Thames Valley Children's Centre

Financial statements
March 31, 2025

Shape the future
with confidence

Independent auditor's report

To the Board of Directors of
Thames Valley Children's Centre

Opinion

We have audited the financial statements of **Thames Valley Children's Centre** [the "Organization"], which comprise the statement of financial position as at March 31, 2025, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

London, Canada
May 27, 2025

Thames Valley Children's Centre

Incorporated without share capital under the laws of Ontario

Statement of financial position

As at March 31

	2025	2024
	$	$
Assets		
Current		
Cash and cash equivalents	**5,149,712**	4,255,435
Investments *[note 6]*	**11,666,038**	10,601,541
Accounts receivable *[note 14]*	**457,103**	744,835
Other assets	**57,633**	54,217
Total current assets	**17,330,486**	15,656,028
Capital assets, net *[note 4]*	**7,541,766**	8,586,557
Long-term lease *[note 5]*	**62**	63
	24,872,314	24,242,648
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities *[note 12]*	**3,196,759**	3,561,864
Due to Ministry of Children, Community and Social Services *[note 13]*	**3,744,695**	2,909,120
Current portion of deferred contributions *[note 8]*	**1,589,581**	1,647,883
Total current liabilities	**8,531,035**	8,118,867
Deferred contributions *[note 8]*	**6,598,465**	7,629,875
Total liabilities	**15,129,500**	15,748,742
Commitments and contingencies *[note 16]*		
Net assets		
Internally restricted net assets *[note 9]*	**5,470,963**	5,470,963
Unrestricted net assets	**4,271,851**	3,022,943
Total net assets	**9,742,814**	8,493,906
	24,872,314	24,242,648

See accompanying notes

Thames Valley Children's Centre

Statement of operations

Year ended March 31

	2025				2024
	Government-sponsored programs	Community funds	Contracted services	Total	Total
	$	$	$	$	$
Revenue					
Ministry of Children, Community and Social Services *[note 13]*					
Rehabilitation	**12,612,637**	**—**	**—**	**12,612,637**	10,508,316
Autism	**9,227,549**	**—**	**—**	**9,227,549**	8,305,112
Grey Bruce Preschool Speech & Language	**811,372**	**—**	**—**	**811,372**	711,257
School-based Rehabilitation Services	**6,036,301**	**—**	**—**	**6,036,301**	5,315,825
Early Intervention Programs	**3,739,169**	**—**	**—**	**3,739,169**	4,122,008
Ministry of Health					
Priority programs	**739,571**	**209,454**	**—**	**949,025**	716,612
Other agencies	**210,435**	**—**	**—**	**210,435**	280,333
Fees for service	**17,131**	**—**	**4,665,329**	**4,682,460**	4,632,491
Fundraising grant and special purpose donations	**—**	**178,986**	**—**	**178,986**	1,207,310
Investment income *[note 6]*	**141,768**	**1,296,876**	**—**	**1,438,644**	1,517,137
Amortization of deferred capital contributions *[note 8[b]]*	**434,039**	**625,440**	**—**	**1,059,479**	935,495
Other	**77,995**	**—**	**—**	**77,995**	137,357
	34,047,967	**2,310,756**	**4,665,329**	**41,024,052**	38,389,253
Program expenses *[notes 2 and 3]*					
Clinical and technical specialty services	**5,177,785**	**234,974**	**320,399**	**5,733,158**	6,368,262
Early childhood, school age and adolescent services	**8,553,041**	**—**	**3,903,774**	**12,456,815**	10,101,621
Grey Bruce Preschool Speech & Language	**739,236**	**—**	**—**	**739,236**	659,545
Autism services	**9,228,719**	**—**	**—**	**9,228,719**	8,305,392
School-based Rehabilitation Services	**6,075,700**	**—**	**—**	**6,075,700**	5,335,884
Early Intervention Programs	**3,839,447**	**—**	**—**	**3,839,447**	4,209,984
Research	**—**	**2,171**	**—**	**2,171**	267,756
Community resources	**—**	**512,687**	**—**	**512,687**	628,531
Special purposes	**—**	**3,627**	**—**	**3,627**	12,795
Amortization of capital assets	**434,039**	**749,545**	**—**	**1,183,584**	1,128,163
	34,047,967	**1,503,004**	**4,224,173**	**39,775,144**	37,017,933
Excess of revenue over expenses for the year	**—**	**807,752**	**441,156**	**1,248,908**	1,371,320

