Centennial Infant and Child Centre

Financial Statements

March 31, 2026

Koster, Spinks & Koster LLP
Chartered Professional | Accountants

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Independent Auditor's Report

To the Directors of
Centennial Infant and Child Centre

Opinion

We have audited the accompanying financial statements of Centennial Infant and Child Centre (the "Centre"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations and changes in fund balances and cash flows for the year then ended, and notes and schedules 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 Centre as at March 31, 2026, and the results of its 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 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 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 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 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.
- 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 22, 2026

Centennial Infant and Child Centre

Statement of Financial Position
March 31, 2026

	2026	2025
Assets		
Current		
Cash	$ 918,790	$ 762,552
Accounts receivable (note 2)	36,751	36,663
Prepaid expenses	12,333	10,705
	967,874	809,920
Capital assets (note 3)	175,838	148,447
Fixed income security (note 4)	102,436	98,988
	278,274	247,435
	$ 1,246,148	$ 1,057,355
Current Liabilities and Fund Balances		
Current liabilities		
Accounts payable and accrued liabilities	$ 53,722	$ 82,821
Due to City of Toronto (note 5)	4,237	154,290
Deferred revenue (note 7)	522,806	315,646
Deferred capital contributions (note 6)	169,141	141,203
Due to Centennial Foundation (note 9)	2,125	-
	752,031	693,960
Fund balances		
Operating Funds	494,117	363,395
	$ 1,246,148	$ 1,057,355

Approved by the Board of Directors:

Director

Director

Centennial Infant and Child Centre

Statement of Operations and Changes in Fund Balances
For The Year Ended March 31, 2026

	Operating Funds				Total	
	Every Child Belongs	Group Centre	Early Intervention	Ancillary Services	2026	2025
Revenues						
City of Toronto (Schedules A and B)	$ 654,750	$ 498,553	$ -	$ 20,807	$ 1,174,110	$ 955,660
The Centennial Infant and Child Centre Foundation (note 9)	-	-	425,376	95,087	520,463	496,097
Province of Ontario (note 8)	-	-	559,697	-	559,697	559,697
School fees	-	88,268	-	-	88,268	78,815
Amortization of deferred capital contributions (note 6)	12,436	9,739	10,000	6,190	38,365	34,783
Investment and other income	-	1,269	-	18,337	19,606	31,172
	667,186	597,829	995,073	140,421	2,400,509	2,156,224
Expenses						
Salaries and benefits	562,740	345,727	867,648	125,702	1,901,817	1,777,142
General	41,409	44,848	27,491	1,242	114,990	117,180
Program supplies	19,425	20,756	31,015	1,056	72,252	84,044
Rent (note 9)	10,672	39,541	3,819	-	54,032	53,434
Amortization	12,439	9,849	12,388	6,190	40,866	35,859
Professional fees	13,721	9,772	27,255	5,114	55,862	26,047
Staff travel	1,483	4	10,272	11	11,770	10,645
Insurance	5,462	3,641	3,035	-	12,138	10,739
Staff training	1,384	1,120	2,450	1,106	6,060	10,148
	668,735	475,258	985,373	140,421	2,269,787	2,125,238
Excess (deficiency) of revenues over expenses	(1,549)	122,571	9,700	-	130,722	30,986
Fund balances, beginning of year	(139,078)	(103,532)	(1,233,524)	1,839,529	363,395	332,409
Fund balances, end of year	$ (140,627)	$ 19,039	$ (1,223,824)	$ 1,839,529	$ 494,117	$ 363,395

Centennial Infant and Child Centre

Statement of Cash Flows
For The Year Ended March 31, 2026

	2026	2025
Cash provided by (used for):		
Operating activities		
Excess (deficiency) of revenues over expenses for the year	$ 130,722	$ 30,986
Items not affecting cash:		
Amortization	40,866	35,859
Capitalized investment income	(3,448)	(3,333)
	168,140	63,512
Change in non-cash working capital items:		
Accounts receivable	(88)	7,065
Prepaid expenses	(1,628)	14,416
Accounts payable and accrued liabilities	(29,099)	(41,448)
Deferred capital contribution	27,938	77,117
Due to City of Toronto	(150,053)	(152,268)
Due to Centennial Foundation	2,125	-
Deferred revenue	207,160	42,618
	224,495	11,012
Investing activity		
Acquisition of capital assets	(68,257)	(119,949)
Change in cash during the year	156,238	(108,937)
Cash, beginning of year	762,552	871,489
Cash, end of year	$ 918,790	$ 762,552

Mission statement

Centennial Infant and Child Centre ("Centre") strengthens families and their young children with special needs to develop the confidence and skills for the best start in life.

