)	<u>1,875</u>	<u>1,827</u>
	<u>\$ 18,093</u>	<u>\$ 28,343</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 7,105	\$ 7,401
Government funding payable	591	4,958
Deferred contributions (Notes 4 and 7)	1,010	1,944
Deferred revenue	<u>984</u>	<u>2,276</u>
	9,690	16,579
Deferred capital contributions (Note 5)	<u>1,420</u>	<u>1,724</u>
	<u>11,110</u>	<u>18,303</u>
Net assets		
Internally restricted reserve fund	6,525	9,582
Unrestricted operating fund	<u>458</u>	<u>458</u>
	<u>6,983</u>	<u>10,040</u>
	<u>\$ 18,093</u>	<u>\$ 28,343</u>

Commitments (Note 8)

On behalf of the Board of Directors



Director



Director

Surrey Place

Statement of Operations

(in thousands of dollars)
Year ended March 31

	2025	2024
Revenue		
Government funding (Note 4)	\$ 49,358	\$ 59,374
Fee for service	14,282	6,554
Other income	1,480	1,531
Other restricted grants and donations (Notes 4 and 7)	774	419
Amortization of deferred capital contributions (Note 5)	<u>304</u>	<u>491</u>
	66,198	68,369
Community partner payments (Note 4)	<u>29,300</u>	<u>31,318</u>
	<u>95,498</u>	<u>99,687</u>
Expenses		
Salaries, benefits and purchased services (Note 6)	57,201	52,847
Client related and program delivery	4,421	3,487
Building occupancy	2,493	2,061
Administrative	2,247	1,329
Communication and computer	1,463	1,342
Travel and development	942	1,042
Amortization of capital assets	<u>488</u>	<u>491</u>
	69,255	62,599
Community partner payments (Note 4)	<u>29,300</u>	<u>31,318</u>
	<u>98,555</u>	<u>93,917</u>
(Deficiency) excess of revenue over expenses	<u>\$ (3,057)</u>	<u>\$ 5,770</u>

Surrey Place

Statement of Changes in Net Assets

(in thousands of dollars)
Year ended March 31

	Internally Restricted Reserve Fund	Unrestricted Operating Fund	Total 2025	Total 2024
Net assets, beginning of year	\$ 9,582	\$ 458	\$ 10,040	\$ 4,270
(Deficiency) excess of revenue over expenses	-	(3,057)	(3,057)	5,770
Transfer to the internally restricted reserve fund	<u>(3,057)</u>	<u>3,057</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 6,525</u>	<u>\$ 458</u>	<u>\$ 6,983</u>	<u>\$ 10,040</u>

Surrey Place

Statement of Cash Flows

(in thousands of dollars)
Year ended March 31

	2025	2024
Increase (decrease) in cash		
Operating		
(Deficiency) excess of revenue over expenses	\$ (3,057)	\$ 5,770
Items not affecting cash		
Amortization of capital assets	488	491
Amortization of deferred capital contributions	<u>(304)</u>	<u>(491)</u>
	(2,873)	5,770
Change in non-cash working capital items		
Accounts receivable	948	4,565
Prepaid expenses	(374)	1,556
Accounts payable and accrued liabilities	(296)	(1,260)
Government funding payable	(4,367)	492
Deferred contributions	(934)	(8,123)
Deferred revenue	<u>(1,292)</u>	<u>1,436</u>
	<u>(9,188)</u>	<u>4,436</u>
Investing		
Proceeds on sale of investments	573	200
Purchase of short-term investments	(1,000)	(700)
Purchase of capital assets	<u>(536)</u>	<u>(586)</u>
	<u>(963)</u>	<u>(1,086)</u>
Financing		
Deferred capital contributions received	<u>-</u>	<u>554</u>
(Decrease) increase in cash	(10,151)	3,904
Cash, beginning of year	<u>22,207</u>	<u>18,303</u>
Cash, end of year	<u>\$ 12,056</u>	<u>\$ 22,207</u>

Surrey Place

Notes to the Financial Statements

(in thousands of dollars)
March 31, 2025

1. Nature and purpose of organization

Surrey Place is a non-profit corporation incorporated on August 25, 1987 under the laws of Ontario without share capital, and is a registered charitable organization under the Income Tax Act (Canada).

Surrey Place is a specialized interdisciplinary health care centre which is nationally accredited and academically affiliated to enable individuals with developmental disabilities, autism spectrum disorder and visual impairment to maximize abilities and enhance health and well-being.

