KINARK CHILD AND FAMILY SERVICES

FINANCIAL STATEMENTS

MARCH 31, 2026

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Independent Auditor's Report

To the Directors of Kinark Child and Family Services

Opinion

We have audited the financial statements of Kinark Child and Family Services (the "Organization"), which comprise the statement of financial position as at March 31, 2026, and the statement of operations and changes in fund balances and cash flow statement for the year then ended, and notes to the financial statements, including 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, 2026*, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profits.

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.

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-profits,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.

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 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

Oakville, Ontario
June 24, 2026

KINARK CHILD AND FAMILY SERVICES

Statement of Financial Position

March 31	2026 $	2025 $
ASSETS		
Current assets		
Cash	**11,723,999**	22,563,143
Accounts receivable (Note 3)	**438,479**	1,021,934
Prepaid expenses and deposits	**290,139**	358,908
Due from Ministry of Children, Community and Social Services and Ministry of Health	**2,592,056**	476,578
	15,044,673	24,420,563
Property and equipment (Note 5)	**12,564,660**	12,946,770
	27,609,333	37,367,333
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	**4,139,836**	4,473,393
Accrued salaries payable	**1,925,512**	2,389,871
Employee payroll deductions payable	**53,359**	9,710
Government remittances payable	**920,586**	550,095
Due to Ministry of Children, Community and Social Services and Ministry of Health (Note 6)	**5,947,830**	14,123,011
Deferred revenue (Note 7)	**2,474,439**	2,069,846
Current portion of loan payable (Note 8)	**365,639**	341,041
	15,827,201	23,956,967
Loan payable (Note 8)	**344,550**	710,188
Deferred lease incentives (Note 9)	**1,494,445**	1,707,923
	1,838,995	2,418,111
	17,666,196	26,375,078
FUND BALANCES/ RETAINED EARNINGS		
Capital Assets	**10,360,026**	10,187,618
Community Mental Health Services	**(2,838,250)**	(2,685,050)
Forensics	**(1,157,105)**	(1,112,605)
Autism Services	**3,572,389**	4,596,215
General	**6,077**	6,077
	9,943,137	10,992,255
	27,609,333	37,367,333

The accompanying notes are an integral part of these financial statements

Approved on behalf of the Board:

