

Financial Statements

Niagara Children's Centre

March 31, 2026

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# Independent Auditor's Report

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To the Members of  
Niagara Children's Centre

## Opinion

We have audited the financial statements of Niagara Children's Centre (the "Organization"), which comprise the statement of financial position as at March 31, 2026, and the statements of changes in fund balances, operations 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 Organization as at March 31, 2026, and its results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not for profit organizations.

## Basis for opinion

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 the 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 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

St. Catharines, Canada  
June 11, 2026  
Chartered Professional Accountants  
Licensed Public Accountants

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are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# Niagara Children's Centre Statement of Financial Position

	March 31	Operating Fund	Capital Fund	Total	Total
	2025	2026	2026	2026	2025
<b>Assets</b>					
Current					
Cash	\$ 3,146,559	\$ -	\$ -	\$ 3,146,559	\$ 2,163,755
Cash - externally restricted fund	18,524	-	-	18,524	31,883
Short-term investments	2,068,492	-	-	2,068,492	1,705,433
Accounts receivable	269,150	36	-	269,186	504,214
Interfund (payable) receivable	(8,316)	8,316	-	236,009	165,935
Prepaid expenses	236,009	-	-	236,009	4,571,220
Long-term investments	5,730,418	8,352	-	5,738,770	4,591,284
Long-term investments -	4,893,862	-	-	4,893,862	234,179
externally restricted fund	241,964	-	-	241,964	1,637,719
Property and equipment (Note 4)	-	1,560,080	-	1,560,080	\$ 11,034,402
<b>Liabilities</b>					
Current					
Accounts payable and accrued liabilities (Note 10)	\$ 2,808,321	\$ -	\$ -	\$ 2,808,321	\$ 2,637,924
Deferred revenue (Note 5)	346,605	-	-	346,605	293,047
Deferred contributions (Note 6)	376,005	-	-	376,005	462,692
Deferred property and equipment contributions (Note 7)	3,530,931	-	-	3,530,931	3,393,663
Fund balances					
Invested in property and equipment	-	594,791	-	594,791	594,791
Internally restricted (Note 11)	7,092,760	-	-	7,092,760	5,724,716
Externally restricted	242,553	-	-	242,553	269,951
	7,335,313	594,791	-	7,930,104	6,589,458
	\$ 10,866,244	\$ 1,568,432	\$ -	\$ 12,434,676	\$ 11,034,402

Commitment (Note 9)

Approved on behalf of the Board of Directors

  
 Director

  
 Director

## Niagara Children's Centre Statement of Changes in Fund Balances

March 31

	Unrestricted Operating Fund	Invested in Property and Equipment	Internally Restricted	Externally Restricted	Total
Balance, beginning of year, 2026	\$ -	\$ 594,791	\$ 5,724,716	\$ 269,951	\$ 6,589,458
Excess (deficiency) of revenues over expenses for the year	1,368,044	-	-	(27,398)	1,340,646
Transfer to internally restricted fund (Note 11)	<u>(1,368,044)</u>	<u>-</u>	<u>1,368,044</u>	<u>-</u>	<u>-</u>
Balance, end of year, 2026	<u>\$ -</u>	<u>\$ 594,791</u>	<u>\$ 7,092,760</u>	<u>\$ 242,553</u>	<u>\$ 7,930,104</u>
Balance, beginning of year, 2025	\$ -	\$ 594,791	\$ 4,776,502	\$ 262,210	\$ 5,633,503
Excess of revenues over expenses for the year	948,214	-	-	7,741	955,955
Transfer to internally restricted fund	<u>(948,214)</u>	<u>-</u>	<u>948,214</u>	<u>-</u>	<u>-</u>
Balance, end of year, 2025	<u>\$ -</u>	<u>\$ 594,791</u>	<u>\$ 5,724,716</u>	<u>\$ 269,951</u>	<u>\$ 6,589,458</u>

