



Doane  
Grant Thornton

Financial Statements

Niagara Children's Centre

March 31, 2025

## Contents

	<b>Page</b>
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Changes in Fund Balances	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 13



## Independent Auditor's Report

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Doane Grant Thornton LLP  
80 King Street  
Suite 200  
St. Catharines, ON  
L2R 7G1

T +1 905 682 8363  
F +1 905 682 2191  
[www.doanegrantthornton.ca](http://www.doanegrantthornton.ca)

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, 2025, 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, 2025, and its 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.

### 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 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

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.

*Doane Grant Thornton LLP*

St. Catharines, Canada

June 6, 2025

Chartered Professional Accountants


Licensed Public Accountants

# Niagara Children's Centre

## Statement of Financial Position

March 31	Operating Fund	Capital Fund	Total 2025	Total 2024
<b>Assets</b>				
<b>Current</b>				
Cash	\$ 2,163,755	\$ -	\$ 2,163,755	\$ 2,351,645
Cash - externally restricted fund	31,883	-	31,883	17,319
Short-term investments	1,705,433	-	1,705,433	905,000
Accounts receivable	504,148	66	504,214	682,972
Interfund (payable) receivable	(11,287)	11,287	-	-
Prepaid expenses	<u>165,935</u>	<u>-</u>	<u>165,935</u>	<u>133,647</u>
	4,559,867	11,353	4,571,220	4,090,583
Long-term investments	4,591,284	-	4,591,284	4,128,746
Long-term investments - externally restricted fund	234,179	-	234,179	236,306
Property and equipment (Note 4)	<u>-</u>	<u>1,637,719</u>	<u>1,637,719</u>	<u>1,720,627</u>
	<u>\$ 9,385,330</u>	<u>\$ 1,649,072</u>	<u>\$11,034,402</u>	<u>\$10,176,262</u>
<b>Liabilities</b>				
<b>Current</b>				
Accounts payable and accrued liabilities	\$ 2,634,924	\$ 3,000	\$ 2,637,924	\$ 2,683,785
Deferred revenue (Note 5)	293,047	-	293,047	268,889
Deferred contributions (Note 6)	<u>462,692</u>	<u>-</u>	<u>462,692</u>	<u>455,896</u>
	<u>3,390,663</u>	<u>3,000</u>	<u>3,393,663</u>	<u>3,408,570</u>
Deferred property and equipment contributions (Note 7)	<u>-</u>	<u>1,051,281</u>	<u>1,051,281</u>	<u>1,134,189</u>
<b>Fund balances</b>				
Invested in property and equipment	-	594,791	594,791	594,791
Internally restricted (Note 10)	5,724,716	-	5,724,716	4,776,502
Externally restricted	<u>269,951</u>	<u>-</u>	<u>269,951</u>	<u>262,210</u>
	<u>5,994,667</u>	<u>594,791</u>	<u>6,589,458</u>	<u>5,633,503</u>
	<u>\$ 9,385,330</u>	<u>\$ 1,649,072</u>	<u>\$11,034,402</u>	<u>\$10,176,262</u>

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, 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 (Note 10)	(948,214)	-	948,214	-	-
Balance, end of year, 2025	\$ -	\$ 594,791	\$ 5,724,716	\$ 269,951	\$ 6,589,458
Balance, beginning of year, 2024	\$ -	\$ 594,791	\$ 3,946,795	\$ 245,753	\$ 4,787,339
Excess (deficiency) of revenues over expenses for the year	829,707	-	-	16,457	846,164
Transfer to internally restricted fund	(829,707)	-	829,707	-	-
Balance, end of year, 2024	\$ -	\$ 594,791	\$ 4,776,502	\$ 262,210	\$ 5,633,503

See accompanying notes to the financial statements.

