



Financial Statements

Niagara Children's Centre

March 31, 2022

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

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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, 2022, 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 Niagara Children's Centre as at March 31, 2022, 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

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

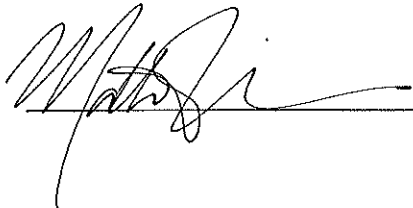
St. Catharines, Canada
May 27, 2022

Chartered Professional Accountants
Licensed Public Accountants

Niagara Children's Centre Statement of Financial Position

March 31	Operating Fund	Capital Fund	Total 2022	Total 2021
Assets				
Current				
Cash	\$ 1,972,844	\$ 6,786	\$ 1,979,630	\$ 1,445,323
Cash, externally restricted	-	15,560	15,560	22,101
Guaranteed investment certificates	2,886,404	-	2,886,404	1,821,562
Accounts receivable	451,519	-	451,519	236,266
Interfund balances	(6,067)	6,067	-	-
Prepaid expenses	127,063	-	127,063	78,075
	<u>5,431,763</u>	<u>28,413</u>	<u>5,460,176</u>	<u>3,603,327</u>
Long-term				
Guaranteed investment certificates, externally restricted	-	211,472	211,472	198,816
Property and equipment (Note 4)	-	1,904,512	1,904,512	2,006,869
	<u>\$ 5,431,763</u>	<u>\$ 2,144,397</u>	<u>\$ 7,576,160</u>	<u>\$ 5,809,012</u>
Liabilities				
Current				
Accounts payable and accrued liabilities	\$ 1,856,652	\$ 4,500	\$ 1,861,152	\$ 655,255
Deferred revenues (Note 5)	172,668	-	172,668	9,295
Deferred contributions (Note 6)	219,971	-	219,971	167,022
	<u>2,249,291</u>	<u>4,500</u>	<u>2,253,791</u>	<u>831,572</u>
Deferred property and equipment contributions (Note 7)	-	1,318,073	1,318,073	1,420,431
Fund balances				
Invested in property and equipment	-	594,791	594,791	594,791
Internally restricted (Note 8)	3,182,472	-	3,182,472	2,741,301
Externally restricted (Note 9)	-	227,033	227,033	220,917
	<u>3,182,472</u>	<u>821,824</u>	<u>4,004,296</u>	<u>3,557,009</u>
	<u>\$ 5,431,763</u>	<u>\$ 2,144,397</u>	<u>\$ 7,576,160</u>	<u>\$ 5,809,012</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, 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 (Note 8)	<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>
Balance, beginning of year, 2021	\$ -	\$ 594,859	\$ 2,348,478	\$ 218,380	\$ 3,161,717
Excess (deficiency) of revenues over expenses for the year	392,823	(68)	-	2,537	395,292
Interfund transfers	<u>(392,823)</u>	<u>-</u>	<u>392,823</u>	<u>-</u>	<u>-</u>
Balance, end of year, 2021	<u>\$ -</u>	<u>\$ 594,791</u>	<u>\$ 2,741,301</u>	<u>\$ 220,917</u>	<u>\$ 3,557,009</u>

See accompanying notes to the financial statements.

Niagara Children's Centre Statement of Operations

Year ended March 31	Operating Fund	Capital Fund	Total 2022	Total 2021
Revenues				
Ministry of Children, Community and Social Services				
Community Based Rehabilitation	\$ 4,952,350	\$ -	\$ 4,952,350	\$ 4,132,679
School Based Rehabilitation	2,329,933	-	2,329,933	1,833,697
Preschool Speech and Language	1,647,523	-	1,647,523	1,439,145
SSAH, SCS	1,122,408	-	1,122,408	1,163,519
Regional Municipality of Niagara Home and Community Care support service	309,697	-	309,697	314,166
Other grants and recoveries	106,007	-	106,007	90,794
Amortization of deferred capital contributions	576,994	6,116	583,110	656,845
	-	102,358	102,358	110,726
	<u>11,044,912</u>	<u>108,474</u>	<u>11,153,386</u>	<u>9,741,571</u>
Expenses				
Salaries	6,612,329	-	6,612,329	6,014,197
Employee benefits (Note 10)	1,608,495	-	1,608,495	1,387,825
Contracted services	279,397	-	279,397	414,433
SSAH client contracts	949,107	-	949,107	992,646
Centre operating	511,038	-	511,038	453,989
Building services	936,516	-	936,516	260,641
Office supplies	151,978	-	151,978	99,612
Staff development and travel	77,307	-	77,307	49,297
Therapy supplies	188,818	-	188,818	164,457
Donations	-	-	-	2,848
Amortization of property and equipment	-	102,358	102,358	110,794
	<u>11,314,985</u>	<u>102,358</u>	<u>11,417,343</u>	<u>9,950,739</u>
(Deficiency) excess of revenues over expenses before Fundraising	<u>(270,073)</u>	<u>6,116</u>	<u>(263,957)</u>	<u>(209,168)</u>
Fundraising				
Contributions (Note 6)	1,070,379	-	1,070,379	876,869
Salaries and expenses	<u>(359,135)</u>	<u>-</u>	<u>(359,135)</u>	<u>(272,409)</u>
Excess of fundraising revenues over expenses	<u>711,244</u>	<u>-</u>	<u>711,244</u>	<u>604,460</u>
Excess of revenues over expenses for the year	<u>\$ 441,171</u>	<u>\$ 6,116</u>	<u>\$ 447,287</u>	<u>\$ 395,292</u>