# Niagara Children's Centre Statement of Operations

	Operating Fund	Capital Fund	Total
Year ended March 31	2025	2026	Total
<b>Revenues</b>			
Ministry of Children, Community and Social Services	\$ 5,932,276	-	\$ 5,932,276
Community Based Rehabilitation	3,276,454	-	3,276,454
School Based Rehabilitation	1,870,802	-	1,870,802
Preschool Speech and Language	1,387,827	-	1,387,827
Specialized Community Support	593,969	-	593,969
Program	1,029,752	-	1,029,752
Regional Municipality of Niagara	72,180	-	72,180
support service	2,879,340	-	2,879,340
Recoveries	1,857,577	8,276	1,865,853
Donation and grants (Note 8)	348,953	12,465	361,418
Investment income	-	-	-
Amortization of deferred capital contributions (Note 7)	19,249,130	98,381	19,347,511
<b>Expenses</b>			
Salaries	11,779,573	-	11,779,573
Employee benefits (Note 2)	2,662,206	-	2,662,206
Contracted services	278,508	-	278,508
Special Services at Home client contracts	1,205,455	-	1,205,455
Centre operating	751,700	-	751,700
Building services	627,281	-	627,281
Office supplies	91,833	-	91,833
Staff development and travel	234,109	-	234,109
Therapy supplies	250,421	-	250,421
Capital fund expenses	-	48,139	48,139
Amortization of property and equipment	-	77,640	77,640
Excess (deficiency) of revenues over expenses for the year	\$ 1,368,044	\$ (27,398)	\$ 1,340,646
	17,881,086	125,779	18,006,865
	15,303,365	77,640	15,381,005

See accompanying notes to the financial statements.

## Niagara Children's Centre Statement of Cash Flows

	2025	2026
Year ended March 31	2025	2026
Increase (decrease) in cash		
<b>Operating</b>		
Excess of revenues over expenses for the year	\$ 1,340,646	\$ 955,955
Adjustments for non-cash items		
Amortization of property and equipment	77,640	82,908
Amortization of contributions	(77,640)	(82,908)
Changes in non-cash working capital		
Accounts receivable	235,028	178,758
Prepaid expenses	(70,074)	(32,288)
Accounts payable and accrued liabilities	170,397	(45,861)
Deferred revenue	53,558	24,158
Deferred contributions	(86,687)	6,796
Investing		
Interest reinvested	(261,366)	(260,844)
Investments purchased	(900,000)	(1,905,000)
Investments redeemed	487,943	905,000
Increase (decrease) in cash	969,445	(173,326)
Cash		
Beginning of year	2,368,964	2,195,638
End of year	\$ 3,165,083	\$ 2,195,638
<b>Cash consists of:</b>		
Cash	\$ 3,146,559	\$ 2,163,755
Cash - externally restricted fund	18,524	31,883
	\$ 3,165,083	\$ 2,195,638

See accompanying notes to the financial statements.

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# Niagara Children's Centre Notes to the Financial Statements

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March 31, 2026

## 1. Nature of operations

Niagara Children's Centre (the "Centre" or "Organization") is funded by the Ministry of Children, Community and Social Services. The Centre provides rehabilitation and treatment services to children with physical, developmental or communicative challenges. The Centre is exempt from income tax as a registered charity under the Income Tax Act (Canada).

## 2. Significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

### Fund accounting

The accounts are maintained in accordance with the principles of fund accounting, whereby fund balances of the Organization are classified for accounting and reporting purposes into funds to be used according to the directions of the donor or as determined by the Organization.

Revenues and expenses related to program delivery and fundraising are reported in the Operating Fund.

The Capital Fund reports the assets, liabilities, revenues and expenses related to the Centre's property and equipment. The Capital Fund also reports the transactions related to certain externally restricted contributions.

The externally restricted fund balance consists of the Dr. W. J. Orr Trust fund, which recognizes the significant contribution he has made to children since the early 1950's. The purpose of the fund is to benefit and enhance the lives of children of the Region of Niagara who have physical disabilities and no other funding available.

### Revenue recognition

The Organization follows the restricted fund method of accounting for externally restricted contributions. Unrestricted contributions are recognized as revenue of the unrestricted funds in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions for which no restricted fund has been established are deferred and recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Externally restricted contributions for property and equipment for which no restricted fund has been established are deferred and amortized over the life of the asset. All other restricted contributions are recognized as revenue of the appropriate externally restricted fund.

Investment income is recognized in the appropriate fund when earned.

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## Niagara Children's Centre Notes to the Financial Statements

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March 31, 2026

### 2. Significant accounting policies (continued)

#### Pension plan

The Centre makes contributions to the Healthcare of Ontario Pension Plan (HOOPP), which is a multi-employer plan, on behalf of eligible employees of the Centre. The plan is a defined benefit pension plan which specifies the amount of the retirements benefit to be received by the employees based upon the length of service and rates of pay. Every three years, an independent actuary determines the fund status of the pension plan by comparing the actuarial value of invested assets to the estimated present value of all pension benefits the members have earned to date. The most recent actuarial valuation of the plan was conducted at December 31, 2025. The result of this valuation disclosed total actuarial liabilities of \$120,833 million with respect to benefits accrued for services with actuarial assets at that date of \$131,607 million indicating an actuarial surplus of \$10,774 million. Because the plan is a multi-employer plan, any plan surpluses or deficits are a joint responsibility of members of the pension plan and their employees. As a result, the Centre does not recognize any share of the plan surplus or deficit.

