



Financial Statements

Niagara Children's Centre

March 31, 2023

Contents

	Page
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
Note to the Financial Statements	7 - 12

Independent Auditor's Report

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

T +1 905 682 8363
F +1 905 682 2191
www.GrantThornton.ca

To the members of
Niagara Children's Centre

Opinion

We have audited the financial statements of Niagara Children's Centre, which comprise the statement of financial position as at March 31, 2023, and the statements of changes in fund balances, operations, and statement of 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, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

Independent Auditor's Report (continued)

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.

Report on other legal and regulatory requirements

As required by Section 96(2) of the Corporations Act, we report that, in our opinion, the accounting principles have been applied on a basis consistent with that of the preceding year.

Grant Thornton LLP

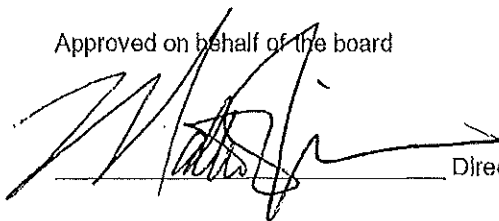
St. Catharines, Canada
May 31, 2023

Chartered Professional Accountants
Licensed Public Accountants

Niagara Children's Centre Statement of Financial Position

March 31	Operating Fund	Capital Fund	Total 2023	Total 2022
Assets				
Current				
Cash	\$ 2,656,471	\$ 1,694	\$ 2,658,165	\$ 1,979,630
Cash, externally restricted	-	17,083	17,083	15,560
Guaranteed investment certificates	2,845,407	-	2,845,407	2,886,404
Accounts receivable	786,872	24	786,896	451,519
Interfund balances	(6,712)	6,712	-	-
Prepaid expenses	55,115	-	55,115	127,093
	<u>6,337,153</u>	<u>25,513</u>	<u>6,362,666</u>	<u>5,460,176</u>
Long-term				
Guaranteed investment certificates, externally restricted	-	228,670	228,670	211,472
Property and equipment (Note 4)	-	1,809,346	1,809,346	1,904,512
	<u>\$ 6,337,153</u>	<u>\$ 2,063,529</u>	<u>\$ 8,400,682</u>	<u>\$ 7,576,160</u>
Liabilities				
Current				
Accounts payable and accrued liabilities	\$ 1,905,057	\$ 77	\$ 1,905,134	\$ 1,861,152
Deferred revenues (Note 5)	161,986	-	161,986	172,668
Deferred contributions (Note 6)	323,315	-	323,315	219,971
	<u>2,390,358</u>	<u>77</u>	<u>2,390,435</u>	<u>2,253,791</u>
Deferred property and equipment contributions (Note 7)	-	1,222,908	1,222,908	1,318,073
Fund balances				
Invested in property and equipment	-	594,791	594,791	594,791
Internally restricted (Note 8)	3,946,795	-	3,946,795	3,182,472
Externally restricted (Note 9)	-	245,753	245,753	227,033
	<u>3,946,795</u>	<u>840,544</u>	<u>4,787,339</u>	<u>4,004,296</u>
	<u>\$ 6,337,153</u>	<u>\$ 2,063,529</u>	<u>\$ 8,400,682</u>	<u>\$ 7,576,160</u>

Approved on behalf of the board


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, 2023	\$ -	\$ 594,791	\$ 3,182,472	\$ 227,033	\$ 4,004,296
Excess (deficiency) of revenues over expenses for the year	764,323	-	-	18,720	783,043
Interfund transfers (Note 8)	<u>(764,323)</u>	<u>-</u>	<u>764,323</u>	<u>-</u>	<u>-</u>
Balance, end of year, 2023	<u>\$ -</u>	<u>\$ 594,791</u>	<u>\$ 3,946,795</u>	<u>\$ 245,753</u>	<u>\$ 4,787,339</u>
Balance, beginning of year, 2022	\$ -	\$ 594,791	\$ 2,741,301	\$ 220,917	\$ 3,557,009
Excess (deficiency) of revenues over expenses for the year	441,171	-	-	6,116	447,287
Interfund transfers	<u>(441,171)</u>	<u>-</u>	<u>441,171</u>	<u>-</u>	<u>-</u>
Balance, end of year, 2022	<u>\$ -</u>	<u>\$ 594,791</u>	<u>\$ 3,182,472</u>	<u>\$ 227,033</u>	<u>\$ 4,004,296</u>

