

NIAGARA SUPPORT SERVICES

Financial Statements
for the Year Ended March 31, 2025
and Independent Auditor's Report to the Board of Directors

NIAGARA SUPPORT SERVICES

FINANCIAL STATEMENTS

MARCH 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Niagara Support Services:

Opinion

We have audited the accompanying financial statements of Niagara Support Services (the Organization), which comprise the statement of financial position as at March 31, 2025 and the statements of operations and surplus and 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 financial statements present fairly, in all material respects, the financial position of Niagara Support Services as at March 31, 2025, 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 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 in our audit 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 these 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.

Durward Jones Barkwell + Company LLP

Durward Jones Barkwell & Company LLP
Licensed Public Accountants
Welland, Ontario
June 24, 2025

NIAGARA SUPPORT SERVICES

STATEMENT OF OPERATIONS AND SURPLUS
YEAR ENDED MARCH 31, 2025

	2025	2024
INCOME		
Provincial subsidies	\$13,868,749	\$13,794,269
Niagara Region subsidy	397,117	396,367
Residence fees	942,927	906,963
Recoveries	1,283,801	1,964,818
Donations and memberships	2,052	33,760
Interest earned	93,385	94,939
	16,588,031	17,191,116
EXPENDITURES		
Salaries	10,155,308	10,111,658
Benefits	2,196,098	2,098,608
Purchase services	1,022,228	1,984,114
Supplies	122,295	129,522
Bank charges and interest	5,201	5,126
Dietary	355,957	445,816
Occupancy	1,612,217	1,322,985
Vehicle operations	209,950	220,704
Personal needs	292,149	285,838
Training	50,532	19,264
Mortgage interest	5,168	6,499
Association expenses	9,622	9,611
Donations and memberships	1,178	1,330
Travel	14,552	15,571
Other	400,022	403,717
Transfer to reserve	1,698	1,698
Amortization	21,504	20,173
	16,475,679	17,082,234
EXCESS OF INCOME OVER EXPENDITURES BEFORE OTHER INCOME	112,352	108,882
OTHER INCOME (EXPENDITURES)		
Amortization	(130,213)	(131,184)
Amortization of deferred grants	62,916	72,540
Gain on disposal of vehicles	318	927
Workplace Safety and Insurance Board surplus distribution	176,986	-
	110,007	(57,717)
EXCESS OF INCOME OVER EXPENDITURES FOR THE YEAR	222,359	51,165
SURPLUS, BEGINNING OF YEAR	391,959	410,740
TRANSFER TO CAPITAL RESERVE FUND	(193,927)	(84,712)
CHANGE IN NET ASSETS INVESTED IN CAPITAL ASSETS	(11,770)	14,766
SURPLUS, END OF YEAR	\$ 408,621	\$ 391,959

NIAGARA SUPPORT SERVICES

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2025

	2025	2024
ASSETS		
Current assets		
Cash - unrestricted	\$ 1,484,752	\$ 1,494,127
Cash - restricted (Note 2)	1,044,328	847,273
Accounts receivable	334,111	200,280
HST receivable	86,811	85,870
Subsidies receivable	2,779	2,779
Prepaid expenses	62,213	40,812
Due from related party (Note 3)	35,476	106,656
	3,050,470	2,777,797
Guaranteed investment certificate (Note 4)	340,731	327,622
Property and equipment (Note 5)	612,708	622,442
	\$ 4,003,909	\$ 3,727,861
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,778,890	\$ 1,711,653
Government remittances	55,099	53,201
Deferred revenue	104,264	101,334
Current portion of long-term debt (Note 6)	68,944	21,504
	2,007,197	1,887,692
Long-term debt (Note 6)	-	68,944
Lease commitment (Note 9)		
	2,007,197	1,956,636
FUND BALANCES		
Surplus	408,621	391,959
Replacement reserve fund, Windgate (Note 7)	60,312	57,184
Capital reserve fund	984,016	790,089
Net assets invested in capital assets (Note 8)	543,763	531,993
	1,996,712	1,771,225
	\$ 4,003,909	\$ 3,727,861

Approved by the Board:



Director



Director

NIAGARA SUPPORT SERVICES

STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess of income over expenditures	\$ 222,359	\$ 51,165
Items not affecting cash		
Amortization, net	88,801	78,817
Gain on disposal of vehicles	(318)	(927)
	310,842	129,055
Changes in non-cash operating assets and liabilities		
Accounts receivable	(133,831)	67,317
HST receivable	(941)	(8,588)
Subsidies receivable	-	2,167
Prepaid expenses	(21,401)	(8,793)
Due to related party	71,180	(63,213)
Accounts payable and accrued liabilities	67,237	366,773
Government remittances	1,898	31,147
Deferred revenue	2,930	39,544
	297,914	555,409
INVESTING ACTIVITIES		
Increase in long term guaranteed investment certificates	(13,109)	(123,302)
Purchase of property and equipment	(80,049)	(76,528)
Proceeds on disposition of property and equipment	1,300	33,577
	(91,858)	(166,253)
FINANCING ACTIVITIES		
Repayment of long-term debt	(21,504)	(20,173)
Increase in replacement reserve fund	3,128	2,356
	(18,376)	(17,817)
INCREASE IN CASH	187,680	371,339
CASH, BEGINNING OF YEAR	2,341,400	1,970,061
CASH, END OF YEAR	\$ 2,529,080	\$ 2,341,400
CASH IS REPRESENTED BY:		
Cash - unrestricted	\$ 1,484,752	\$ 1,494,127
Cash - restricted	1,044,328	847,273
	\$ 2,529,080	\$ 2,341,400

NIAGARA SUPPORT SERVICES

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Nature of organization

The Organization is a non-profit organization incorporated without share capital under the Ontario Business Corporations Act, which is partially funded by the Ministry of Community and Social Services and the Ministry of Children and Youth Services. The Organization's primary purpose is to provide facilities, programs and services for persons with disabilities. The Organization is also a registered charity and is therefore exempt from income taxes.

Income and expenditures

Income and expenditures are accounted for on the accrual basis whereby they are recorded in the fiscal period to which they apply, except for donations which are recorded on the cash basis.

Revenue recognition

The Organization recognizes revenue from government grants using the deferral method. Funding provided for general operating purposes is recorded as revenue in the fiscal year in which it is awarded. Contributions received for special projects are reflected in revenue to the extent that related expenses have been incurred. Contributions received for capital assets are deferred and taken into income at a rate corresponding with the amortization rate for the related assets acquired.

These grants are subject to final approval by the Ministry of Community and Social Services and Ministry of Children and Youth Services and any adjustments are recorded in the year in which the adjustment is received.

Property and equipment

Property and equipment are recorded at acquisition cost. Amortization on the property and equipment is calculated using the diminishing-balance method at the following rates, with one-half of the normal rate of amortization being recorded in the year of addition and none in the year of disposal:

Buildings	6.67%
Equipment	20%
Vehicles	25%
Parking areas	25%
Leasehold improvements	20%

Long-lived assets

Long-lived assets are tested for recoverability if events or changes in circumstances indicate that the carrying amount may not be recoverable. The carrying amount of the long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted cash flows expected to result from its use and eventual disposition. Impairment losses are measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

Deferred revenue

This represents amounts related to services to be provided in subsequent periods.

NIAGARA SUPPORT SERVICES

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2025

Replacement reserve fund

This reserve represents money to be used for future replacement costs on the Windgate property. Any such expenditures must be approved by the Ministry of Community and Social Services.

Capital reserve fund

This reserve represents money transferred from operations into separate accounts for the purpose of future building renovations and major capital repairs.

Financial instruments

(a) Measurement of financial instruments

Initial measurement

The Organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Organization is in the capacity of management, are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If it does, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the Organization in the transaction.

Subsequent measurement

The Organization subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in income in the period incurred.

Financial assets measured at amortized cost include cash - unrestricted, cash - restricted, guaranteed investment certificate, accounts receivable and subsidies receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and long-term debt.

Amounts due from related party are measured at cost.

(b) Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight-line method.

(c) Impairment

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there are, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be 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 income.

NIAGARA SUPPORT SERVICES

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2025

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 that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates, as additional information becomes available in the future. Significant estimates and assumptions are used when accounting for items such as impairment of long lived assets, determination of useful lives of property and equipment, revenue recognition, contingent liabilities and allowances for accounts receivable.

External events such as domestic and international pandemics, geopolitical unrest, natural disasters, climate change or inflationary pressures may cause economic uncertainty for many companies. Management assesses available information about the future, considers the possible outcomes, and develops a planned response to mitigate the effect of significant events or changes in conditions impacting the Organization. Although it is not guaranteed that these efforts will be successful, management is of the opinion that the actions that the Organization has taken are sufficient to mitigate these uncertainties.

2. CASH - RESTRICTED

	<u>2025</u>	<u>2024</u>
Replacement reserve fund, Windgate (Note 7)	\$ 60,312	\$ 57,184
Building and major capital reserve fund	984,016	790,089
	<u>\$ 1,044,328</u>	<u>\$ 847,273</u>

3. DUE FROM RELATED PARTY

Niagara Support Services has significant influence in Niagara Training & Employment Agency Inc. (NTEC) by virtue of several common board of directors and common management. NTEC is a non-profit, charitable organization, incorporated without share capital under the Ontario Business Corporation Act. NTEC's primary purpose is to provide facilities, programs and services for persons with disabilities.