The Centre contributes \$1.26 for every \$1.00 that the employee contributes to the plan. Contributions made by the Centre on behalf of its employees during fiscal 2026 was \$1,090,356 (2025 - \$892,044) and are included in the employee benefits in the statement of revenue and expenditures.

#### Financial instruments

The Centre considers any contact creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Organization accounts for the following as financial instruments:

- cash
- accounts receivable
- short-term investments
- accounts payable
- long-term investments

The Centre initially measures its financial assets and liabilities at fair value. The Centre subsequently measures all of its financial assets and liabilities at amortized cost, except for investments, which are measured at fair value.

The Centre removes financial liabilities or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in excess of revenue over expenditures.

# Niagara Children's Centre Notes to the Financial Statements

March 31, 2026

## 2. Significant accounting policies (continued)

### Property and equipment

Property and equipment are initially measured at cost and subsequently measured at cost less accumulated amortization. Property and equipment are amortized to estimated residual values at the following annual rates over the estimated useful lives of the related assets:

Building	5% Declining balance
Parking lot	8% Declining balance
Equipment and furniture	20% Declining balance
Computer hardware	30% Declining balance

The estimated useful lives of property and equipment are reviewed by management and adjusted if necessary.

The Centre tests for impairment whenever events or changes in circumstances indicate that its carrying amount of an item may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

### Investments

Investments are primarily comprised of Guaranteed Investment Certificates, earning interest at annual rates between 3.00% and 5.00% per annum (2025 - 3.44% and 5.80% per annum) and maturing between September 11, 2026 and August 25, 2031 (2025 - November 03, 2025 and December 18, 2029). The investment portfolio also includes certain mutual funds and market-linked investments carried at fair value.

These funds are managed in accordance with the Centre's investment policy and are held for the purposes as outlined in Note 12.

### 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. Many 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 revenues over expenses as appropriate in the year they become known.

Items subject to significant management estimates include useful lives of property and equipment and allowance for doubtful accounts.

## Niagara Children's Centre Notes to the Financial Statements

March 31, 2026

### 3. Joseph Olascki Trust Fund and Niagara Children's Centre Fund held at the Niagara Community Foundation

The Niagara Community Foundation ("NCF") has established the Joseph Olascki Trust Fund and Niagara Children's Centre Fund. The NCF is completely responsible for investing and administering the funds. As the Centre has no element of control or administration, these funds have not been reported in these financial statements. At March 31, 2026, the market value of the Joseph Olascki Trust Fund is \$717,893 (2025 - \$680,336) and the market value of the Niagara Children's Centre Fund is \$650,212 (2025 - \$616,389).

Unless otherwise directed by the Centre, the NCF will issue an annual grant to the Centre based on the NCF Board's approved annual dispersal percentage. Additional funds may also be requested from the Niagara Children's Centre Fund. The income from NCF is recognized in these financial statements when it is received.

### 4. Property and equipment

	2026	2025
Land	\$ 201,434	\$ 201,434
Building	5,703,512	4,427,707
Parking lot	256,753	194,083
Equipment and furniture	927,710	907,539
Computer hardware	589,353	589,353
	<u>\$ 7,678,762</u>	<u>\$ 6,118,682</u>
Accumulated Cost Amortization		
Net Book Value	\$ 1,560,080	\$ 1,637,719

### 5. Deferred revenue

Deferred revenue reported in the Operating Fund include the portion of revenues relating to operating expenses not yet incurred. The deferred revenues are recognized to revenue when the related expenses are incurred.

The changes for the year in the deferred grants balance reported in the Operating Fund are as follows:

	2026	2025
Balance, beginning of year	\$ 293,047	\$ 268,889
Revenues received during the year	1,330,130	658,755
Amounts recognized in revenues	<u>(1,276,572)</u>	<u>(634,597)</u>
Balance, end of year	<u>\$ 346,605</u>	<u>\$ 293,047</u>

**Niagara Children's Centre  
Notes to the Financial Statements**

March 31, 2026

**6. Deferred contributions**

Donations and grants received in the year totaled \$1,865,853 (2025 - \$1,060,811). Of these donations and grants \$223,663 (2025 - \$138,967) relate to restricted contributions for designated expenses to be incurred in a future fiscal year. These deferred contributions are reported in the operating fund and are recognized to fundraising contributions when the related expenses are incurred.