Surrey Place is economically dependant on funding from the Ontario Ministry of Children, Community and Social Services (MCCSS), comprising approximately 79% (2024 – 90%) of total revenue. Funding from MCCSS is calculated on the basis of the approved net expenditures as formulated under the annual services plan process. This process requires management to produce periodic reports to maintain Surrey Place's funding position.

2. Summary of significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). ASNPO requires entities to select policies appropriate for their circumstances from policies provided in these standards. The significant accounting policies selected by Surrey Place and applied in these financial statements are summarized below.

Fund presentation

Net assets of Surrey Place are classified for accounting and reporting purposes into funds to be used as determined by Surrey Place.

Internally restricted reserve fund

The internally restricted reserve fund was created by the Board of Directors (the Board) for the purpose of setting aside amounts to meet unforeseen special demands in the future.

Unrestricted operating fund

The unrestricted operating fund reflects all program and activities other than those listed above.

Revenue recognition

Surrey Place follows the deferral method of accounting for grants and contributions. Externally restricted grants and contributions are recorded as deferred contributions and recognized as revenue in the year in which the related expenses are incurred. Unrestricted grants and 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 contributions restricted for the purchase of capital assets are deferred and recognized in revenue on the same basis of the amortization of the related asset.

Fee for service revenue is recognized when the service has been provided. Fee for service revenue received in advanced of the service being provided is recorded as deferred revenue.

Other income, including interest income earned on investments, are recognized on the accrual basis.

Contributed materials and services

Due to the difficulty of determining their fair value, Surrey Place does not record the value of contributed materials and services.

Surrey Place

Notes to the Financial Statements

(in thousands of dollars)
March 31, 2025

2. Summary of significant accounting policies (continued)

Financial instruments

Surrey Place considers any contract creating a financial asset, liability, or equity instrument as a financial instrument. Surrey Place's financial instruments comprise cash, investments, government funding receivable, accounts receivable, accounts payable, and government funding payable.

Financial assets and liabilities obtained in arm's length transactions are initially recorded at their fair value and subsequently measured at amortized cost. Financial assets and liabilities in related party transactions are initially and subsequently measured at cost.

For financial assets measured at cost or amortized cost, Surrey Place regularly assesses whether there are any indications of impairment. Any impairment loss is recognized in the statement of operations.

Short-term investments consist of guaranteed investment certificates ("GICs") bearing annual interest rates between 4.10% and 5.44% (2024 – 5.20% and 5.48%), maturing between July 25, 2025 and September 2025 (2024 – July 25, 2024).

Investments consist of GICs bearing annual interest rates between 5.32% and 5.33% (2024 – 5.25% and 5.44%), maturing on August 24, 2026 (2024 – July 25, 2025 and August 24, 2026) of \$300 (2024 - \$700) and mutual funds of \$327 (2024 - \$Nil).

Capital assets

Purchased capital assets are stated at cost less accumulated amortization.

Amortization is based on the estimated useful life of the asset and is calculated as follows:

Office and computer equipment	20% declining balance
Leasehold improvements	Lesser of 10 years straight-line and term of the lease

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revision or any possibility of impairment. Certain items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to excess of revenue over expenses in the year they become known.

Items subject to management estimates include allowance for doubtful accounts, and the estimated useful lives for capital assets.

Allocation of expenses

Surrey Place incurs costs which it allocates to its programs in the Schedule of Programs. These allocations are applied consistently each year according to the guidelines provided by the funders.

Surrey Place allocates expenses in the statement of operations by program and administration based on funding agreements. Program expenses include direct program delivery and program administrative costs while administration expenses include central administration, research, evaluation and education costs that support multiple programs.

