Financial Statements of

JOHN MCGIVNEY CHILDREN'S CENTRE

And Independent Auditor's Report thereon

Year ended March 31, 2025

KPMG LLP
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of John McGivney Children's Centre

Opinion

We have audited the accompanying financial statements of John McGivney Children's Centre (the Centre), which comprise:

- the balance sheet as at March 31, 2025
- the statement of operations for the year then ended
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the balance sheet of John McGivney Children's Centre as at March 31, 2025, and its results of operations, its changes in fund balances 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 auditor's report.

We are independent of the Centre 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 for the Financial Statements and Those Charged with Governance

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 Centre'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 Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre'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 the 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 Centre'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 Centre'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 Centre to cease to continue as a going concern.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada

May 26, 2025

JOHN MCGIVNEY CHILDREN'S CENTRE

Balance Sheet

March 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash	$ 4,086,829	$ 3,648,727
Marketable securities	22,877	22,877
Accounts receivable	445,021	583,782
Inventory	44,682	38,876
Prepaid expenses	108,691	208,134
	4,708,100	4,502,396
Capital assets (note 2)	17,293,171	17,263,230
Less: accumulated amortization	7,982,819	7,554,677
	9,310,352	9,708,553
	$ 14,018,452	$ 14,210,949
Liabilities and Fund Balances		
Current liabilities:		
Accounts payable and accrued liabilities (note 8)	$ 1,664,988	$ 1,688,533
Deferred contributions (note 3):		
Expenses of future periods	897,500	899,350
Capital assets	10,070,912	10,428,295
	10,968,412	11,327,645
Fund balances:		
Invested in capital assets (note 4)	(549,983)	(569,378)
Internally restricted (note 5)	1,168,316	957,316
Endowment	76,871	75,878
Unrestricted	689,848	730,955
	1,385,052	1,194,771
Contingencies and commitment (notes 10 and 11)		
	$ 14,018,452	$ 14,210,949

See accompanying notes to financial statements.

On behalf of the Board:

Terry Johnson

JOHN MCGIVNEY CHILDREN'S CENTRE

Statement of Operations

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Program revenue	$ 10,294,239	$ 9,806,768
Fundraising, donations and grants	403,718	473,920
Expense recoveries	328,506	299,561
Investment income	13,020	15,834
Nevada ticket sales, net	734	888
Miscellaneous	121,986	132,381
Amortization of deferred contributions related to capital assets (note 4)	474,786	463,917
	11,636,989	11,193,269
Expenses:		
Salaries and benefits:		
Salaries	7,301,719	6,896,802
Benefits	1,739,064	1,643,811
	9,040,783	8,540,613
Direct program expenses:		
Supplies and materials	128,187	107,484
Purchased services	257,134	131,794
Training and conference	27,509	29,037
Staff mileage	65,436	62,659
Miscellaneous	657	-
Program administration	52,173	49,588
	531,096	380,562
Other expenses:		
Board and volunteer development	6,130	5,423
Management and administration training, conference and travel	14,948	48,334
Staff training, recruitment and other	27,643	55,186
Professional fees and consulting	216,860	122,864
Office and administration (schedule 1)	78,625	226,333
Service charges, fees and interest	3,252	863
Network support and maintenance	14,018,452	396,979
Licence and membership	41,690	44,857
Fundraising and communications	40,062	79,057
Insurance	23,722	22,375
Building occupancy (schedule 2)	576,482	430,319
Health and safety	11,025	11,763
Miscellaneous	1,000	2,000
Amortization	468,146	456,278
	1,875,822	1,902,631
Total expenses	11,447,701	10,823,806
Excess of revenue over expenses	$ 189,288	$ 369,463

See accompanying notes to financial statements.

JOHN MCGIVNEY CHILDREN'S CENTRE

Statement of Changes in Fund Balances

Year ended March 31, 2025, with comparative information for 2024

	Invested in capital assets	Internally restricted	Endowment	Unrestricted	2025 Total	2024 Total
Fund balance, beginning of year	$ (569,378)	$ 957,316	$ 75,878	$ 730,955	$ 1,194,771	$ 824,153
Excess of revenue over expenses (note 4(b))	19,395	-	-	169,893	189,288	369,463
Endowment contributions (net)	-	-	993	-	993	1,155
Interfund transfers	-	211,000	-	(211,000)	-	-
Fund balance, end of year	$ (549,983)	$ 1,168,316	$ 76,871	$ 689,848	$ 1,385,052	$ 1,194,771

See accompanying notes to financial statements.