See accompanying notes

Thames Valley Children's Centre

Statement of changes in net assets

Year ended March 31

	2025			2024
	Internally restricted	**Unrestricted**	**Total**	**Total**
	$	$	$	$
	[note 9]			
Net assets, beginning of year	**5,470,963**	**3,022,943**	**8,493,906**	7,122,586
Excess of revenue over expenses for the year	**—**	**1,248,908**	**1,248,908**	1,371,320
Net assets, end of year	**5,470,963**	**4,271,851**	**9,742,814**	8,493,906

See accompanying notes

Thames Valley Children's Centre

Statement of cash flows

Year ended March 31

	2025	**2024**
	$	$
Operating activities		
Excess of revenue over expenses for the year	**1,248,908**	1,371,320
Add (deduct) items not involving cash		
Amortization of capital assets	**1,183,584**	1,128,163
Gain on investments *[note 6]*	**(818,006)**	(692,383)
Amortization of deferred capital contributions *[note 8[b]]*	**(1,059,479)**	(935,495)
Decrease in long-term lease *[note 5]*	**1**	1
Deferred contributions recognized as revenue	**(408,471)**	(830,235)
Increase in deferred contributions	**232,087**	276,365
Net change in non-cash working capital balances related to operations *[note 10]*	**754,786**	(6,562,815)
Cash provided by (used in) operating activities	**1,133,410**	(6,245,079)
Financing activities		
Deferred contributions received related to capital assets *[note 8[b]]*	**146,151**	1,308,085
Cash provided by financing activities	**146,151**	1,308,085
Investing activities		
Investment funds reinvested	**(246,491)**	(240,369)
Additions to capital assets	**(138,793)**	(1,479,199)
Cash used in investing activities	**(385,284)**	(1,719,568)
Net increase (decrease) in cash during the year	**894,277**	(6,656,562)
Cash and cash equivalents, beginning of year	**4,255,435**	10,911,997
Cash and cash equivalents, end of year	**5,149,712**	4,255,435

See accompanying notes

Thames Valley Children’s Centre

Notes to financial statements

March 31, 2025

1. Purpose of the organization

Thames Valley Children’s Centre [the “Organization”] is a treatment centre providing habilitation and rehabilitation services for children and youth with communication, developmental or physical challenges living primarily in Southwestern Ontario. The Organization is incorporated without share capital under the *Corporations Act* (Ontario) and is a registered charity under the *Income Tax Act* (Canada).

2. Summary of significant accounting policies

These financial statements are prepared in accordance with Part III of the *CPA Canada Handbook – Accounting*, Accounting Standards for Not-for-Profit Organizations, which sets out accounting standards for not-for-profit organizations in Canada and includes the significant accounting policies summarized below.

Basis of presentation

The operations of the Organization have been presented in three categories for the information of the reader.

Government-sponsored programs account for the Organization’s clinical program delivery and administrative activities that are financed by provincial ministries and other agencies, certain fees for service and other operating revenue. Any funding in excess of expenses is refunded to the funder.

Community funds account for activities funded by monies received from general donations, bequests and special fundraising events *[note 15]*, investment income from the investment portfolio and other income generated by these activities. The expenses are related to programs or expenses not funded by the government. Externally funded research projects are also included in this category.

Contracted services account for activities that are provided on a fee-for-service basis. It is the intention that the fees entirely offset the costs of the programs.