## Niagara Children's Centre Statement of Operations

Year ended March 31	Operating Fund	Capital Fund	Total 2025	Total 2024
<b>Revenues</b>				
Ministry of Children, Community and Social Services				
Community Based Rehabilitation	\$ 5,617,941	\$ -	\$ 5,617,941	\$ 5,079,446
School Based Rehabilitation	3,274,691	-	3,274,691	2,672,124
Preschool Speech and Language	1,674,865	-	1,674,865	1,733,089
Special Services at Home and Specialized Community Support	1,341,886	-	1,341,886	1,332,282
Regional Municipality of Niagara	654,872	-	654,872	422,205
Home and Community Care support service	88,459	-	88,459	66,008
Other grants and recoveries	2,086,050	-	2,086,050	1,213,522
Investment income	410,982	12,713	423,695	322,064
Amortization of deferred capital contributions	-	82,908	82,908	88,719
	<u>15,149,746</u>	<u>95,621</u>	<u>15,245,367</u>	<u>12,929,459</u>
<b>Expenses</b>				
Salaries	9,472,325	-	9,472,325	8,044,892
Employee benefits (Note 2)	2,217,784	-	2,217,784	2,022,679
Contracted services	309,560	-	309,560	205,248
Special Services at Home client contracts	1,159,513	-	1,159,513	1,154,409
Centre operating	820,210	-	820,210	645,347
Building services	236,685	-	236,685	264,223
Office supplies	101,431	-	101,431	81,277
Staff development and travel	164,681	-	164,681	150,207
Therapy supplies	261,757	-	261,757	280,825
Capital fund expenses	-	6,372	6,372	1,755
Amortization of property and equipment	-	82,908	82,908	88,719
	<u>14,743,946</u>	<u>89,280</u>	<u>14,833,226</u>	<u>12,939,581</u>
Excess (deficiency) of revenues over expenses before Fundraising	<u>405,800</u>	<u>6,341</u>	<u>412,141</u>	<u>(10,122)</u>
<b>Fundraising</b>				
Contributions (Note 6)	1,012,553	1,400	1,013,953	1,317,867
Salaries and expenses	(470,139)	-	(470,139)	(461,580)
Excess of fundraising revenues over expenses	<u>542,414</u>	<u>1,400</u>	<u>543,814</u>	<u>856,287</u>
Excess of revenues over expenses for the year	<u>\$ 948,214</u>	<u>\$ 7,741</u>	<u>\$ 955,955</u>	<u>\$ 846,165</u>

## Niagara Children's Centre Statement of Cash Flows

Year ended March 31

2025

2024

Increase (decrease) in cash

### Operating

Excess of revenues over expenses for the year	\$ 955,955	\$ 846,164
Adjustments for non-cash items		
Amortization of property and equipment	82,908	88,719
Amortization of contributions	<u>(82,908)</u>	<u>(88,719)</u>
	955,955	846,164
Changes in non-cash working capital		
Accounts receivable	178,758	103,924
Prepaid expenses	(32,288)	(78,532)
Accounts payable and accrued liabilities	(45,861)	778,651
Deferred revenue	24,158	106,903
Deferred contributions	<u>6,796</u>	<u>132,581</u>
	<u>1,087,518</u>	<u>1,889,691</u>

### Investing

Interest reinvested	(260,844)	(115,009)
Investments purchased	(1,905,000)	(2,600,000)
Investments redeemed	<u>905,000</u>	<u>519,034</u>
	<u>(1,260,844)</u>	<u>(2,195,975)</u>

Decrease in cash

(173,326) (306,284)

Cash

Beginning of year	<u>2,368,964</u>	<u>2,675,248</u>
End of year	<u>\$ 2,195,638</u>	<u>\$ 2,368,964</u>

Cash consists of:

Cash	\$ 2,163,755	\$ 2,351,645
Cash - externally restricted fund	<u>31,883</u>	<u>17,319</u>
	<u>\$ 2,195,638</u>	<u>\$ 2,368,964</u>



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# Niagara Children's Centre

## Notes to the Financial Statements

March 31, 2025

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### 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).

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### 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.

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## Niagara Children's Centre

### Notes to the Financial Statements

March 31, 2025

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#### 2. Significant accounting policies (continued)

##### 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.

##### 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, 2024. The result of this valuation disclosed total actuarial liabilities of \$112,579 million with respect to benefits accrued for services with actuarial assets at that date of \$124,956 million indicating an actuarial surplus of \$12,377 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 2025 was \$892,044 (2024 - \$769,592) and are included in the employee benefits in the statement of revenue and expenditures.

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# Niagara Children's Centre

## Notes to the Financial Statements

March 31, 2025

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### 2. Significant accounting policies (continued)

#### Financial instruments

The Centre considers any contract creating a financial asset, liability or equity instrument as a financial instrument. The Centre initially measures its financial assets and liabilities at fair value.