Director Morlan Reddock, Treasurer *Morlan Reddock*

Director Sharon Cochran, Chair *M. Sharon Cochran*

KINARK CHILD AND FAMILY SERVICES

Statement of Operations and Changes in Fund Balances

Year ended March 31	Capital Assets 2026	Capital Assets 2025	Community Mental Health 2026	Community Mental Health 2025	Forensics 2026	Forensics 2025	Autism Services 2026	Autism Services 2025	General 2026	General 2025	Total 2026	Total 2025
	$	$	$	$	$	$	$	$	$	$	$	$
Operating revenue												
Government funding			**30,876,013**	29,765,813	**12,011,380**	11,513,180	**16,401,977**	15,879,864	**1,636,640**	1,573,740	**60,926,010**	58,732,597
Other contract funding and user fees (Note 7)			**816,269**	744,503	**388,967**	973,257	**10,767,381**	8,761,952	**2,210,545**	2,082,378	**14,183,162**	12,562,090
Other			**185,523**	470,311	**69,631**	186,989	**322,471**	820,492	**12,219**	44,744	**589,844**	1,522,536
Government funding repayable (Note 6)	**-**	-	**-**	(652,003)	**-**	(2,582)	**(275)**	(41,817)	**-**	-	**(275)**	(696,402)
	-	-	**31,877,805**	30,328,624	**12,469,978**	12,670,844	**27,491,554**	25,420,491	**3,859,404**	3,700,862	**75,698,741**	72,120,821
Operating expenses												
Salaries and benefits			**20,523,696**	19,437,274	**7,934,494**	8,040,695	**15,779,298**	14,387,662	**3,116,951**	2,886,425	**47,354,439**	44,752,056
Clinical, professional and other client			**1,700,683**	1,731,889	**1,426,058**	1,230,170	**6,953,855**	6,696,510	**110,939**	69,735	**10,191,535**	9,728,304
Building occupancy			**1,527,965**	1,602,476	**260,485**	145,563	**1,602,694**	1,706,676	**73,120**	46,361	**3,464,264**	3,501,076
Telephone, technology and equipment			**989,594**	1,015,277	**311,291**	296,710	**708,462**	243,461	**129,900**	99,849	**2,139,247**	1,655,297
General agency (Note 11)			**5,287,194**	5,153,579	**1,856,968**	1,922,870	**2,636,822**	4,064,150	**360,723**	531,384	**10,141,707**	11,671,983
Staff travel and training			**363,399**	279,656	**172,196**	132,546	**277,273**	268,364	**43,730**	35,763	**856,598**	716,329
Legal, audit and insurance			**415,040**	21,300	**75,412**	244,466	**397,261**	135,555	**7,487**	8,420	**895,200**	409,741
Amortization			**1,014,458**	966,620	**439,121**	367,385	**251,290**	301,093	**-**	79,282	**1,704,869**	1,714,380
	-	-	**31,822,029**	30,208,071	**12,476,025**	12,380,405	**28,606,955**	27,803,471	**3,842,850**	3,757,219	**76,747,859**	74,149,166
Excess (deficiency) of revenue over expenses for year	**-**	-	**55,776**	120,553	**(6,047)**	290,439	**(1,115,401)**	(2,382,980)	**16,554**	(56,357)	**(1,049,118)**	(2,028,345)
Fund balances, beginning of year	**10,187,618**	9,545,413	**(2,685,050)**	(2,739,911)	**(1,112,605)**	(899,605)	**4,596,215**	7,108,627	**6,077**	6,076	**10,992,255**	13,020,600
Purchase of property and equipment, net of tenant inducements and loan payable	**1,322,759**	1,766,979	**(900,199)**	(662,187)	**(383,233)**	(775,021)	**(39,327)**	(329,771)	**-**	-	**-**	-
Amortization of deferred lease incentives	**213,478**	213,478	**(145,621)**	(145,854)	**(27,679)**	(29,518)	**(35,321)**	(31,043)	**(4,857)**	(7,063)	**-**	-
Loan and construction financing payments	**341,040**	376,128	**(177,614)**	(224,271)	**(66,662)**	(66,285)	**(85,067)**	(69,711)	**(11,697)**	(15,861)	**-**	-
Amortization	**(1,704,869)**	(1,714,380)	**1,014,458**	966,620	**439,121**	367,385	**251,290**	301,093	**-**	79,282	**-**	-
Fund balances, end of year	**$ 10,360,026**	$ 10,187,618	**$ (2,838,250)**	$ (2,685,050)	**$ (1,157,105)**	$ (1,112,605)	**$ 3,572,389**	$ 4,596,215	**$ 6,077**	$ 6,077	**$ 9,943,137**	$ 10,992,255

The accompanying notes are an integral part of these financial statements

KINARK CHILD AND FAMILY SERVICES

Statement of Cash Flows

Year ended March 31, 2026	2026	2025
	$	$
Cash flows from operating activities		
Excess of revenues over expenses for year	**(1,049,118)**	(2,028,345)
Amortization	**1,704,869**	1,714,380
Amortization of deferred lease incentive	**(213,478)**	(213,478)
	442,273	(527,443)
Changes in non-cash working capital balances		
Decrease (increase) in accounts receivable	**583,455**	(354,411)
Decrease (increase) in prepaid expenses and deposits	**68,769**	(169,036)
Decrease (increase) in due from Ministry of Children, Community and Social Services and Ministry of Health	**(2,115,478)**	2,902,880
Increase (decrease) in accounts payable and accrued liabilities	**(333,557)**	(190,617)
Increase (decrease) in accrued salaries payable	**(464,359)**	(1,903,654)
Increase (decrease) in employee payroll deductions payable	**43,649**	(13,500)
Increase (decrease) in government remittances payable	**370,491**	(27,262)
Increase (decrease) in deferred revenue	**404,593**	(311,632)
Funding repaid to Ministry of Children, Community and Social Services and Ministry of Health	**(8,175,181)**	(9,670,254)
	(9,175,345)	(10,264,929)
Cash flows from investing activity		
Purchase of property and equipment	**(1,322,759)**	(1,766,979)
Cash flows from financing activities		
Demand instalment loan payments	**-**	(58,138)
Loan payable payment	**(341,040)**	(317,989)
	(341,040)	(376,127)
Net change in cash	**(10,839,144)**	(12,408,035)
Cash, beginning of year	**22,563,143**	34,971,178
Cash, end of year	**11,723,999**	22,563,143