Surrey Place

Notes to the Financial Statements

(in thousands of dollars)
March 31, 2025

3. Capital assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2025 Net Book Value</u>	<u>2024 Net Book Value</u>
Office and computer equipment	\$ 11,899	\$ 10,754	\$ 1,145	\$ 1,129
Leasehold improvements	<u>5,063</u>	<u>4,333</u>	<u>730</u>	<u>698</u>
	<u>\$ 16,962</u>	<u>\$ 15,087</u>	<u>\$ 1,875</u>	<u>\$ 1,827</u>

4. Deferred contributions

	<u>March 31, 2024</u>	<u>Received</u>	<u>Recognized</u>	<u>March 31, 2025</u>
Province of Ontario	\$ 163	\$ 48,308	\$ (48,397)	\$ 74
Municipal	96	938	(961)	73
Community partners	-	29,300	(29,300)	-
Other funders	<u>1,685</u>	<u>(48)</u>	<u>(774)</u>	<u>863</u>
	<u>\$ 1,944</u>	<u>\$ 78,498</u>	<u>\$ (79,432)</u>	<u>\$ 1,010</u>

5. Deferred capital contributions

	<u>2025</u>	<u>2024</u>
Balance, beginning of the year	\$ 1,724	\$ 1,661
Funding received restricted for capital assets	-	554
Amortization of deferred capital contributions	<u>(304)</u>	<u>(491)</u>
Balance, end of the year	<u>\$ 1,420</u>	<u>\$ 1,724</u>

6. Pension plan

HOOPP provides pension services to more than 460,381 active and retired members and approximately 677 employers. Substantially all of the full-time employees and some of the part-time employees of Surrey Place are members of HOOPP. The plan is a multi-employer plan and therefore Surrey Place's contributions are accounted for as if the plan were a defined contribution plan with Surrey Place's contributions being expensed in the period they come due.

Every three years, an independent actuary determines the funding status of HOOPP by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date.

The results of the most recent valuation as at December 31, 2024 disclosed a surplus position with value of net assets of \$123 billion and value of pensions obligations of \$112.5 billion. HOOPP is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario member organizations and their employees. As a result, Surrey Place does not recognize any share of the HOOPP surplus or deficit. Contributions made by Surrey Place to HOOPP for 2025 were \$3,962 (2024 - \$3,550) and are included in salaries, benefits and purchased services in the statement of operations.

Surrey Place

Notes to the Financial Statements

(in thousands of dollars)
March 31, 2025

7. Surrey Place Charitable Foundation

Surrey Place Charitable Foundation (the "Foundation") receives donations for the benefit of people with developmental disabilities. The Foundation was incorporated on May 4, 1989 under the laws of Ontario without share capital and is a registered charitable organization exempt from tax under the Income Tax Act. The Foundation is a controlled entity, as Surrey Place and the Foundation share administrative staff and management and share the majority of Board members. Surrey Place has an economic interest in the Foundation, as the income generated in the Foundation is intended to be remitted to Surrey Place to support its mission.

The Foundation has not been consolidated in Surrey Place's financial statements. The financial summary of the Foundation as at March 31, 2025 and 2024 is as follows:

Financial position

	<u>2025</u>	<u>2024</u>
Assets	\$ 1,811	\$ 1,704
Liabilities	<u>79</u>	<u>140</u>
Net assets	<u>\$ 1,732</u>	<u>\$ 1,564</u>

Results of operations:

	<u>2025</u>	<u>2024</u>
Revenue	\$ 249	\$ 183
Expenses	<u>81</u>	<u>88</u>
Excess of revenue over expenses	<u>\$ 168</u>	<u>\$ 95</u>

Cash flows:

	<u>2025</u>	<u>2024</u>
Operating	\$ 5	\$ 53
Investing	<u>(33)</u>	<u>(35)</u>
(Decrease) increase in cash	<u>\$ (28)</u>	<u>\$ 18</u>

Surrey Place received grants from the Foundation in the amount of \$50 (2024 - \$59) to fund specific projects. Revenue recognized for the year on these projects is \$188 (2024 - \$63).

Included in accounts receivable is \$53 (2024 - \$122) due from the Foundation. Amounts due from the Foundation are unsecured, non-interest bearing and due on demand.

Included in deferred contributions at year end is \$468 (2024 - \$355) of contributions received from the Foundation for various projects.

Surrey Place

Notes to the Financial Statements

(in thousands of dollars)
March 31, 2025

8. Commitments

Surrey Place has committed to the following future minimum annual lease payments, exclusive of occupancy costs as follows:

2026	\$	1,424
2027		1,315
2028		874
2029		<u>495</u>
	\$	<u>4,108</u>

9. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of the financial statements in assessing the extent of risk related to financial instruments. Surrey Place is not exposed to significant risk arising from its financial instruments. There have been no changes in the nature of risks from prior year

Credit risk

Credit risk is the risk of financial loss occurring as a result of a counter party to a financial instrument failing to discharge an obligation or commitment that it has entered into with Surrey Place. Surrey Place's main credit risks relate to its accounts receivable.