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

Financial assets and liabilities measured at amortized cost include cash, accounts receivable, and accounts payable.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

#### Property and equipment

Property and equipment are recorded 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

#### Impairment of property and equipment

Property and equipment are tested for impairment when events or changes in circumstances indicate that an asset might be impaired. The assets are tested for impairment by comparing the net carrying value to its fair value or replacement cost. If the asset's fair value or replacement cost is determined to be less than its net carrying value, the resulting impairment is reported in the statement of operations. Any impairment recognized is not reversed.

#### Investments

Investments are comprised of Guaranteed Investment Certificates, earning interest at annual rates between 3.44% and 5.80% per annum (2024 - 4.00% and 5.85% per annum) and maturing between November 03, 2025 and December 18, 2029 (2024 - November 04, 2024 and December 18, 2029).

These funds are managed in accordance with the Centre's investment policy and are held for the purposes as outlined in Note 10.

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

March 31, 2025

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### 2. Significant accounting policies (continued)

#### 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.

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### 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, 2025, the market value of the Joseph Olascki Trust Fund is \$680,336 (2024 - \$659,109) and the market value of the Niagara Children's Centre Fund is \$616,389 (2024 - \$597,305).

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.

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### 4. Property and equipment

			<u>2025</u>	<u>2024</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 201,434	\$ -	\$ 201,434	\$ 201,434
Building	5,703,512	4,360,560	1,342,952	1,413,634
Parking lot	256,753	188,634	68,119	74,043
Equipment and furniture	927,710	902,496	25,214	31,516
Computer hardware	589,353	589,353	-	-
	<u>\$ 7,678,762</u>	<u>\$ 6,041,043</u>	<u>\$ 1,637,719</u>	<u>\$ 1,720,627</u>

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

March 31, 2025

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### 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:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 268,889	\$ 161,986
Revenues received during the year	658,755	721,620
Amounts recognized in revenues	<u>(634,597)</u>	<u>(614,717)</u>
Balance, end of year	<u>\$ 293,047</u>	<u>\$ 268,889</u>

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### 6. Deferred contributions

Donations and grants received in the year totaled \$1,015,400 (2024 - \$1,610,394). Of these donations and grants \$138,967 (2024 - \$292,666) 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:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 455,896	\$ 323,315
Designated contributions received during the year	138,967	292,666
Designated contributions re-allocated	-	12,850
Amounts recognized in contributions	<u>(132,171)</u>	<u>(172,935)</u>
Balance, end of year	<u>\$ 462,692</u>	<u>\$ 455,896</u>

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## Niagara Children's Centre

### Notes to the Financial Statements

March 31, 2025

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#### 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:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 1,134,189	\$ 1,222,908
Amount amortized to revenue	<u>(82,908)</u>	<u>(88,719)</u>
Balance, end of year	<u>\$ 1,051,281</u>	<u>\$ 1,134,189</u>

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#### 8. Financial instruments

The following analysis provides a measure of the Centre's risk exposure and concentrations at the statement of financial position date, March 31, 2025:

##### 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 Organization's main risk relates to its accounts receivable.

##### Liquidity risk

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

##### 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 risk and other price risk. To manage this risk, the Centre works closely with investment advisors to implement investment strategies aligned with the Centre's investment policy.

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

March 31, 2025

### 9. Service contracts

The Centre has service contracts with The Ministry of Children, Community and Social Services. 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 \$201,751 (2024 - \$799,240) are included in accounts payable as a payable to the Ministry.

	Children's Rehabilitation Services	Special Needs Program	Children's DS Community Support	Early Intervention Program	Total
Operating grant received	\$ 8,954,447	\$ 113,862	\$ 68,511	\$ 1,795,802	\$10,932,622
Expenses					
Salaries and benefits	7,202,585	88,786	57,421	1,324,273	8,673,065
Other service costs	937,526	13,931	4,448	186,368	1,142,273
	8,140,111	102,717	61,869	1,510,641	9,815,338
Central administration overhead	733,522	11,145	6,642	164,224	915,533
Surplus in accounts payable	\$ 80,814	\$ -	\$ -	120,937	\$ 201,751

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

As of March 31, 2025, the Centre has internally restricted resources amounting to \$5,724,716 (2024 - \$4,776,502). 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	\$ 3,463,701	396,669	\$ 4,776,502
Transfer from unrestricted funds	-	-	-	-	948,214	-	948,214
Closing Balances	\$ 11,029	\$ 400,000	\$ 396,759	\$ 108,344	\$ 4,411,915	396,669	\$ 5,724,716