Niagara Children's Centre

Statement of Operations

Year ended March 31	Operating Fund	Capital Fund	Total 2023	Total 2022
Revenues				
Ministry of Children, Community and Social Services				
Community Based Rehabilitation	\$ 5,489,312	\$ -	\$ 5,489,312	\$ 4,952,350
School Based Rehabilitation	2,469,059	-	2,469,059	2,329,933
Preschool Speech and Language SSAH, SCS	1,682,713	-	1,682,713	1,647,523
Regional Municipality of Niagara Home and Community Care support service	1,206,675	-	1,206,675	1,122,408
Other grants and recoveries	301,279	-	301,279	309,697
Amortization of deferred capital contributions	94,727	-	94,727	106,007
	1,218,825	18,720	1,237,545	583,110
	-	95,165	95,165	102,358
	<u>12,462,590</u>	<u>113,885</u>	<u>12,576,475</u>	<u>11,153,386</u>
Expenses				
Salaries	7,226,830	-	7,226,830	6,612,329
Employee benefits (Note 10)	1,794,032	-	1,794,032	1,608,495
Contracted services	317,524	-	317,524	367,340
SSAH client contracts	1,033,728	-	1,033,728	949,107
Centre operating	723,981	-	723,981	681,982
Building services	797,966	-	797,966	693,419
Office supplies	86,439	-	86,439	130,796
Staff development and travel	113,483	-	113,483	77,307
Therapy supplies	401,346	-	401,346	194,210
Amortization of property and equipment	-	95,165	95,165	102,358
	<u>12,495,329</u>	<u>95,165</u>	<u>12,590,494</u>	<u>11,417,343</u>
(Deficiency) excess of revenues over expenses before Fundraising	<u>(32,739)</u>	<u>18,720</u>	<u>(14,019)</u>	<u>(263,957)</u>
Fundraising				
Contributions (Note 6)	1,194,086	-	1,194,086	1,070,379
Salaries and expenses	<u>(397,024)</u>	<u>-</u>	<u>(397,024)</u>	<u>(359,135)</u>
Excess of fundraising revenues over expenses	<u>797,062</u>	<u>-</u>	<u>797,062</u>	<u>711,244</u>
Excess of revenues over expenses for the year	<u>\$ 764,323</u>	<u>\$ 18,720</u>	<u>\$ 783,043</u>	<u>\$ 447,287</u>

SSAH stands for Special Services at Home
SCS stands for Specialized Community Support

Comparative figures have been adjusted to conform to change in the current year presentation.

Niagara Children's Centre

Statement of Cash Flows

Year ended March 31 2023 2022

Increase (decrease) in cash

Operating

Excess of revenues over expenses for the year	\$783,043	\$ 447,287
Increase (decrease) in deferred revenues related to operations	(10,682)	163,373
Increase (decrease) in deferred contributions related to operations	103,344	52,949
Adjustments for non-cash items		
Amortization of property and equipment	95,165	102,358
Amortization of contributions	(95,165)	(102,358)
	875,705	663,609
Changes in non-cash working capital		
Accounts receivable	(335,377)	(215,253)
Prepaid expenses	71,948	(48,988)
Accounts payable and accrued liabilities	43,982	1,205,899

656,258 **1,605,267**

Investing

Interest reinvested	(92,929)	-
Investments purchased	-	(1,477,322)
Investments redeemed	116,729	399,821

Increase in cash

680,058 527,766

Cash

 Beginning of year **1,995,190** 1,467,424

 End of year **\$ 2,675,248** \$ 1,995,190

Cash consists of:

Cash	\$ 2,658,165	\$ 1,979,630
Cash, externally restricted	<u>17,083</u>	<u>15,560</u>
	<u>\$ 2,675,248</u>	<u>\$ 1,995,190</u>

Niagara Children's Centre

Notes to the Financial Statements

March 31, 2023

1. Nature of operations

Niagara Children's Centre operates under 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

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.

Revenue recognition

Contributions related to the externally restricted fund are recognized as revenue of the externally restricted fund when received. Investment income in the externally restricted fund is recognized as revenue when earned.

Restricted contributions to unrestricted funds are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted investment income is recognized as revenue when earned.

Pension plan

The Centre offers a multi-employer defined benefit pension plan to employees. Due to the nature of the plan, the Centre does not have sufficient information to account for the plan as a defined benefit plan. Therefore, the multi-employer defined benefit pension plan is accounted for in the same manner as a defined benefit contribution plan. An expense is recorded in the period when the Centre is obligated to make contributions for services rendered by the employee. Any unpaid contributions are included in accounts payable and accrued liabilities on the statement of financial position.

Niagara Children's Centre

Notes to the Financial Statements

March 31, 2023

2. Significant accounting policies (continued)

Financial instruments

Measurement

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.

Financial assets and liabilities measured at amortized cost include cash, guaranteed investment certificates, accounts receivable, and accounts payable and accrued liabilities.

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

Management 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 revenue over expenses as appropriate in the year they become known.