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

Niagara Children's Centre Statement of Cash Flows

Year ended March 31	2022	2021
Increase (decrease) in cash		
Operating		
Excess of revenues over expenses for the year	\$447,287	\$ 395,292
Increase (decrease) in deferred revenues related to operations	163,373	(41,423)
Increase (decrease) in deferred contributions related to operations	52,949	111,600
Adjustments for non-cash items		
Amortization of property and equipment	102,358	110,794
Amortization of contributions	<u>(102,358)</u>	<u>(110,726)</u>
	663,609	465,537
Changes in non-cash working capital		
Accounts receivable	(215,253)	12,287
Prepaid expenses	(48,988)	29,929
Accounts payable and accrued liabilities	<u>1,205,899</u>	<u>247,355</u>
	<u>1,605,267</u>	<u>755,108</u>
Investing		
Investments purchased	(1,477,322)	-
Investments redeemed	<u>399,821</u>	<u>92,000</u>
Increase in cash	527,766	847,108
Cash		
Beginning of year	<u>1,467,424</u>	<u>620,316</u>
End of year	<u>\$ 1,995,190</u>	<u>\$ 1,467,424</u>
Cash consists of:		
Cash	\$ 1,979,630	\$ 1,445,323
Cash, externally restricted	<u>15,560</u>	<u>22,101</u>
	<u>\$ 1,995,190</u>	<u>\$ 1,467,424</u>

Niagara Children's Centre

Notes to the Financial Statements

March 31, 2022

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, 2022

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, 2022

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, 2022, the market value of the Joseph Olascki Trust Fund is \$639,398 and the market value of the Niagara Children's Centre Fund is \$579,760.

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>2022</u>	<u>2021</u>
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 201,434	\$ -	\$ 201,434	\$ 201,434
Building	5,703,512	(4,137,158)	1,566,354	1,648,795
Parking lot	256,753	(169,273)	87,480	95,086
Equipment and furniture	927,710	(878,466)	49,244	61,554
Computer hardware	589,353	(589,353)	-	-
	<u>\$ 7,678,762</u>	<u>\$(5,774,250)</u>	<u>\$ 1,904,512</u>	<u>\$ 2,006,869</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>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 9,295	\$ 50,718
Revenues received during the year	790,653	142,355
Revenue returned to Regional Municipality of Niagara	-	(74,434)
Amounts recognized in revenues	<u>(627,280)</u>	<u>(109,344)</u>
Balance, end of year	<u>\$ 172,668</u>	<u>\$ 9,295</u>

Niagara Children's Centre

Notes to the Financial Statements

March 31, 2022

6. Deferred contributions

Donations and grants received in the year totaled \$1,262,652 (2021 - \$1,042,288). Of these donations and grants, \$52,949 (2021 - \$116,120) 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>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 167,022	\$ 55,422
Designated contributions received during the year	187,123	150,800
Amounts recognized in contributions	<u>(134,174)</u>	<u>(39,200)</u>
Balance, end of year	<u>\$ 219,971</u>	<u>\$ 167,022</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>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 1,420,431	\$ 1,531,157
Amount amortized to revenue	<u>(102,358)</u>	<u>(110,726)</u>
Balance, end of year	<u>\$ 1,318,073</u>	<u>\$ 1,420,431</u>

8. Internally restricted fund balances and interfund transfers

As of March 31, 2022, \$441,171 (2021 - \$392,823) was transferred to the internally restricted fund from the unrestricted operating fund.

As of March 31, 2022, the Centre has internally restricted resources amounting to \$3,182,472 (2021 - \$2,741,301). Of this amount, \$11,029 is to be used for the employee fund, \$300,000 is to be used for the technology fund, \$232,436 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 \$1,633,994 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, 2022

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, 2022, the Centre contributed \$642,693 (2021 - \$566,041) 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, 2022:

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.

12. Subsequent events

Subsequent to year-end, OPSEU (local 297) ratified their first collective agreement with the Centre on May 26, 2022. As a result of this subsequent event, 1% wage increase was retrospectively applied to the payperiod of June 22, 2021 and on. The total amount of \$48,951 is accrued and reflected in the current year financial statements.

Niagara Children's Centre Notes to the Financial Statements

March 31, 2022

13. 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 \$712,679 is reduced from the current year revenue. \$260,000 has been returned to the Ministry by reducing the March 2022 receipt and \$452,679 is included in the accounts payable as a payable to the Ministry.

	Partner Facility Renewal	Early Childhood Development	Children's Rehabilitation Services	Special Needs Program	Children's DS Community Support Services	2021 Total
Operating grant	\$ 573,523	\$ 1,714,742	\$ 7,335,220	\$ 111,452	\$ 66,421	\$ 9,801,358
Expenses						
Salaries and benefits	-	1,103,012	5,373,258	82,830	53,480	6,612,580
Other service costs	573,523	383,217	647,526	17,548	6,432	1,628,246
	573,523	1,486,229	6,020,784	100,378	59,912	8,240,826
Central administration	-	161,294	668,976	11,074	6,509	847,853
Variance - end of year	\$ -	\$ 67,219	\$ 645,460	\$ -	\$ -	\$ 712,679