The Centre is incorporated as a not-for-profit organization and is a registered charitable organization under the Income Tax Act and, as such, is exempt from income taxes.

The Centennial Infant and Child Centre Foundation

The Centennial Infant and Child Centre Foundation ("Centennial Foundation") was incorporated in October 1995. The articles of incorporation of the Centennial Foundation requires a minimum of two Directors of its Board of Directors to be members or honorary members of the Centre. The mission of the Centennial Foundation is primarily to provide long-term financial support for the operational and capital needs of the Centre through effective fundraising and the responsible stewardship of assets. Through this support the Centennial Foundation will aid in the education, development and rehabilitation of children with intellectual and developmental challenges.

The Centennial Foundation leases the building it owns to the Centre.

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 financial activities of the Centre are classified into funds for reporting purposes. The Centre follows the deferral method of accounting for contributions.

b) Revenue recognition

i) Revenues from the City of Toronto, Province of Ontario, and the Centennial Foundation are recorded on the accrual basis.

ii) School fees are recognized as revenue in the year in which they are earned. Fees received in advance are recorded in the accounts as deferred revenue.

iii) Investment income is recognized as revenue when earned.

iv) Gifts-in-kind for which a charitable receipt has been issued are recorded when the gift is sold and the cash received.

v) The Centre makes periodic applications for financial assistance under various government programs. Government assistance is recorded using the gross method such that funds are recorded at the gross amount into revenue.

c) Deferred capital contributions

Externally restricted contributions for depreciable capital assets are deferred and amortized over the life of the related capital assets. Externally restricted capital asset contributions that have not been expended are recorded as part of deferred capital contributions on the statement of financial position.

d) Contributed services

The Centre receives substantial donations in-kind, such as volunteers' efforts to assist the Centre in fulfilling its purpose. These contributed services are not recognized in the financial statements because of the difficulty of determining their fair value.

e) Financial instruments

Measurement of financial instruments

The Centre initially measures its financial assets and liabilities at fair value. The Centre subsequently measures all its financial assets and financial liabilities at cost or amortized cost.

Financial assets measured at cost or amortized cost include cash, accounts receivable and a fixed income security. 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 operations. The 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 operations.

Transaction costs

The Centre recognizes its transaction costs in the statement of operations 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.

f) Capital assets

Capital assets are recorded at cost and amortized on a straight-line basis over the estimated useful life of the assets based on the following number of years:

Computer hardware	3 years
Office equipment	5 years
Computer software	5 years
Leasehold improvements	5 to 10 years

g) 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.

h) Administrative expenses

The Centre engages in three main service programs funded primarily by grants and governmental agencies. The costs of each program include the costs of personnel, premises and other expenses that are directly related to providing the program and which are recognized by the funding agency as allowable expenses. The Centre also incurs a number of general support and service expenses that are common to the administration of the organization and each of its programs.

The Centre allocates certain of its general support expenses by identifying the appropriate basis of allocating each component expense and applies that basis consistently each year. Corporate governance and general management expenses and certain service costs are not allocated to programs and are included in the Ancillary Service Fund. Other general support expenses are allocated based on management's judgment as to the extent of usage by each program.

i) Operating funds

The Group Centre Fund receives fees for children involved in the Centre's pre-school program. These fees are paid by parents, and the City of Toronto provides fee subsidies for parents meeting certain financial criteria. The Centre is an agency participating the Canada-Wide Early Learning and Child Care program (CWELCC). The program provides funding of preschool operating costs above fees and other revenue. There are additional costs providing services and consulting for children with special needs which CWELCC does not cover. The City of Toronto provides the Every Child Belong Fund with funding to partially defray some of these costs.

The Early Intervention Fund receives funding from the Centennial Infant and Child Centre Foundation grants which support the Early Intervention program, which includes Hospital to Home. The Province of Ontario provides funding supports and assists families with special needs children at home.

The Ancillary Services Fund supplements the existing programs provided by the Centre. It is funded by grants for preschool support, training and various administrative expenses.

2. Accounts receivable

The balance includes the HST receivable of $26,300 (2025: $32,975).