The accompanying notes are an integral part of these financial statements

Nature and description of the organization

Kinark Child and Family Services ("Kinark") was incorporated as a not-for-profit corporation under the Ontario Business Corporations Act. Kinark is an Ontario community based organization whose mission is helping children and youth with complex needs achieve better outcomes. Kinark has three primary program streams: community mental health services, forensics/youth justice services, and autism services.

Kinark is a charitable organization registered under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

1. **Significant accounting policies**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) **Fund accounting**

Funds are held and presented in accordance with the objectives specified by funders. For financial reporting purposes, the following funds have been presented:

The Capital Assets Fund accounts for Kinark's property and equipment. As a condition of receiving capital funding for property, Kinark has agreed to certain restrictions on the use and disposition of the property. The property cannot be transferred or charged without the consent of the Ministry of Children, Community and Social Services ("MCCSS") and the Ministry of Health ("MOH").

The Capital Assets Fund comprises the net book value of property and equipment less demand instalment loan, loan payable and deferred lease incentives.

The Community Mental Health Services ("CMH") Fund captures operations relating to a range of assessment and treatment services, including individual, family and group counselling services, in the Central and East regions of Ontario including the Kinark Outdoor Centre and Supervised Access programs.

The Forensics/Youth Justice Services Fund captures operations relating to the following programs: Secure Treatment (Syl Apps Youth Centre), Intensive Supervision and Support Program ("ISSP") and Multi-Systematic Therapy - Youth Justice ("MST YJ").

The Autism Services Fund captures operations relating to the Ontario Autism Program, the Autism Spectrum Disorder School Support Program ("ASD SSP"), the York Simcoe Autism Network ("YSAN") and to the delivery of fee for service client-based services.

The General Fund includes CMH Lead Agency responsibilities and other programs.

1. **Significant accounting policies (continued)**

(b) **Revenue recognition**

Kinark follows the restricted fund method of accounting for contributions.

Restricted contributions for which a corresponding restricted fund is presented are recognized as revenue of that fund in the period, when received or receivable and the amount to be received can be reasonably estimated and its collection is reasonably assured.

Restricted contributions for which no corresponding restricted fund is presented are recognized as revenue of the General Fund in the period in which the related expenses are incurred. Prior to incurring the related expenses, the contributions are recorded as deferred revenue.

Unrestricted contributions are recognized as revenue of the General Fund in the period when received or receivable and the amount to be received can be reasonably estimated and its collection is reasonably assured.

Government funding consists of restricted contributions from MCCSS and MOH.

Other contract funding consists of restricted and unrestricted contributions received from various funding agencies.

User fees are recognized as revenue when the services are rendered.

Autism fee for service revenue is recognized when the service is rendered. Fees received in advance of the services being rendered are recorded as deferred revenue. This is included in other contract funding and user fee revenue.

1. **Significant accounting policies (continued)**

(c) **Property and equipment**

The costs of property and equipment are capitalized upon meeting the criteria for recognition as a capital asset, otherwise, costs are expensed as incurred. The cost of property and equipment comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

Property and equipment are measured at cost less accumulated amortization, if any, and accumulated impairment losses.

Amortization is provided for, upon the commencement of the utilization of the assets, using methods and rates designed to amortize the cost of property and equipment over their estimated useful lives. The methods and annual amortization rates are as follows:

Computer equipment	30%	declining balance
Buildings	4%	declining balance
Furniture and fixtures	20%	declining balance
Computer software	55%	declining balance
Vehicles	30%	declining balance

Amortization of leasehold improvements is recorded on a straight-line basis over the remaining term of the lease.

Amortization expense is reported in the various funds and the amounts are transferred to the Capital Assets Fund.

Kinark capitalizes all property for which it receives grants or special funding from Health Capital Branch, MCCSS and MOH.