JOHN MCGIVNEY CHILDREN'S CENTRE

Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

		2025		2024
Cash provided by (used for):				
Operating activities:				
Excess of revenue over expenses for the year	$	189,288	$	369,463
Items not involving cash:				
Amortization		468,146		456,278
Amortization of deferred contributions related to capital assets		(474,786)		(463,917)
Increase in non-cash operating working capital		208,852		349,830
Net increase (decrease) in deferred contributions related to expenses of future periods		(1,850)		134,415
		389,650		846,069
Financing activities:				
Endowment contributions		993		1,155
Investing activities:				
Net increase in deferred contributions related to capital assets		117,403		162,599
Purchase of capital assets		(69,944)		(177,175)
		47,459		(14,576)
Increase in cash		438,102		832,648
Cash, beginning of year		3,648,727		2,816,079
Cash, end of year	$	4,086,829	$	3,648,727

See accompanying notes to financial statements.

John McGivney Children's Centre (the "Centre"), a family-centered organization, contributes to a community network of support for children and young adults through the provision of services which are responsive to their physical and developmental needs. Individuals and families can access a variety of assessment, treatment, consultative, educational and support services. The Centre is a registered charity under the Income Tax Act and accordingly is exempt from income taxes.

1. Significant accounting policies:

(a) Revenue recognition:

The Centre follows the deferral method of accounting for contributions, which consist of government grants and donations.

The Centre is funded in accordance with service agreements established by the respective funders. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of the year are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recognized as direct increases in endowment net assets.

(b) Inventory:

Inventory is stated and the lower of cost and net realizable value.

(c) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than one year.

(d) Capital assets:

Capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Proceeds from the disposition of capital assets in excess of (or less than) net book value are recorded as a gain (or loss) on the sale of capital assets in the statement of operations.

1. Significant accounting policies (continued):

(d) Capital assets (continued):

Amortization is provided on a straight-line basis over the useful life of the asset, as follows:

Building	10-40 years
Landscaping and fencing improvements	15-40 years
Parking lot	10 years
Playground equipment	10 years
Furniture and equipment	10 years
Computer equipment and management information system	3 years

No amortization is taken on capital assets until they are put in use. No amortization is taken on capital assets in the year of disposal.

(e) Use of estimates:

The preparation of the financial statements in conformity with accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the carrying value of capital assets and the valuation allowance for accounts receivable. Actual results could differ from those estimates.

(f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Centre has elected to carry its marketable securities at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financial costs, which are amortized using the straight-line method.

1. Significant accounting policies (continued):

(f) Financial instruments (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Centre determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Centre expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(g) Contributed services:

A number of volunteers contribute their time each year. Because of the difficulty of determining fair value, contributed services are not recognized in the financial statements.

2. Capital assets:

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Land	$ 1	$ –	$ 1	$ 1
Landscaping and fencing improvements	152,012	41,262	110,750	117,265
Building	15,137,161	6,296,360	8,840,801	9,196,130
Furniture and equipment	367,883	227,263	140,620	130,799
Parking lot	633,025	615,559	17,466	24,452
Computer equipment and software	410,783	390,745	20,038	–
Playground equipment	592,306	411,630	180,676	239,906
	$ 17,293,171	$ 7,982,819	$ 9,310,352	$ 9,708,553

3. Deferred contributions:

Deferred contributions related to expenses of future periods represent unspent, externally restricted grants for programs.