Items subject to significant management estimates include residuals and estimated useful lives of property and equipment and amortization rates of deferred contributions.

Niagara Children's Centre

Notes to the Financial Statements

March 31, 2023

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, 2023, the market value of the Joseph Olascki Trust Fund is \$624,037 and the market value of the Niagara Children's Centre Fund is \$565,716.

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

			<u>2023</u>	<u>2022</u>
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 201,434	\$ -	\$ 201,434	\$ 201,434
Building	5,703,512	(4,215,476)	1,488,036	1,566,354
Parking lot	256,753	(176,272)	80,481	87,480
Equipment and furniture	927,710	(888,315)	39,395	49,244
Computer hardware	589,353	(589,353)	-	-
	<u>\$ 7,678,762</u>	<u>\$ (5,869,416)</u>	<u>\$ 1,809,346</u>	<u>\$ 1,904,512</u>

5. Deferred revenues

Deferred revenues 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 revenues balance reported in the Operating Fund are as follows:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 172,668	\$ 9,295
Revenues received during the year	891,857	790,653
Amounts recognized in revenues	<u>(902,539)</u>	<u>(627,280)</u>
Balance, end of year	<u>\$ 161,986</u>	<u>\$ 172,668</u>

Niagara Children's Centre

Notes to the Financial Statements

March 31, 2023

6. Deferred contributions

Donations and grants received in the year totaled \$1,458,755 (2022 - \$1,262,652). Of these donations and grants, \$225,807 (2022 - \$147,273) 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>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 219,971	\$ 167,022
Designated contributions received during the year	264,668	187,123
Amounts recognized in contributions	<u>(161,324)</u>	<u>(134,174)</u>
Balance, end of year	<u>\$ 323,315</u>	<u>\$ 219,971</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:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 1,318,073	\$ 1,420,431
Amount amortized to revenue	<u>(95,165)</u>	<u>(102,358)</u>
Balance, end of year	<u>\$ 1,222,908</u>	<u>\$ 1,318,073</u>

8. Internally restricted fund balances and interfund transfers

As of March 31, 2023, \$764,323 (2022 - \$441,171) was transferred to the internally restricted fund from the unrestricted operating fund.

As of March 31, 2023, the Centre has internally restricted resources amounting to \$3,946,795 (2022 - \$3,182,472). Of this amount, \$11,029 is to be used for the employee fund, \$400,000 is to be used for the technology fund, \$396,759 is to be used for the strategic priorities fund, \$396,669 is to be used for the contingency fund, \$608,344 is to be used for the operating fund and \$2,133,994 is to be used for the capital and major repairs fund. These internally restricted amounts are not available for other purposes without the approval of the board of directors.

Niagara Children's Centre

Notes to the Financial Statements

March 31, 2023

9. Externally restricted fund balance

The externally restricted fund balance consists largely 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.

10. Pension plan

Substantially all of the employees of the Centre are eligible to be members of the Hospitals of Ontario Pension Plan, a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Centre contributes \$1.26 for every \$1.00 that the employee contributes to the plan. During the year ended March 31, 2023, the Centre contributed \$684,111 (2022 - \$642,693) to the plan.

11. 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, 2023:

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. The Centre is not significantly exposed to these market risks.

Niagara Children's Centre Notes to the Financial Statements

March 31, 2023

12. Service contracts

The Centre has service contracts with The Ministry of Children, Community and Social Services. 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 \$337,384 and prior year surplus of \$452,679 are included in the accounts payable as a payable to the Ministry.

	Children's Rehabilitation Services	Partner Facility Grant	Client Information System	Special Needs Program	Children's DS Community Support	Early Intervention Program	Total
Operating grant	<u>\$ 7,357,219</u>	<u>\$ 724,059</u>	<u>\$ 182,447</u>	<u>\$ 111,452</u>	<u>\$ 66,421</u>	<u>\$ 1,714,742</u>	<u>\$10,156,340</u>
Expenses							
Salaries and benefits	5,648,950	-	-	88,446	53,753	1,290,338	7,081,487
Other service costs	<u>712,337</u>	<u>724,059</u>	<u>151,836</u>	<u>11,861</u>	<u>6,026</u>	<u>224,101</u>	<u>1,830,220</u>
	6,361,287	724,059	151,836	100,307	59,779	1,514,439	8,911,707
Central administration	<u>721,188</u>	-	-	<u>11,145</u>	<u>6,642</u>	<u>168,274</u>	<u>907,249</u>
Variance - end of year	<u>\$ 274,744</u>	<u>\$ -</u>	<u>\$ 30,611</u>	<u>\$ -</u>	<u>\$ -</u>	<u>32,029</u>	<u>\$ 337,384</u>