Property and equipment are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. If any potential impairment is identified, the amount of the impairment is quantified by comparing the carrying value of the property and equipment to its fair value. Any impairment of property and equipment is recognized in income in the year in which the impairment occurs.

An impairment loss is not reversed if the fair value of the property and equipment subsequently increases.

(d) **Deferred lease incentives**

Lease incentives comprise tenant inducements received in cash or paid for directly by the landlord for the purchase of capital assets.

Lease incentives received in connection with original leases are amortized to income on a straight-line basis over the terms of the original leases. Lease incentives received in connection with re-negotiated leases are amortized to income on a straight-line basis over the period from the expiration date of the original lease to the expiration date of the re-negotiated lease.

1. **Significant accounting policies (continued)**

(e) **Financial Instruments**

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, all 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 the financial instrument.

(f) **Management estimates**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current year. Actual results may differ from the estimates, the impact of which would be recorded in future years.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

(g) **Donated services**

The work of Kinark is dependent on the voluntary service of many individuals. Since these services are not normally purchased by Kinark and because of the difficulty of determining their fair value, donated services are not recognized in these financial statements.

(h) **General agency**

General agency consists of administrative expenses specific to the programs within the funds and corporate and general expenses, not directly related to client service delivery, which are allocated to the programs within the funds based on funding received and usage.

2. **Financial risk management**

Kinark is exposed to various financial risks as detailed below:

Credit risk

Kinark is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that Kinark could incur a financial loss.

The maximum exposure of Kinark to credit risk is as follows:

	2026 $	2025 $
Cash	11,723,999	22,563,143
Accounts receivable	438,479	1,021,934
Due from MCCSS and MOH	2,592,056	476,578
	14,754,534	24,061,655

Kinark reduces its exposure to the credit risk of cash by maintaining balances with a Canadian financial institution. Kinark’s reduces its exposure to the credit risk of accounts receivable as its major source of revenue is derived from government sources.

Liquidity risk

Liquidity risk is the risk that Kinark will not be able to meet a demand for cash or fund its obligations as they come due. Liquidity risk arises from Kinark's accounts payable and accrued liabilities, accrued salaries payable, due to MCCSS and MOH, and loan payable.

The liquidity of Kinark is monitored by management to ensure sufficient cash is available to meet liabilities as they become due. Kinark has available a revolving bank demand credit facility as described in note 4.

Changes in risk

There have been no significant changes in the risk profile of the financial instruments of Kinark from that of the prior year.

3. Accounts receivable

Fiscal 2026

The accounts receivable balance includes $196,817 that is related to grants supporting Live In Treatment operations, and $44,718 receivable from Autism clients funded by governmental and insured payors.

Fiscal 2025

The accounts receivable balance includes $608,345 that is related to grants supporting Syl Apps operations, and $254,524 receivable from Autism clients funded by governmental and insured payors.

4. Credit facility

Kinark has entered into a credit facility, the terms of which include:

(a) a revolving bank demand credit facility for $10,000,000 (2025 - $10,000,000), bearing interest at CORRA rate plus any stamping fees. At each March 31, 2026, and March 31, 2025, the bank facility had not been drawn upon.

(b) a commercial letter of credit in the amount of $344,000 (2025 - $344,000) in respect of one of Kinark's leased properties. The amount available under the letter of credit reduces by $43,000 on December 1 of each year. At March 31, 2026, the letter of credit, in the amount of $86,000 (2025 - $129,000) was undrawn.

The facility is secured by a general security agreement.

March 31, 2026

5. **Property and Equipment**

	Cost $	Accumulated Amortization $	2026 Net $
Land	1,116,743	-	1,116,743
Computer equipment	6,059,487	5,565,559	493,928
Buildings	6,321,781	2,805,943	3,515,838
Furniture and fixtures	7,059,381	5,359,711	1,699,670
Leasehold improvements	8,332,529	2,873,765	5,458,764
Computer software	2,168,103	2,073,201	94,902
Vehicles	514,075	329,260	184,815
	31,572,099	19,007,439	12,564,660

