

Financial Statements of

**JOHN MCGIVNEY
CHILDREN'S CENTRE**

And Independent Auditor's Report thereon

Year ended March 31, 2026



KPMG LLP
618 Greenwood Centre
3200 Deziel Drive
Windsor, ON N8W 5K8
Canada
Telephone 519 251 3500
Fax 519 251 3530

INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

- the balance sheet as at March 31, 2026
- 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 financial position of the Centre as at March 31, 2026, 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 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.



Page 2

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 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.



Page 3

- 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.
- 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada

May 26, 2026

JOHN MCGIVNEY CHILDREN'S CENTRE

Balance Sheet

March 31, 2026, with comparative information for 2025

	2026	2025
Assets		
Current assets:		
Cash	\$ 3,733,522	\$ 3,477,863
Investments	658,803	631,843
Accounts receivable	471,523	445,021
Inventory	47,898	44,682
Prepaid expenses	117,682	108,691
	<u>5,029,428</u>	<u>4,708,100</u>
Capital assets (note 2)	17,704,103	17,293,171
Less: accumulated amortization	8,464,498	7,982,819
	<u>9,239,605</u>	<u>9,310,352</u>
	<u>\$ 14,269,033</u>	<u>\$ 14,018,452</u>

Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities (note 8)	\$ 1,792,976	\$ 1,664,987
Deferred contributions (note 3):		
Expenses of future periods	914,285	897,500
Capital assets	10,067,040	10,070,912
	<u>10,981,325</u>	<u>10,968,412</u>
Fund balances:		
Invested in capital assets (note 4)	(549,468)	(549,983)
Internally restricted (note 5)	1,327,316	1,168,316
Endowment	77,812	76,871
Unrestricted	639,072	689,849
	<u>1,494,732</u>	<u>1,385,053</u>
Contingencies and commitment (notes 10 and 11)		
	<u>\$ 14,269,033</u>	<u>\$ 14,018,452</u>

See accompanying notes to financial statements.

On behalf of the Board:





JOHN MCGIVNEY CHILDREN'S CENTRE

Statement of Operations

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Revenue:		
Program revenue	\$ 10,060,237	\$ 10,294,239
Fundraising, donations and grants	261,815	403,718
Expense recoveries	305,730	328,506
Investment income	6,980	13,020
Nevada ticket sales, net	395	734
Miscellaneous	61,880	121,986
Amortization of deferred contributions related to capital assets (note 4)	506,037	474,786
	<u>11,203,074</u>	<u>11,636,989</u>
Expenses:		
Salaries and benefits:		
Salaries	7,445,906	7,301,719
Benefits	1,670,750	1,739,064
	<u>9,116,656</u>	<u>9,040,783</u>
Direct program expenses:		
Supplies and materials	104,167	128,187
Purchased services	181,359	257,134
Training and conference	15,484	27,509
Staff mileage	60,697	65,436
Miscellaneous	3,933	657
Program administration	48,921	52,173
	<u>414,561</u>	<u>531,096</u>
Other expenses:		
Board and volunteer development	9,553	6,130
Management and administration training, conference and travel	17,320	14,948
Staff training, recruitment and other	32,825	27,643
Professional fees and consulting	96,708	216,860
Office and administration (schedule 1)	58,814	78,625
Service charges, fees and interest	3,348	3,252
Network support and maintenance	320,600	366,237
Licence and membership	43,398	41,690
Fundraising and communications	26,773	40,062
Insurance	24,383	23,722
Building occupancy (schedule 2)	414,034	576,482
Health and safety	2,466	11,025
Loss on disposal of assets	14,229	-
Miscellaneous	1,000	1,000
Amortization	497,668	468,145
	<u>1,563,119</u>	<u>1,875,821</u>
Total expenses	11,094,336	11,447,700
Excess of revenue over expenses	\$ 108,738	\$ 189,289

See accompanying notes to financial statements.

JOHN MCGIVNEY CHILDREN'S CENTRE

Statement of Changes in Fund Balances

Year ended March 31, 2026, with comparative information for 2025

	Invested in capital assets	Internally restricted	Endowment	Unrestricted	2026 Total	2025 Total
Fund balance, beginning of year	\$ (549,983)	\$ 1,168,316	\$ 76,871	\$ 689,849	\$ 1,385,053	\$ 1,194,771
Excess of revenue over expenses (note 4(b))	515	-	-	108,223	108,738	189,289
Endowment contributions (net)	-	-	941	-	941	993
Interfund transfers	-	159,000	-	(159,000)	-	-
Fund balance, end of year	\$ (549,468)	\$ 1,327,316	\$ 77,812	\$ 639,072	\$ 1,494,732	\$ 1,385,053

See accompanying notes to financial statements.