The programs delivered by the Organization are described below:

Clinical and technical specialty services: provides seating, augmentative communication, adaptive technology, cleft lip and palate and medical clinics services to children from birth through young adulthood throughout Southwestern Ontario. Acute pediatric rehabilitative services at Children’s Hospital at London Health Sciences Centre are also provided through this program.

Early childhood, school age and adolescent services: uses an interdisciplinary team approach to provide rehabilitation and habilitation services for children and their families from birth through young adulthood. Acquired brain injury outreach and preschool speech are also provided through this program.

Autism services: provides autism intervention program, school support, connections for students and community-based applied behaviour analysis-based services. These programs are now collectively referred to as the Ontario Autism Program.

Research: assists clinical staff in implementing research projects through consultation, education and the provision of resources.

Community resources: includes the resource centre that provides access to health-related information for families, staff and community partners; a specialized pool of equipment; the volunteer program, which coordinates the recruiting of volunteers from the community and placement in appropriate positions in the Organization; and coordination and support of the Opportunities to Participate programs.

Expenses for special purposes: funds that have been donated to the Organization for a specific purpose.

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Unrestricted contributions and fundraising grants and bequests are recognized as revenue when received or receivable if the amount to be received can be estimated and collectibility is reasonably assured. Externally restricted contributions are deferred and recognized as revenue in the period in which the related expenses are recognized. Capital contributions for the purpose of acquiring capital assets are deferred and amortized on the same basis and over the same periods as the related capital assets. Fees for service are recognized when the services have been rendered.

Investment income, which consists of interest, dividends, income distributions from pooled funds, and realized and unrealized gains and losses, is recorded in the statement of operations.

Capital assets and amortization

All capital assets reflected in the statement of financial position are recorded at acquisition cost. Donated capital assets are recorded at fair value at the date of contribution. Amortization is provided on the straight-line method over the estimated useful lives of the assets as follows:

Tangible assets	
Building	10 to 40 years
Furniture, fixtures and office equipment	5 years
Therapy and rehab equipment	5 years
Computer equipment	3 years
Intangible assets	
Computer software	3 years

Allocation of expenses

The costs of personnel and other expenses directly related to functions are allocated to each function. The Organization also incurs general support expenses that are common to the administration of the Organization and each of its functions. Certain of these expenses are allocated to functions identified in note 3.

The allocated expenses include those related to senior management, human resources, finance, information systems, facility resources, communication and clinical records. These expenses are allocated proportionately based on personnel hours incurred, building space occupied or percentage of overall operating costs incurred.

Notes to financial statements

March 31, 2025

Multi-employer plans

Defined contribution plan accounting is applied to the multi-employer defined benefit plan, whereby contributions are expensed on an accrual basis, as the Organization has insufficient information to apply defined benefit plan accounting.

Credit facilities

Credit facilities are initially measured at fair value, net of transaction costs and financing fees. They are subsequently measured at amortized cost. Transaction costs and financing fees are amortized using the straight-line method.

Contributed materials and services

Contributed materials and services are not recognized in the financial statements.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Examples of such estimations and assumptions include the useful lives of capital assets. Actual results could differ from those estimates.

Financial instruments

The Organization has elected to record all investments at fair value. Transactions are recorded on a trade date basis and transaction costs are expensed as incurred.

Other financial instruments include accounts receivable and accounts payable and accrued liabilities initially recorded at fair value and subsequently at amortized cost, net of provisions.

3. Allocation of expenses

Central administration costs have been allocated as follows:

	2025	2024
	$	$
Clinical and technical specialty services	**1,575,506**	1,645,598
Early childhood, school age and adolescent services	**3,889,833**	3,376,462
Autism services	**1,071,636**	950,298
Research	**—**	9,226
Community resources	**12,835**	86,977
	6,549,810	6,068,561

Notes to financial statements

March 31, 2025

4. Capital assets

Capital assets consist of the following:

	2025		2024	
	Cost	Accumulated amortization	Cost	Accumulated amortization
	$	$	$	$
Tangible assets				
Building	**21,049,330**	**14,167,995**	20,985,311	13,408,946
Furniture, fixtures and office equipment	**2,419,805**	**2,197,274**	2,671,530	2,377,266
Therapy and rehab equipment	**751,749**	**570,089**	889,990	662,749
Computer equipment	**1,395,015**	**1,267,395**	3,047,928	2,740,293
	25,615,899	**18,202,753**	27,594,759	19,189,254
Intangible assets				
Computer software	**921,262**	**792,642**	862,694	681,642
	26,537,161	**18,995,395**	28,457,453	19,870,896
Less accumulated amortization	**18,995,395**		19,870,896	
Net book value	**7,541,766**		8,586,557	

5. Long-term lease

A long-term lease for the use of land has been entered into between the Organization and London Health Sciences Centre. The term of the lease is 99 years with payments of $1 to be made on an annual basis. The amount has been prepaid and 62 years [2024 – 63 years] remain in the term.

6. Investments

Investments, all of which are recorded at fair value, have an asset mix as follows:

	2025	2024
	$	$
Money market funds	**709,371**	554,983
Bond funds	**4,200,501**	3,782,548
Canadian equity funds	**2,678,733**	2,528,590
Global and US equity funds	**4,077,433**	3,735,420
	11,666,038	10,601,541

Notes to financial statements

March 31, 2025

Investment income consists of the following:

	2025			2024
	Government-sponsored programs	Community funds	Total	Total
	$	$	$	$
Dividends and interest	**141,768**	**478,870**	**620,638**	824,983
Net realized and unrealized gains (losses)	**—**	**818,006**	**818,006**	692,154
	141,768	**1,296,876**	**1,438,644**	1,517,137

Included in the above is an unrealized gain on investments of $359,146 [2024 – $658,891].

7. Credit facilities

The credit facilities consist of a variable rate revolving demand facility of $1,000,000 [2024 – $1,000,000], bearing interest at a prime rate of 4.95% [2024 – 7.2%] minus 0.25% [2024 – 0.25%]. No amount has been drawn on this facility as at year-end.

8. Deferred contributions

Deferred contributions consist of the following:

	2025	2024
	$	$
Related to expenses of future periods [a]	**458,214**	634,598
Related to capital assets [b]	**7,729,832**	8,643,160
	8,188,046	9,277,758
Less current portion	**1,589,581**	1,647,883
	6,598,465	7,629,875

The Organization's estimate of the amount of deferred contributions to be recognized in the next fiscal year is included in the current amount.

Notes to financial statements

March 31, 2025

[a] Deferred contributions related to expenses of future periods

Deferred contributions related to expenses of future periods are as follows:

	2025	2024
	$	$
Balance, beginning of year	**634,598**	1,188,468
Add amounts received related to future periods	**232,087**	276,365
Less amounts recognized as revenue during the year	**408,471**	830,235
Balance, end of year	**458,214**	634,598

[b] Deferred contributions related to capital assets

Deferred contributions related to capital assets are as follows:

	2025	2024
	$	$
Balance, beginning of year	**8,643,160**	8,270,570
Additional contributions received	**146,151**	1,308,085
Less amounts amortized to revenue	**1,059,479**	935,495
Balance, end of year	**7,729,832**	8,643,160

9. Internally restricted net assets

Internally restricted net assets consist of the following:

	2025	2024
	$	$
Funds restricted for Board of Directors designated purposes	**5,470,963**	5,470,963

Funds restricted for Board of Directors designated purposes are used at the discretion of the Board of Directors. These funds are known as the "Children's Legacy For Success".

Notes to financial statements

March 31, 2025

10. Statement of cash flows

The following table details the components of the net change in non-cash working capital balances related to operations:

	2025	2024
	$	$
Accounts receivable	**359,909**	254,509
Other assets	**(3,416)**	57,089
Accounts payable and accrued liabilities	**(437,282)**	(2,540,362)
Due to Ministry of Children, Community and Social Services	**835,575**	(4,334,051)
	754,786	(6,562,815)

11. Healthcare of Ontario Pension Plan

Substantially all of the employees of the Organization are members of the Healthcare of Ontario Pension Plan ["HOOPP"], which is a multi-employer, defined benefit, final average earnings, contributory pension plan. The Organization's contributions to HOOPP during the year amounted to $2,204,564 [2024 – $2,096,649]. This amount is included in the statement of operations.