	Cost $	Accumulated Amortization $	2025 Net $
Land	1,116,743	-	1,116,743
Computer equipment	5,955,625	5,389,476	566,149
Buildings	5,813,274	2,678,685	3,134,589
Furniture and fixtures	6,877,104	4,969,913	1,907,191
Leasehold improvements	7,950,356	2,001,540	5,948,816
Computer software	2,168,103	1,957,210	210,893
Vehicles	368,135	305,746	62,389
	30,249,340	17,302,570	12,946,770

6. Due to Ministry of Children, Community, and Social Services and Ministry of Health

	2026 $	2025 $
Balance, beginning of year	14,123,011	23,793,265
Funding received in the current year in excess of the funding spent	275	696,402
Funding repaid in current year	(8,175,456)	(10,366,656)
Balance, end of year	5,947,830	14,123,011

The funding received in the current year in excess of the funding spent is repayable to the Ministry and is recorded as government funding repayable in the statement of operations and changes in fund balances.

In the current year, Kinark received funding in the form of a grant from MCCSS related to the Ontario Autism Program (OAP) Workforce Capacity Fund. The grant in the amount of $197,250 is recognized in the statement of operations in government funding revenue of the Autism Services Fund. The funding received in excess of the funding spent, in the amount of $275, is included in the funding repayable to MCCSS.

7. Deferred Revenue

	2026 $	2025 $
Deferred revenue, beginning of year	2,069,846	2,381,478
Funding received during the year	9,285,853	6,392,870
Funding recognized as revenue in the year	(8,881,260)	(6,704,502)
Deferred revenue, end of year	2,474,439	2,069,846

The funding recognized as revenue in the year is recorded in other contract funding and user fees in the statement of operations and changes in fund balances.

8. **Loan payable**

Construction financing payable, bearing interest at 7% per annum, repayable in monthly blended payments of $33,647, due March 2028.

	2026 **$**	**2025** **$**
Balance, beginning of year	1,051,229	1,369,218
Repayments	(341,040)	(317,989)
Balance end of year	710,189	1,051,229
Less: current portion	365,639	341,041
Due beyond one year	344,550	710,188

Annual principal repayments are as follows:

	$
2027	365,639
2028	344,550
	710,189

9. Deferred lease incentives

	Cost $	Accumulated Amortization $	2026 Net $
Tenant inducements - Peterborough	718,840	215,630	503,210
Tenant inducements - Warden Avenue	1,416,050	424,815	991,235
	2,134,890	640,445	1,494,445

	Cost $	Accumulated Amortization $	2025 Net $
Tenant inducements - Peterborough	718,840	143,757	575,083
Tenant inducements - Warden Avenue	1,416,050	283,210	1,132,840
	2,134,890	426,967	1,707,923

Pursuant to the lease agreement for the Peterborough premises of Kinark, entered into during fiscal 2023, Kinark was entitled to lease incentives, comprised of tenant inducements, in the amount of $718,840.

Pursuant to the lease agreement for the Warden Avenue premises of Kinark, entered into during fiscal 2023, Kinark was entitled to lease incentives, comprised of tenant inducements, up to a maximum amount of $1,416,050 and construction financing up to a maximum amount of $1,699,260 for a total maximum improvement limit of $3,115,310. All construction costs and activities were incurred and completed in prior years

Amortization of lease incentives is being recognized over the ten year term of the respective leases for the Peterborough premises and Warden Avenue premises.

10. Pension plan

Kinark provides a defined contribution pension plan for its employees. In accordance with the Plan Agreement, employees in the plan may contribute 4%, 5% or 6% of their salary to the plan. Kinark is required to match their contributions. Included in salaries and benefits and general agency in the statement of operations and changes in fund balances is $1,767,121 (2025 - $1,706,164) of pension plan contributions made by Kinark during the year.

11. **General agency**

General agency consists of administrative expenses specific to the programs within the funds and corporate and general expenses, not directly related to client service delivery, which are allocated to the programs within the funds based on funding received and usage. The table below details the nature of these expenses.

