

The Centennial Infant and Child Centre Foundation

Financial Statements

March 31, 2024



Koster, Spinks & Koster^{LLP}

Chartered Professional | Accountants

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Independent Auditor's Report

To the Members of
The Centennial Infant and Child Centre Foundation

Qualified Opinion

We have audited the accompanying financial statements of The Centennial Infant and Child Centre Foundation (the "Foundation"), which comprise the statement of financial position as at March 31, 2024, and the statements of revenues and expenses, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, The Centennial Infant and Child Centre Foundation derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of The Centennial Infant and Child Centre Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenues, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2024 and March 31, 2023, current assets as at March 31, 2024 and March 31, 2023, and fund balances as at April 1 and March 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended March 31, 2024 was modified accordingly because of the possible effects of this limitation in scope.

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 Foundation 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 qualified audit 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 Foundation'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 Foundation'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 Foundation 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.

Koster, Spinks & Koster LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
June 24, 2024

The Centennial Infant and Child Centre Foundation

Statement of Financial Position March 31, 2024

	2024	2023
Assets		
Current		
Cash	\$ 1,441,961	\$ 1,506,138
Accounts receivable (note 2)	6,035	4,874
Prepaid expenses	10,809	11,724
	<u>1,458,805</u>	<u>1,522,736</u>
Marketable securities (note 3)	1,012,396	965,662
Capital assets (note 4)	886,879	917,033
	<u>1,899,275</u>	<u>1,882,695</u>
	<u>\$ 3,358,080</u>	<u>\$ 3,405,431</u>
Liabilities and Fund Balances		
Current		
Accounts payable and accrued liabilities	\$ 15,766	\$ 9,994
Fund balances		
General	(315,782)	3,522
Powering Potential Campaign	2,079,453	1,938,415
Donor Designated	237,802	107,829
Invested in Capital Assets	886,879	917,033
The Pat Littlejohn Founders Endowment Fund	303,962	278,638
Operating reserve	150,000	150,000
	<u>3,342,314</u>	<u>3,395,437</u>
	<u>\$ 3,358,080</u>	<u>\$ 3,405,431</u>

Approved by the Board of Directors:



Director



Director



The Centennial Infant and Child Centre Foundation

Statement of Changes in Fund Balances
For The Year Ended March 31, 2024

	General	Powering Potential Campaign	Operating Reserve	Donor Designated	Invested in Capital Assets	Pat Littlejohn Founders Endowment	Total	
							2024	2023
Fund balances, beginning of year	\$ 3,522	\$ 1,938,415	\$ 150,000	\$ 107,829	\$ 917,033	\$ 278,638	\$ 3,395,437	\$ 3,564,935
Excess of revenues over expenses	87,426	158,394	-	205,473	-	25,324	476,617	272,241
Interfund transfer	-	(17,356)	-	17,356	-	-	-	-
Grants to Centennial Infant and Child Centre	(436,884)	-	-	(92,856)	-	-	(529,740)	(441,739)
Capital assets amortization	30,154	-	-	-	(30,154)	-	-	-
Fund balances, end of year	\$(315,782)	\$ 2,079,453	\$ 150,000	\$ 237,802	\$ 886,879	\$ 303,962	\$ 3,342,314	\$ 3,395,437



The Centennial Infant and Child Centre Foundation

Statement of Revenues and Expenses For The Year Ended March 31, 2024

						Total	
	General Fund	Powering Potential Campaign	Operating Reserve	Donor Designated	Pat Littlejohn Founders Endowment	2024	2023
Revenues							
Donations and fundraising	\$ 227,813	\$ 2,150	\$ -	\$ 280,858	\$ -	\$ 510,821	\$ 418,347
Investment income (note 5)	320	176,170	-	12,571	25,324	214,385	36,357
Rent from Centennial Infant and Child Centre	48,000	-	-	-	-	48,000	48,000
Other income	2,496	-	-	-	-	2,496	2,526
	<u>278,629</u>	<u>178,320</u>	<u>-</u>	<u>293,429</u>	<u>25,324</u>	<u>775,702</u>	<u>505,230</u>
Expenses							
Salaries	73,807	19,926	-	87,098	-	180,831	110,165
Property maintenance	51,610	-	-	-	-	51,610	47,125
Amortization	30,154	-	-	-	-	30,154	32,373
Office and general	16,674	-	-	-	-	16,674	18,269
Fundraising	10,606	-	-	858	-	11,464	15,095
Audit and legal fees	8,352	-	-	-	-	8,352	9,962
	<u>191,203</u>	<u>19,926</u>	<u>-</u>	<u>87,956</u>	<u>-</u>	<u>299,085</u>	<u>232,989</u>
Excess of revenues over expenses before grants	87,426	158,394	-	205,473	25,324	476,617	272,241
Grants to Centennial Infant and Child Centre	436,884	-	-	92,856	-	529,740	441,739
(Deficiency) excess of revenues over expenses	<u>\$ (349,458)</u>	<u>\$ 158,394</u>	<u>\$ -</u>	<u>\$ 112,617</u>	<u>\$ 25,324</u>	<u>\$ (53,123)</u>	<u>\$ (169,498)</u>