JOHN MCGIVNEY CHILDREN'S CENTRE

Statement of Cash Flows

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Cash provided by (used for):		
Operating activities:		
Excess of revenue over expenses for the year	\$ 108,738	\$ 189,289
Items not involving cash:		
Amortization	497,668	468,145
Amortization of deferred contributions related to capital assets	(506,037)	(474,786)
Loss on disposal of assets	14,229	-
Increase (decrease) in non-cash operating working capital	89,280	(383,017)
Net increase (decrease) in deferred contributions related to expenses of future periods	16,785	(1,850)
	<u>220,663</u>	<u>(202,219)</u>
Financing activities:		
Endowment contributions	941	993
Investing activities:		
Net increase in deferred contributions related to capital assets	502,165	117,403
Increase in investments	(26,960)	(17,097)
Purchase of capital assets	(441,150)	(69,944)
	<u>34,055</u>	<u>30,362</u>
Increase (decrease) in cash	255,659	(170,864)
Cash, beginning of year	3,477,863	3,648,727
Cash, end of year	<u>\$ 3,733,522</u>	<u>\$ 3,477,863</u>

See accompanying notes to financial statements.

JOHN MCGIVNEY CHILDREN'S CENTRE

Notes to Financial Statements

Year ended March 31, 2026

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 at 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.

JOHN MCGIVNEY CHILDREN'S CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2026

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.

JOHN MCGIVNEY CHILDREN'S CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2026

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:

			2026	2025
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 1	\$ -	\$ 1	\$ 1
Landscaping and fencing improvements	152,012	47,777	104,235	110,750
Building	15,129,136	6,666,542	8,462,594	8,840,801
Furniture and equipment	657,293	252,671	404,622	140,620
Parking lot	633,025	622,545	10,480	17,466
Computer equipment and software	540,330	404,103	136,227	20,038
Playground equipment	592,306	470,860	121,446	180,676
	\$ 17,704,103	\$ 8,464,498	\$ 9,239,605	\$ 9,310,352

JOHN MCGIVNEY CHILDREN'S CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2026

3. Deferred contributions:

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

	2026	2025
Balance, beginning of year	\$ 897,500	\$ 899,350
Less amount recognized as revenue in the year	(280,256)	(409,598)
Less amount moved to deferred capital contributions	(20,038)	(25,757)
Add amount received related to future period	317,079	433,505
Balance, end of year	\$ 914,285	\$ 897,500

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.

	2026	2025
Balance, beginning of year	\$ 10,070,912	\$ 10,428,295
Additional contributions received	502,165	117,403
Less amounts amortized to revenue	(506,037)	(474,786)
Balance, end of year	\$ 10,067,040	\$ 10,070,912

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

	2026	2025
Unamortized capital contributions	\$ 9,734,010	\$ 9,798,897
Unspent capital contributions	333,030	272,015
	\$ 10,067,040	\$ 10,070,912

JOHN MCGIVNEY CHILDREN'S CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2026

4. Invested in capital assets:

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

	2026	2025
Capital assets, net	\$ 9,239,605	\$ 9,310,352
Amounts financed by:		
Deferred contributions	(10,067,040)	(10,070,912)
Other net current assets	277,967	210,577
	\$ (549,468)	\$ (549,983)

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

	2026	2025
Excess of expenses over revenues:		
Amortization of deferred contributions related to capital assets	\$ 506,037	\$ 474,786
Amortization of capital assets	(497,668)	(468,145)
Loss on disposal of assets	(14,229)	-
Investment income	6,980	13,020
Nevada ticket sales, net	395	734
Miscellaneous expense	(1,000)	(1,000)
	\$ 515	\$ 19,395

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, 2026, the balance of this line of credit is \$nil (2025 - \$nil).

JOHN MCGIVNEY CHILDREN'S CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2026

7. Financial risks and concentration of credit risk:

(a) Currency risk:

The Centre 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 Centre purchases inventories denominated in U.S. dollars. The Centre does not currently enter into forward contracts to mitigate this risk. There has been no change to the risk exposure from 2025.

(b) Liquidity risk:

Liquidity risk is the risk that the Centre will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Centre manages its liquidity risk by monitoring its operating requirements. The Centre 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 2025.

(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 Centre is exposed to credit risk with respect to the accounts receivable. The Centre 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 \$98,383 (2025 - \$101,043) which include \$11,059 payable for Employer health tax and \$87,324 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 \$77,812 (2025 - \$76,871) 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.

JOHN MCGIVNEY CHILDREN'S CENTRE

Notes to Financial Statements (continued)

Year ended March 31, 2026

10. Contingencies (continued):

- (b) In accordance with provincial legislation, the Centre first developed a pay equity plan in 1993. Following a March 2026 decision of the Pay Equity Hearings Tribunal, the Centre will continue its pay equity maintenance process in the following year. As a result, the financial impact cannot be reasonably estimated at this time, and no liability has been recorded related to pay equity at year-end.

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, 2026, with comparative information for 2025

	2026		2025
Office supplies, subscriptions and periodicals	\$ 19,384	\$	39,677
Printing and photocopying	23,741		22,549
Postage and courier	7,978		6,897
Telephone	7,711		9,502
	\$ 58,814	\$	78,625

JOHN MCGIVNEY CHILDREN'S CENTRE

Schedule of Expenses - Building Occupancy

Schedule 2

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Storage	\$ 14,547	\$ 10,800
Housekeeping supplies	38,472	45,110
Building insurance	40,356	41,549
Repairs and maintenance	63,236	138,887
Rent	37,463	104,332
Purchased services	104,031	99,637
Hydro and water	97,045	105,010
Gas	18,884	31,157
	<u>\$ 414,034</u>	<u>\$ 576,482</u>