	2025	2024
Balance, beginning of year	$ 899,350	$ 764,935
Less amount recognized as revenue in the year	(409,598)	(223,554)
Less amount moved to deferred capital contributions	(25,757)	–
Add amount received related to future period	433,505	357,969
Balance, end of year	$ 897,500	$ 899,350

Deferred capital contributions related to capital assets represent the unamortized amount of grants and donations received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

	2025	2024
Balance, beginning of year	$ 10,428,295	$ 10,729,613
Additional contributions received	117,403	162,599
Less amounts amortized to revenue	(474,786)	(463,917)
Balance, end of year	$ 10,070,912	$ 10,428,295

The balance of unamortized capital contributions related to capital assets consists of the following:

	2025	2024
Unamortized capital contributions	$ 9,798,897	$ 10,203,739
Unspent capital contributions	272,015	224,556
	$ 10,070,912	$ 10,428,295

4. Invested in capital assets:

(a) Invested in capital assets is calculated as follows:

	2025	2024
Capital assets, net	$ 9,310,352	$ 9,708,553
Amounts financed by:		
Deferred contributions	(10,070,912)	(10,428,295)
Other net current assets	210,577	150,364
	$ (549,983)	$ (569,378)

(b) Change in net assets invested in capital assets is calculated as follows:

	2025	2024
Excess of expenses over revenues:		
Amortization of deferred contributions related to capital assets	$ 474,786	$ 463,917
Amortization of capital assets	(468,145)	(456,278)
Investment income	13,020	15,834
Nevada ticket sales, net	734	888
Miscellaneous expense	(1,000)	(2,000)
	$ 19,395	$ 22,361

5. Internally restricted fund balances and interfund transfers:

Internally restricted fund balances are restricted for the purchase of capital assets or program funding deficiencies.

6. Available credit facility:

The Centre has negotiated an operating line of credit in the amount of $300,000 with its banker. On March 31, 2025, the balance of this line of credit is $Nil (2024 - $nil).

7. Financial risks and concentration of credit risk:

(a) Currency risk:

The Organization is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, the Organization purchases inventories denominated in U.S. dollars. The Organization does not currently enter into forward contracts to mitigate this risk. There has been no change to the risk exposure from 2024.

(b) Liquidity risk:

Liquidity risk is the risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization manages its liquidity risk by monitoring its operating requirements. The Organization prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2024.

(c) Credit risk:

Credit risk refers to the risk that a counter party may default on its contractual obligations resulting in a financial loss. The Organization is exposed to credit risk with respect to the accounts receivable. The Organization assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

8. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of $101,043 (2024 - $82,830) which include $11,344 payable for Employer health tax and $89,699 for payroll related remittances.

9. Restrictions on net assets:

All of the net assets restricted for endowment purposes are subject to externally imposed restrictions stipulating that the principal be maintained intact. Investment income on the endowment balance of $76,871 (2024 - $75,878) is externally restricted for specific purposes. Investment income on the remaining assets is unrestricted.

10. Contingencies:

(a) The Centre has been named a defendant in a legal action. It is too early to determine if the Centre will be liable. Should the Centre be found liable, it does have insurance which is likely to fully cover this claim.

10. Contingencies (continued):

(b) In accordance with provincial legislation, the Centre first developed a pay equity plan in 1993. The Centre is waiting on direction from the Pay Equity Hearings Tribunal to evaluate any potential financial implications related to maintaining pay equity. At this time, the Centre has not accrued any liability relating to pay equity.

11. Commitment:

The Organization entered into a new lease agreement with Hotel-Dieu Grace Healthcare in September 2024 at an annual cost of $41,548 per annum, the lease will expire on August 31, 2027.

JOHN MCGIVNEY CHILDREN'S CENTRE

Schedule of Expenses - Office and Administration

Schedule 1

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Office supplies, subscriptions and periodicals	$ 39,677	$ 189,509
Printing and photocopying	22,549	21,639
Postage and courier	6,897	5,917
Telephone	9,502	9,268
	$ 78,625	$ 226,333

JOHN MCGIVNEY CHILDREN'S CENTRE

Schedule of Expenses - Building Occupancy

Schedule 2

Year ended March 31, 2025, with comparative information for 2024

		2025		2024
Storage	$	10,800	$	8,102
Housekeeping supplies		45,110		26,910
Building insurance		41,549		38,427
Repairs and maintenance		138,887		71,884
Rent		104,332		87,077
Purchased services		99,637		69,111
Hydro and water		105,010		101,328
Gas		31,157		27,480
	$	576,482	$	430,319