The Centennial Infant and Child Centre Foundation

Statement of Cash Flows For The Year Ended March 31, 2024

	2024	2023
Cash provided by (used for):		
Operating activities		
Excess of revenues over expenses for the year	\$ (53,123)	\$ (169,498)
Items not affecting cash:		
Amortization	30,154	32,373
Change in market value included in investment income	(111,626)	26,728
Interest income reinvested	(4,418)	-
Donation of marketable securities	(11,551)	-
Loss on disposition of marketable securities	192	-
	(150,372)	(110,397)
Change in non-cash working capital items:		
Prepaid expenses	915	3,097
Accounts receivable	(1,161)	3,393
Accounts payable and accrued liabilities	5,771	(4,584)
Due to Centennial Infant and Child Centre	-	(2,524)
	(144,847)	(111,015)
Cash provided by (used in) investing activities		
Purchase of marketable securities	(10,452)	(75,922)
Proceeds on maturity and sale of marketable securities	91,122	-
	80,670	(75,922)
Change in cash during the year	(64,177)	(186,937)
Cash, beginning of year	1,506,138	1,693,075
Cash, end of year	\$ 1,441,961	\$ 1,506,138



The Centennial Infant and Child Centre Foundation

Notes to Financial Statements
March 31, 2024

Mission statement and objectives

The mission of The Centennial Infant and Child Centre Foundation (the "Foundation") is primarily to provide long-term financial support for the operational and capital needs of the Centennial Infant and Child Centre (the "Centre") through effective fundraising and the responsible stewardship of assets. Through this support, the Foundation will aid in the education, development and rehabilitation of children with intellectual and developmental challenges.

Nature of organization

The Foundation was incorporated under the Canada Corporations Act filing letters patent on October 10, 1995 and continued under the Canadian Not-for-Profit Corporations Act in 2014 as an organization without share capital. Under the terms of the Income Tax Act (Canada), the Foundation is a public foundation and a registered charity, and as such, is exempt from income taxes and able to issue donation receipts for income tax purposes.

1. Significant accounting policies

These statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are as follows:

a) Fund accounting

The Foundation follows the restricted fund method of accounting for contributions. The Foundation ensures that all funds received with a restricted purpose are expended for the purpose for which they were provided.

In order to ensure observance of the limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of fund accounting. Accordingly, revenues, expenses and resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the donors and in accordance with directives issued by the Board of Directors. To meet these objectives of financial reporting and stewardship over assets, certain inter-fund transfers are necessary to ensure the appropriate allocation of assets and liabilities to the respective funds. The inter-fund transfers are recorded as a component of changes in fund balances.

For financial reporting purposes, the Foundation's funds have been classified as follows:

General Fund

The General Fund accounts for the Foundation's general fundraising, granting and administrative activities. The General Fund reports unrestricted resources that are used at the discretion of the Foundation and are available for immediate purposes.

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Donor Designated Funds

The Donor Designated Funds comprises resources that are to be used for specific purposes as specified by the donor, by internal restrictions or as stipulated by the fundraising appeal.

The Pat Littlejohn Founders Endowment Fund ("Endowment Fund")

The objective of the Endowment Fund is for the income to be used by the Centre for the teachers and other staff members working directly with the children. The principal is to be maintained permanently.

Powering Potential Campaign Fund

In 2016, the Foundation launched a major fundraising campaign to support the Centre. These funds are designated for the specific purpose of the campaign: to enhance the service capacity of the Centre and provide a sustainable funding model. Any direct expenses incurred to generate these revenues are charged to this fund.