	Community Mental Health Services	Forensics/ Youth Justice Services	Autism Services	General	Total 2026
	$	$	$	$	$
Salaries and benefits (note 11)	2,797,738	1,763,204	3,458,030	267,611	8,286,583
Clinical, professional and other client	990	465	403	28	1,886
Building occupancy	354,868	-	-	-	354,868
Telephone, technology and equipment	481,110	21,332	48,400	1,808	552,650
Office and general	1,303,165	63,463	(880,225)	90,510	576,913
Staff travel and training	97,748	7,226	9,196	695	114,865
Legal, audit and insurance	251,575	1,278	1,018	71	253,942
	5,287,194	1,856,968	2,636,822	360,723	10,141,707

	Community Mental Health Services	Forensics/ Youth Justice Services	Autism Services	General	Total 2025
	$	$	$	$	$
Salaries and benefits (note 11)	2,607,280	1,798,567	2,689,374	369,674	7,464,895
Clinical, professional and other client	535	(145)	(285)	(33)	72
Building occupancy	343,169	-	-	-	343,169
Telephone, technology and equipment	372,406	15,267	313,149	1,666	702,488
Office and general	1,198,540	92,085	1,041,632	158,510	2,490,767
Staff travel and training	147,353	15,869	18,928	1,483	183,633
Legal, audit and insurance	484,296	1,227	1,352	84	486,959
	5,153,579	1,922,870	4,064,150	531,384	11,671,983

12. **Commitments**

Future annual premises lease payments, including an estimate of common area expenses, and other operating lease payments are as follows:

2027	$2,539,354
2028	2,366,964
2029	1,805,518
2030	1,779,505
2031	1,482,022
Thereafter	3,773,327

13. **Contingencies**

Kinark is party to legal actions arising in the ordinary course of operations. While it is not feasible to predict the outcome of these actions, it is the opinion of management that the resolution of these matters will not have a material adverse effect on the operations of Kinark. Kinark maintains insurance coverage which includes error and omission provisions to mitigate against potential outcomes from these legal proceedings.

14. **Economic Dependence**

Kinark received 80% (2025 – 81%) of its funding from MCCSS and MOH. In management's opinion, the Centre's continued operations are dependent on the continuance of MCCSS and MOH funding.

15. **Additional information**

Ministry of Children, Community and Social Services (MCCSS) and Ministry of Health (MOH) provides funding based on annual approved budgets for the year ended March 31. Pursuant to the agreements between MCCSS, MOH and the Organization, any funding not expended in accordance with the terms of the agreement may be repaid to MCCSS and MOH or offset against future monies flowing to the Organization. The Organization is required to file annual reconciliation reports to account for the spending of the funding received and calculate any amounts repayable to MCCSS and MOH.

Management has estimated the liability with the amount being recorded as due to Ministry of Children, Community and Social Service and Ministry of Health in the statement of financial position. The reports for March 31, 2026 are not yet due, therefore the actual liability may differ from the estimated liability recorded. The annual reconciliation provided to MCCSS for the year ended March 31, 2025 has not yet been reviewed and therefore may differ from the estimated liability. The annual reconciliation provided to MOH for the years ended March 31, 2024 and 2025 have not yet been reviewed and therefore may differ from the estimated liability.

2026

Line		Kinark MOH $	Kinark MCCSS $	Total $
400	Total Gross Revenues per Audited Financial Statements	75,698,741	75,698,741	
430	Total Funding for Settlement Purposes	43,238,035	19,414,489	
450	Total Gross Expenditures per audited financial statements	76,747,859	76,747,859	
464	Adjustments for inadmissible expenditures	(349,292)	(349,292)	
485	Less: Other Adjustments for other activities and contracts	(33,736,762)	(56,984,353)	
480	Total Expenditures for Settlement Purposes	42,661,805	19,414,214	
495	Ministry Approved Carry Over	576,230	-	
Balance due to MOH and MCCSS		(0)	275	275

2025

Line		Kinark MOH $	Kinark MCCSS $	Total $
400	Total Gross Revenues per Audited Financial Statements	72,120,821	72,120,821	
430	Total Funding for Settlement Purposes	41,539,696	18,859,978	
450	Total Gross Expenditures per audited financial statements	74,149,166	74,149,166	
464	Adjustments for inadmissible expenditures	444,066	444,066	
485	Less: Other Adjustments for other activities and contracts	(33,705,540)	(55,777,652)	
480	Total Expenditures for Settlement Purposes	40,887,692	18,815,580	
Balance due to MOH and MCCSS		652,004	44,398	696,402