Surrey Place reduces its exposure to credit risk by creating an allowance for doubtful accounts when appropriate. As at March 31, 2025, the allowance for doubtful accounts is \$214 (2024 - \$148).

Liquidity risk

Liquidity risk is the risk that Surrey Place will encounter difficulty in raising funds to meet commitments associated to its financial liabilities. Surrey Place is exposed to liquidity risk mainly in respect to its accounts payable and government funding payable.

Surrey Place manages its liquidity risk by forecasting cash flows from operations, investing and financing activities to ensure that it has sufficient funds available to meet current and foreseeable financial obligations.

Included in accounts payable and accrued liabilities are government remittances payable of \$91 (2024 - \$76).

In the normal course of business, Surrey Place may be subject to litigation related to their activities. It is not possible to determine the merits of claims or potential claims or to estimate the possible financial liability, if any, to Surrey Place at this time. Accordingly, no provision has been made for claims or potential claims in the financial statements and any gains or losses, if any, sustained on the ultimate resolution of such claims will be accounted for in the respective resolution period.

Surrey Place

Notes to the Financial Statements

(in thousands of dollars)
March 31, 2025

9. Financial instruments (continued)

Interest rate risk

Interest rate risk is the risk that the fair value of an interest-bearing financial instrument will fluctuate due to changes in market interest rates.

Surrey Place's exposure to interest rate risk is limited to its fixed interest-bearing investments. Surrey Place mitigates its exposure by investing in accordance with the investment strategy developed by the Board.

10. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's financial statement presentation.

Surrey Place Schedule to Programs

For the year ended March 31	MCCSS Toronto Region Program	MOH APP	MCCSS North Region Program	City of Toronto Program	The Regional Municipality of Durham Program	The Regional Municipality of Peel Program	The Regional Municipality of York Program	Paid services	Grant and other Contributing Programs	Total 2025
Revenue										
Government funding										
Government of Ontario	\$ 74,213	\$ 2,461	\$ 860	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 163	\$ 77,697
City of Toronto	-	-	-	100	-	-	-	-	-	100
Regional Municipality of Durham	-	-	-	-	96	-	-	-	-	96
Regional Municipality of Peel	-	-	-	-	-	291	-	-	-	291
Regional Municipality of York	-	-	-	-	-	-	16	-	-	16
Markham Stouffville Hospital	-	-	-	-	-	-	-	-	178	178
Erinoak Kids Centre	-	-	-	-	-	-	-	-	191	191
North Bay Regional Health Centre	-	-	-	-	-	-	-	-	89	89
Fee for service	786	1,176	67	-	-	-	-	12,252	1	14,282
Other income	123	-	-	-	-	-	-	-	1,357	1,480
Other restricted grants and donations	5	5	-	-	-	-	-	-	764	774
Amortization of deferred capital contributions	304	-	-	-	-	-	-	-	-	304
	<u>75,431</u>	<u>3,642</u>	<u>927</u>	<u>100</u>	<u>96</u>	<u>291</u>	<u>16</u>	<u>12,252</u>	<u>2,743</u>	<u>95,498</u>
Expenses										
Salaries, benefits, and purchased services	29,347	893	374	94	83	242	18	9,442	16,708	57,201
Client related and program delivery	30,360	2,515	438	1	-	6	-	29	372	33,721
Building occupancy	83	-	-	-	-	-	-	50	2,360	2,493
Administrative	14,697	601	182	20	19	62	4	4,242	(17,580)	2,247
Communication and computer	219	15	1	-	2	1	1	4	1,220	1,463
Travel and development	407	32	38	3	1	3	-	124	334	942
Amortization of capital assets	304	-	-	-	-	-	-	-	184	488
	<u>75,417</u>	<u>4,056</u>	<u>1,033</u>	<u>118</u>	<u>105</u>	<u>314</u>	<u>23</u>	<u>13,891</u>	<u>3,598</u>	<u>98,555</u>
	<u>\$ 14</u>	<u>\$ (414)</u>	<u>\$ (106)</u>	<u>\$ (18)</u>	<u>\$ (9)</u>	<u>\$ (23)</u>	<u>\$ (7)</u>	<u>\$ (1,639)</u>	<u>\$ (855)</u>	<u>\$ (3,057)</u>