3. Capital assets

Capital assets consist of the following:

	2026			2025
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer hardware	$ 23,444	$ 23,264	$ 180	$ 942
Office equipment	119,093	89,637	29,456	36,456
Computer software	60,642	18,193	42,449	52,244
Leasehold improvements	113,038	9,285	103,753	58,805
	$ 316,217	$ 140,379	$ 175,838	$ 148,447

Amortization of $40,866 (2025: $35,859) has been recorded.

4. Fixed income security

The fixed income security consists of the following:

	2026		2025	
	Cost	Market	Cost	Market
Province of Ontario coupon purchased for $66,075 yielding 3.484%, compounded semi-annually, and maturing on June 2, 2026.	$ 102,436	$ 102,990	$ 98,988	$ 100,348

5. Due to City of Toronto

In accordance with the terms of the Toronto Children's Services - Audit Guidelines for Agencies, the Centre is required to return funding exceeding the guidelines. As of March 31, 2026, the City has audited results to the end of calendar 2023. Management has estimated the funds to be recovered for 2024.

Preschool program

The Centre received a Letter of Recovery subsequent to year-end requesting repayment of $2,367 of the CWELCC Affordability advance for the 2023 calendar year. The Centre will repay this amount in fiscal 2027. The Centre has estimated that it will need to repay $1,870 of the advance for the 2024 calendar year. These recoveries pertain to the funding of variable costs resulting from enrolment levels less licensed capacity.

6. Deferred capital contributions

The deferred capital contributions during the year are as follows:

Opening balance, beginning of the year	$ 141,203
Additions during the year	66,303
Amortization of deferred capital contributions	(38,365)
Closing balance, end of the year	$ 169,141

7. Deferred revenue

During the year, the Centre received the following funds which have been deferred at the year end:

	2026	2025
City of Toronto (see Schedule C)		
Every Child Belongs resource subsidy	$ 166,152	$ -
CWELCC Affordability	30,185	121,940
CWELCC Affordability Cost Based Funding Allocation	141,385	$ 54,857
CWELCC Workforce	3,786	3,786
Centennial Foundation grants	181,298	135,063
	$ 522,806	$ 315,646

a) On December 31, 2024, the CWELCC Affordability Program ended. A City review for the year ended December 31, 2023 was completed resulting in a recovery of $2,357. The balance of funding for that year, $89,919, was transferred to income.

Agencies will be informed of next steps regarding unused funding for 2024 once the City audit analysis is complete.

b) CWELCC Affordability Funding Model ("CBFM") replaced revenue based funding effective January 1, 2025. CBFM is intended to fund agencies actual costs plus an allowable surplus. The City issued 2025 Funding Reconciliation Guidelines for Agencies' (formerly Audit Guidelines for Agencies). The Centre received $617,677 (2025: $152,352) for the period of January 1, 2025 to March 31, 2026. The Centre has calculated that it has received excess funding of $141,385 and this amount has been recorded in deferred revenue.

8. Government funding

The Centre received base funding from the Province of Ontario of $559,697 (2025: $559,697) for the Early Intervention Program and a minor capital grant for facilities upgrades of $59,878 (2025: $61,900).

9. Related parties

The Centennial Foundation provides financial support for the operation and capital needs of the Centre and leases the building it owns to the Centre.

The Centre received grants of $570,700 from the Centennial Foundation and the Centre paid the Centennial Foundation $48,000 in rent. There is a balance due to the Centennial Foundation of $2,125 (2025: $Nil) at year-end.

The above transactions are in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

10. Commitments

As at March 31, 2026 the Centre is committed to disbursements for the office equipment as follows:

2027	$ 6,611
2028	6,611
2029	4,959
	$ 18,181

11. Financial instruments

The Centre is exposed to various financial risks through transactions in financial instruments:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Centre's primary debtors are government agencies and parents who pay the school fees. Government agencies are considerably low risk and therefore the Centre is exposed to credit risk mainly in respect of collection of school fees.

b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Centre is exposed to the risk mainly in respect to its accounts payable and accrued liabilities and due to City of Toronto.

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 Centre's interest rate risk, which has not changed from the prior year, pertains to its investment in a fixed income security because the fair value will fluctuate due to changes in market interest rates.

12. Comparative figures

Certain figures presented for comparative purposes have been reclassified to conform with the current year's presentation.

13. Annual program expenditure reconciliation

The Centre has a Service Contract/CFSA Approval with the Province of Ontario Ministry of Children, Community and Social Services, which requires the annual filing of a Transfer Payment Annual Reconciliation ("TPAR") report. The TPAR report summarizes by service all revenues and expenditures and identifies any resulting surplus or deficit that relates to the Service Contract/CFSA Approval.