The changes for the year in the deferred contributions balance reported in the Operating Fund are as follows:

	Balance, beginning of year	\$ 462,692	\$ 455,896
	Designated contributions received during the year	223,663	138,967
	Amounts recognized in contributions	(310,350)	(132,171)
	Balance, end of year	<u>\$ 376,005</u>	<u>\$ 462,692</u>
		<u>2026</u>	<u>2025</u>

**7. Deferred property and equipment contributions**

Deferred contributions reported in the Capital Fund include the unamortized portion of contributions relating to property and equipment acquisitions. The deferred contributions are amortized on the same basis as the property and equipment to which the contribution relates.

The changes for the year in the deferred contributions balance reported in the Capital Fund are as follows:

	Balance, beginning of year	\$ 1,051,281	\$ 1,134,189
	Amount amortized to revenue	(77,640)	(82,908)
	Balance, end of year	<u>\$ 973,641</u>	<u>\$ 1,051,281</u>
		<u>2026</u>	<u>2025</u>

**Niagara Children's Centre  
Notes to the Financial Statements**

March 31, 2026

**8. Donations and grants from fundraising**

The donations and grants from fundraising allocated on the Statement of Operations as follows:

	<u>2026</u>	<u>2025</u>
Contributions	\$ 1,449,197	\$ 1,007,204
Grants and designated donations	416,656	48,258
Total fundraising revenue	<u>1,865,853</u>	<u>1,055,462</u>
Salaries and Benefits	182,611	180,867
Other fundraising costs	71,636	65,311
Total cost of fundraising	<u>\$ 254,247</u>	<u>\$ 246,178</u>

**9. Commitment**

The Centre has entered into agreements for the facilities at Fort Erie and Welland expiring June 30, 2026 and June 30, 2027, respectively. The total remaining commitment is \$70,983.

Estimated payments are as follows for the next five fiscal years:

2027	\$ 57,783
2028	<u>13,200</u>
	<u>\$ 70,983</u>

## Niagara Children's Centre Notes to the Financial Statements

March 31, 2026

### 10. Service contracts

The Centre has service contracts with The Ministry of Children, Community and Social Services ("MCCSS"). The below reconciliation reports summarize by service, all revenues and expenses, and identify any resulting surplus or deficit that relates to the service contracts. The current year surplus of \$193,744 (2025 - \$201,751) are included in accounts payable as a payable to the Ministry. The total amount included with accounts payable related to accumulative surpluses repayable to MCCSS is \$1,700,597 (2025 - \$1,532,293).

	Children's Rehabilitation Services	Special Needs Program	Enchanted Respite Program	Children's DS Community Support	Early Intervention Program	Total
Operating grant received	\$ 9,208,730	\$ 1,498,440	\$ 14,620	\$ 68,511	\$ 2,464,771	\$13,255,072
Expenses						
Salaries and benefits	7,693,945	85,506	-	59,771	2,013,895	9,853,117
Other service costs	781,261	1,202,314	20,351	2,087	220,003	2,226,016
	8,475,206	1,287,820	20,351	61,858	2,233,898	12,079,133
Central administration overhead	733,524	11,145	-	6,653	230,873	982,195
Surplus (deficit) in accounts payable	\$ -	\$ 199,475	\$ (5,731)	\$ -	\$ -	\$ 193,744

### 11. Internally restricted fund balances and interfund transfers

As of March 31, 2026, the Centre has internally restricted resources amounting to \$7,092,760 (2025 - \$5,724,716). These internally restricted amounts are not available for other purposes without the approval of the Board of Directors.

	Employee Fund	Technology Fund	Strategic Priorities	Operating Fund	Capital and major repairs	Contingency Fund	Total
Opening Balances	\$ 11,029	\$ 400,000	396,759	\$ 108,344	\$ 4,411,915	\$ 396,669	\$ 5,724,716
Transfer from unrestricted funds	-	-	-	-	1,368,044	-	1,368,044
Closing Balances	\$ 11,029	\$ 400,000	\$ 396,759	\$ 108,344	\$ 5,779,959	\$ 396,669	\$ 7,092,760

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# Niagara Children's Centre Notes to the Financial Statements

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March 31, 2026

## 12. Financial Instruments

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The following analysis provides a measure of the Centre's risk exposure and concentrations at the statement of financial position date, March 31, 2026:

### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Centre's main risk relates to its accounts receivable.

### Liquidity risk

Liquidity risk is the risk that the Centre will encounter difficulty in meeting the obligations associated with its financial liabilities. The Centre is exposed to this risk mainly in respect of its account payable.

### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate and other price risk. The Centre is not significantly exposed to these market risks. To manage this risk, the Centre works closely with investment advisors to implement investment strategies aligned with the Centre's investment policy.

## 13. Comparative figures

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The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year excess of revenue over expenditure.