The balance is due on demand and is unsecured.

Niagara Support Services and NTEC share management, other staff and occupancy costs. These costs are allocated to each organization based on use, on normal market terms, and are measured at the exchange amount, which is the amount of consideration established and agreed to between the related parties. The following transactions occurred during the year:

	<u>2025</u>	<u>2024</u>
Rental revenue	\$ 1,560	\$ 1,560
Rental expense	\$ 259,127	\$ 231,840
Wages and benefits charged	\$ 215,542	\$ 271,950
Wages and benefits received	<u>\$ 122,447</u>	<u>\$ 112,971</u>

NIAGARA SUPPORT SERVICES

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

4. GUARANTEED INVESTMENT CERTIFICATE

	2025	2024
Redeemable GIC - 4.1%, maturing December, 2026	\$ 340,731	\$ 327,622
Less principal maturing within one year	-	-
	\$ 340,731	\$ 327,622

5. PROPERTY AND EQUIPMENT

	2025		2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 530,984	\$ -	\$ 530,984	\$ -
Buildings	3,021,557	2,536,266	3,021,557	2,458,802
Equipment	1,390,233	1,360,813	1,390,233	1,353,459
Vehicles	783,166	596,714	752,859	596,664
Parking areas	68,570	64,687	68,570	63,394
Leasehold improvements	854,109	786,926	854,109	770,130
	6,648,619	5,345,406	6,618,312	5,242,449
Net book value		1,303,213		1,375,863
Deferred grants				
Balance, beginning of year	(2,728,817)	(1,975,396)	(2,728,817)	(1,902,856)
Current year additions/amortization	-	(62,916)	-	(72,540)
Balance, end of year	(2,728,817)	(2,038,312)	(2,728,817)	(1,975,396)
Net book value		(690,505)		(753,421)
		\$ 612,708		\$ 622,442

The following four properties of the Organization were fully financed by the Ministry of Community and Social Services, located in the cities of Niagara Falls and Niagara-on-the-Lake: 4846/4848 Windgate Drive, 6362 Maitland Street, and 1046 Line 9.

NIAGARA SUPPORT SERVICES

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025

6. LONG-TERM DEBT

	<u>2025</u>	<u>2024</u>
Mortgage payable 6.49% from Great-West Life, payable in equal monthly installments of \$2,223 including principal and interest, due January 2026 and secured by land and buildings on Windgate Drive with a net book value equal to the mortgage value	\$ 68,944	\$ 90,448
Less amounts due within one year	<u>68,944</u>	<u>21,504</u>
	<u>\$ -</u>	<u>\$ 68,944</u>

The Ministry of Community and Social Services provides a subsidy to fund the operating costs of the property and repayment of the mortgage.

7. REPLACEMENT RESERVE FUND, WINDGATE

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 57,184	\$ 54,828
Interest earned	1,430	658
Transfer from operations	<u>1,698</u>	<u>1,698</u>
	<u>\$ 60,312</u>	<u>\$ 57,184</u>

8. NET ASSETS INVESTED IN CAPITAL ASSETS

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 531,993	\$ 546,759
Additions net of disposals during the year	79,067	43,878
Amortization, net of amortization of grants and gain on disposal	(88,801)	(78,817)
Debt repayments	<u>21,504</u>	<u>20,173</u>
Balance, end of year	<u>\$ 543,763</u>	<u>\$ 531,993</u>

NIAGARA SUPPORT SERVICES

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2025

9. LEASE COMMITMENT

The Organization leases three properties which expire in the 2029 fiscal year. These properties are owned by Niagara Training and Employment Agency (NTEC), a related party by virtue of several common board of directors and common management. The aggregate minimum annual lease payments and commitments for the next five years is as follows:

Year ending March 31, 2026	\$ 65,224
2027	14,400
2028	14,400
2029	14,400
2030	4,800
	<u>113,224</u>
	\$ 113,224

10. ECONOMIC DEPENDENCE

The Organization's primary source of operating funding is derived from the Ministry of Children, Community and Social Services. Should these contributions cease, the Organization would need to consider its ability to continue its current operations.

11. FINANCIAL RISK MANAGEMENT

The Organization has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include interest rate risk, market (other price) risk, credit risk, and liquidity risk. Price risk arises from changes in interest rates, foreign currency exchange rates and market prices.

(a) 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 Organization is exposed to interest rate risk since changes in interest rates may impact the Organization's borrowing costs. The Organization does not use any derivative instrument to reduce its exposure to interest rate risk.

It is management's opinion that the Organization is not exposed to significant market (other price), liquidity, currency or credit risks arising from its financial instruments.