The TPAR report showed that the provincially funded Early Intervention Program incurred a surplus for the year ended March 31, 2026.

Schedule A

Centennial Infant and Child Centre

City of Toronto Funding
For The Year Ended March 31, 2026

	2026				2025
	Every Child Belongs	**Group Centre**	**Ancillary Services**	**Total**	**Total**
Fee subsidy	$ -	$ 30,368	$ -	$ 30,368	$ 33,781
Every Child Belongs resource subsidy	819,933	-	-	819,933	500,713
CWELCC Affordability CBFA	-	465,325	-	465,325	114,264
Child Care support funds	-	-	22,248	22,248	36,580
Pay equity	8,395	-	-	8,395	5,036
Provincial wage enhancement	-	-	-	-	21,610
General operating grant	-	-	-	-	7,303
CWELCC Workforce	-	-	-	-	4,057
CWELCC Affordability	-	-	-	-	143,290
Total	828,328	495,693	22,248	1,346,269	866,634
Transferred to deferred revenue	(166,152)	3,390	-	(162,762)	89,712
Applied to accounts receivable	-	(530)	(1,441)	(1,971)	(686)
Transferred to capitalized assets	(7,426)	-	-	(7,426)	-
	$ 654,750	$ 498,553	$ 20,807	$ 1,174,110	$ 955,660

Centennial Infant and Child Centre

Government Funding
For The Year Ended March 31, 2026

	2026			2025
	Every Child Belongs	Group Centre	Total	Total
Revenue				
City of Toronto				
Base operating grants	$ 648,033	$ -	$ 648,033	$ 674,434
Fee subsidy	-	29,837	29,837	33,781
General operating grant	-	-	-	10,953
Pay equity	6,717	-	6,717	6,717
Provincial wage enhancement	-	-	-	12,988
Safe restart funding	-	-	-	3,662
CWELCC Affordability	-	89,919	89,919	95,435
CWELCC Accessibility CBFA	-	378,797	378,797	97,495
	654,750	498,553	1,153,303	935,465
Non Toronto Children's Services (TCS) grants and other income				
School fees	-	88,268	88,268	78,815
Amortization of deferred capital contributions	12,436	9,739	22,175	25,170
Other	-	1,269	1,269	3,949
The Centennial Foundation	-	-	-	548
	12,436	99,276	111,712	108,482
Total revenue	$ 667,186	$ 597,829	$ 1,265,015	$ 1,043,947
Expenses				
Salaries	$ 469,013	$ 288,652	$ 757,665	$ 767,269
Benefits	93,727	57,075	150,802	148,076
Program	19,425	16,295	35,720	34,977
Food	-	4,461	4,461	3,514
Rent	10,672	39,541	50,212	41,543
Utilities	-	9,691	9,691	6,003
Insurance	5,462	3,641	9,104	8,040
Cleaning	-	7,459	7,459	3,040
Office	29,283	27,698	56,981	64,863
Professional fees	13,721	9,772	23,493	21,271
Staff development and training	1,384	1,120	2,504	4,608
Staff travel	1,483	4	1,487	1,178
Amortization	12,439	9,849	22,288	25,381
Other	12,126	-	12,126	12,000
Total expenses	668,735	475,258	1,143,993	1,141,763
Surplus (deficit)	$ (1,549)	$ 122,571	$ 121,022	$ (97,816)

Schedule C

Centennial Infant and Child Centre

City of Toronto Funding Deferred to Future Years
For The Year Ended March 31, 2026

	CWELCC Affordability	CWELCC Affordability CBFM	Pay Equity 1999-2005	ECB Resource Subsidy	CWELCC Workforce
Balance, beginning of year	$ 121,940	$ 54,857	$ -	$ -	$ 3,786
Received in fiscal year	-	465,325	8,395	819,933	-
Used in accordance of the guidelines					
Recovery of:					
Variable costs for 2023 and 2024	(1,836)	-	-	-	-
Capitalization of funding	-	-	-	(7,426)	-
Used in current fiscal year	(89,919)	(378,797)	(6,717)	(648,033)	-
	(91,755)	(378,797)	(6,717)	(655,459)	-
Balances, end of year	$ 30,185	$ 141,385	$ 1,678	$ 164,474	$ 3,786