Operating Reserve

The purpose of the Operating Reserve fund is to provide funds for building and maintaining an adequate level of unrestricted net assets to support the organization's day-to-day operations in the event of unforeseen shortfalls. Operating Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. The organization intends for the Operating Reserves to be replenished within a reasonable period after being used. This policy is being implemented in conjunction with the other financial policies of the Foundation and is intended to support the goals and strategies contained in those related policies and the Foundation's strategic and operational plans.

b) Revenue recognition

- Contributions are recognized as revenue in the fiscal year in which they are received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.
- Gifts-in-kind for which a charitable receipt has been issued are recorded when the gift is sold and the cash received or when the gift is used.
- Event revenue is recognized in the fiscal year when the event is held.
- Realized gains and losses on disposition of investments are calculated based on the average cost basis. Dividend income is recognized when the right to receive payment has been established. Interest income is recognized on an accrual basis. Investment income is not recognized unless measurement and collection is reasonably assured.
- Rental revenue is recorded on the accrual basis.
- Endowment contributions are recognized as revenue of the Endowment Fund.



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c) Contributed materials and services

Donated materials are recognized in the financial statements when the fair value is reasonably determinable. The value of the services contributed by volunteers, however, is not recognized in the financial statements due to the difficulty of determining the fair value.

d) Financial instruments

Measurement of financial instruments

The Foundation initially measures its financial assets and liabilities at fair value. The Foundation subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investment in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of revenues and expenses.

Financial assets measured at cost or amortized cost include cash, accounts receivable and investments in fixed income securities. Financial assets measured at fair value included shares and exchange traded funds presented as part of marketable securities. Financial liabilities measured at cost or amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of revenues and expenses. A 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 revenues and expenses.

Transaction costs

The Foundation recognizes its transaction costs in the statement of revenues and expenses in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

e) Capital assets

Purchased property and equipment are recorded at cost. Contributed assets are recorded at fair value of the date of contribution. Amortization is provided on a straight-line basis over the estimated useful life of the assets based on the following number of years:

Building	40 years
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f) Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions which affect the recognition, measurement and disclosure of amounts reported in the financial statements and accompanying notes. The reported amounts and note disclosures are determined using management's best estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Actual results will differ from such estimates.

g) Government assistance

Government assistance is recorded using the gross method such that funds are recorded at the gross amount into revenue.

h) Administration expenses

The Foundation allocates certain of its general support expenses based on management's judgment as to the extent of usage by each fund.

2. Accounts receivable

The balance includes the HST receivable of \$5,442 (2023: \$4,613).

3. Marketable securities

The marketable securities are comprised of the following:

	<u>2024</u>	<u>2023</u>
Fixed income securities, ranging in maturities from 2024 to 2025, at amortized cost	\$ 57,706	\$ 133,050
Exchange traded funds, at fair value	702,646	591,020
High interest savings account	252,044	241,592
	<u>\$ 1,012,396</u>	<u>\$ 965,662</u>



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4. Capital assets

The capital assets consist of the following:

	2024		2023	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 434,984	\$ -	\$ 434,984	\$ 434,984
Building	1,206,172	754,277	451,895	482,049
	<u>\$ 1,641,156</u>	<u>\$ 754,277</u>	<u>\$ 886,879</u>	<u>\$ 917,033</u>

Amortization of \$30,154 (2023: \$32,373) pertaining to the building has been recorded.

The Foundation leases the building it owns to the Centre.

5. Investment income

Investment income consists of the following:

	2024	2023
Interest	\$ 93,460	\$ 55,373
Dividends	9,491	7,712
Unrealized gains (losses) on marketable securities	111,626	(26,728)
Realized loss on sale of marketable securities	(192)	-
	<u>\$ 214,385</u>	<u>\$ 36,357</u>

6. Financial instruments

The Foundation is exposed to various financial risks through transactions in financial instruments.

a) Credit risk

Credit risk is the risk of loss if a counterparty to a financial instrument fails to meet its contractual obligations. At March 31, 2024, all the Foundation's cash was held at one financial institution and as a result the Foundation has concentration of credit risk. The carrying amount of cash represents the maximum exposure. The Foundation limits its exposure to credit risk by holding the cash on deposit with a high credit quality Canadian financial institution.

b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is not subject to significant liquidity risk.

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c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk with respect to its investments in fixed income securities because the fair value will fluctuate due to the changes in market interest rates.

d) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to other price risk through its investments in preferred shares and exchange traded funds for which the value fluctuates with the quoted market price.

7. Impairment of long-lived assets

In the event that facts and circumstances indicate that the Foundation's long-lived asset may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows the long-lived assets are expected to generate through its direct use and eventual disposition to the carrying amount to determine if a write down to market value or undiscounted cash flow value is required. The Foundation considers that no circumstances exist that would require such an evaluation.