The financial statements for the year ended December 31, 2024 for HOOPP disclosed net asset available for benefits of $123,017,000 [2024 – $112,635,000], with pension obligations of $112,579,000 [2024 – $102,454,000], resulting in a surplus of $10,438,000 [2024 – $10,181,000].

12. Government remittances payable

As at March 31, 2025, accounts payable and accrued liabilities include government remittances payable of $414,443 [2024 – $359,651].

13. Ministry of Children, Community and Social Services

The Organization's service contract with the Ministry of Children, Community and Social Services ["MCCSS"] requires management to produce various year-end reports, including an Annual Reconciliation Report or Ontario Transfer Payment Agreement, which shows a summary of all revenue and expenses and any resulting surplus or deficit that relates to the contract. These reports indicate that there is a payable of $835,575 [2024 – payable of $2,291,290] for 2025 from the MCCSS. The remaining amount of $2,909,120 represents 2017, 2018, 2023 and 2024 reconciled amounts. During 2025 nil [2024 – $6,625,342] was recovered by MCCSS.

14. Financial instruments and risk management

The Organization's financial instruments include cash, investments, accounts receivable, and accounts payable and accrued liabilities.

The Organization's risks have not changed during the year.

Notes to financial statements

March 31, 2025

Market risk

The Organization has an investment policy that restricts the types and amounts of eligible investments. Equity and fixed income securities are held within pooled funds. Market risk and volatility of investments are mitigated through diversification of investments in different countries, business sectors and corporation sizes.

Credit risk

The Organization is exposed to credit risk in connection with its accounts receivable. The Organization's maximum credit risk is limited to the carrying value of accounts receivable. As at March 31, 2025, 96% of the accounts receivable balance is due from the provincial government and government-funded organizations [2024 – 94%].

Foreign currency risk

The Organization's investments are denominated in Canadian dollars. Certain investments such as the US and other international equities are subject to foreign currency fluctuations. The Organization mitigates the foreign currency risk exposure of its foreign securities through diversification of the pooled funds, comprise of multiple currencies.

Interest rate risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Organization's financial position and results of operations. Interest rate changes directly impact the value of fixed income securities. The Organization manages the interest rate risk exposure of its fixed income investments by holding shorter duration investments with varying terms to maturity.

Liquidity risk

The Organization is exposed to the risk that it will encounter difficulty in meeting obligations associated with its financial liabilities. The Organization has a planning and budgeting process in place to help determine the funds required to support the Organization's normal operating requirements on an ongoing basis. The Organization also manages its liquidity risk by forecasting cash flows from operations and anticipated investing, capital and financing activities, and maintaining credit facilities to ensure it has sufficient available funds to meet current and foreseeable financial requirements.

15. Children's Health Foundation

On April 26, 2021, the Organization entered into a five-year agreement with the Children's Health Foundation ["CHF"] under which the future fundraising activities of the Organization will continue to be undertaken on its behalf by CHF. The agreement provides for annual funding amounts approved in advance of each fiscal year through CHF's granting process. During the year, $175,359 was received [2024 – $1,185,368].

Notes to financial statements

March 31, 2025

16. Commitments and contingencies

The Organization has obligations under operating leases related to buildings. The approximate aggregate minimum payments required under such leases are as follows:

	$
2026	572,935
2027	350,779
2028	264,596
2029	120,725
2030	—

The Organization routinely engages in collective bargaining and is subject to various human rights matters under provincial legislation when employees or groups within the bargaining units file grievances against the Organization or when the collective bargaining agreements are negotiated, which may result in retroactive pay.