

FINANCIAL STATEMENTS
For
**OTTAWA CHILDREN'S TREATMENT CENTRE/
CENTRE DE TRAITEMENT POUR ENFANTS D'OTTAWA**
For years ended
MARCH 31, 2013 AND 2012

INDEPENDENT AUDITOR'S REPORT

To the Members of

**OTTAWA CHILDREN'S TREATMENT CENTRE/
CENTRE DE TRAITEMENT POUR ENFANTS D'OTTAWA**

We have audited the accompanying financial statements of Ottawa Children's Treatment Centre/Centre de traitement pour enfants d'Ottawa, which comprise the balance sheet as at March 31, 2013 and March 31, 2012 and the statements of revenue and expenses and fund balances and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ottawa Children's Treatment Centre as at March 31, 2013 and March 31, 2012 and the results of its operations and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Emphasis of Matter

We draw attention to Note 3 to the financial statements which describes the uncertainty related to the outcome of possible future settlements for employee related liabilities. Our opinion is not qualified in respect of this matter.

Welch LLP

Chartered Accountants
Licensed Public Accountants

Ottawa, Ontario
May 15, 2013.

**OTTAWA CHILDREN'S TREATMENT CENTRE/
CENTRE DE TRAITEMENT POUR ENFANTS D'OTTAWA**

(Incorporated under the laws of Ontario)

BALANCE SHEET

MARCH 31, 2013 AND 2012

	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Total 2013</u>	<u>Total 2012</u>
CURRENT ASSETS				
Cash	\$ 1,736,381	\$ 70,414	\$ 1,806,795	\$ 1,592,848
Investments - note 5	1,110,977	-	1,110,977	1,489,929
Estimated amount receivable from:				
City of Ottawa - Regional Preschool	-	-	-	23,552
Receivable from OCTC Foundation	601	-	601	-
HST rebate receivable	95,295	444	95,739	93,444
Other receivables	17,930	40,000	57,930	95,702
Prepaid expenses	<u>20,934</u>	<u>-</u>	<u>20,934</u>	<u>20,697</u>
	2,982,118	110,858	3,092,976	3,316,172
INVESTMENTS - note 5	767,911	-	767,911	364,390
PROPERTY AND EQUIPMENT - note 6	-	1,417,911	1,417,911	1,600,809
INTERFUND BALANCES	<u>(1,199,742)</u>	<u>1,199,742</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,550,287</u>	<u>\$ 2,728,511</u>	<u>\$ 5,278,798</u>	<u>\$ 5,281,371</u>
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,898,219	\$ 61,089	\$ 1,959,308	\$ 1,916,882
Government remittances payable	154,608	-	154,608	155,577
Estimated amounts payable to:				
Ministry of Education	117,480	-	117,480	103,959
Ministry of Children and Youth Services				
- Developmental Services	46,886	-	46,886	46,886
- Physical Rehabilitation	6,377	-	6,377	6,377
- Repairs and maintenance	2,947	-	2,947	-
City of Ottawa - Preschool	27,930	-	27,930	42,747
CHEO - Applied Behaviour Analysis	4,123	-	4,123	38,703
City of Ottawa - Regional preschool	22,545	-	22,545	-
Deferred revenue - note 7	<u>269,404</u>	<u>564,739</u>	<u>834,143</u>	<u>707,978</u>
	2,550,519	625,828	3,176,347	3,019,109
DEFERRED GRANTS - note 8	<u>-</u>	<u>1,462,139</u>	<u>1,462,139</u>	<u>1,637,780</u>
FUND BALANCES				
Internally restricted for property and equipment	-	(44,228)	(44,228)	(36,971)
Unrestricted	<u>(232)</u>	<u>684,772</u>	<u>684,540</u>	<u>661,453</u>
	<u>(232)</u>	<u>640,544</u>	<u>640,312</u>	<u>624,482</u>
	<u>\$ 2,550,287</u>	<u>\$ 2,728,511</u>	<u>\$ 5,278,798</u>	<u>\$ 5,281,371</u>

Approved by the Board:

 Director
 Director

(See accompanying notes)

Welch LLP

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**OTTAWA CHILDREN'S TREATMENT CENTRE/
CENTRE DE TRAITEMENT POUR ENFANTS D'OTTAWA
STATEMENT OF REVENUE AND EXPENSES AND FUND BALANCES
YEARS ENDED MARCH 31, 2013 AND 2012**

	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Total 2013</u>	<u>Total 2012</u>
Revenue				
Ministry of Children and Youth Services/ Ministry of Community and Social Services				
- Physical rehabilitation	\$ 9,296,402	\$ -	\$ 9,296,402	\$ 9,296,402
- Developmental services	4,863,323	-	4,863,323	4,863,323
- Developmental services - One time funding	-	-	-	6,702
- Developmental services -Repairs and maintenance funding	28,580	-	28,580	-
Ministry of Education	1,875,843	-	1,875,843	1,830,675
City of Ottawa - Preschool	449,320	-	449,320	401,071
Preschool fees	2,406	-	2,406	2,220
City of Ottawa - Regional Preschool	463,230	-	463,230	471,922
Preschool Speech & Language Program	193,248	-	193,248	193,254
Blind/Low Vision Program	133,893	-	133,893	135,000
Applied Behaviour Analysis Program	512,199	-	512,199	215,386
CHEO (expenses recovered)	6,442	-	6,442	6,076
Other programs	93,319	49,470	142,789	126,674
Donations - general	-	130	130	130
Foundation donations - note 9				
- Physical rehabilitation	29,142	-	29,142	35,183
- Other programs	-	88,218	88,218	138,823
Amortization of deferred grants				
- equipment	-	162,820	162,820	161,894
- building	-	14,093	14,093	34,277
- leasehold improvements	-	93,568	93,568	110,542
Interest and other				
- Physical Rehabilitation	201,403	-	201,403	346,075
- Developmental Services	6,864	-	6,864	7,240
- Ministry of Education	20,096	-	20,096	17,074
- Other programs	-	15,016	15,016	8,147
- Adjustments to unrealized investment gains	18	-	18	6,444
	<u>18,175,728</u>	<u>423,315</u>	<u>18,599,043</u>	<u>18,414,534</u>
Expenses (see attached schedule)				
Direct salaries and benefits	13,596,624	-	13,596,624	13,803,756
Administrative	3,778,534	-	3,778,534	3,389,229
Other operating	800,552	407,503	1,208,055	1,242,568
	<u>18,175,710</u>	<u>407,503</u>	<u>18,583,213</u>	<u>18,435,553</u>
Excess of revenue over expenses (expenses over revenue)	18	15,812	15,830	(21,019)
Fund balances at beginning of year	<u>(250)</u>	<u>624,732</u>	<u>624,482</u>	<u>645,501</u>
Fund balances at end of year	<u>\$ (232)</u>	<u>\$ 640,544</u>	<u>\$ 640,312</u>	<u>\$ 624,482</u>

(See accompanying notes)

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**OTTAWA CHILDREN'S TREATMENT CENTRE/
CENTRE DE TRAITEMENT POUR ENFANTS D'OTTAWA**

SCHEDULE OF EXPENSES

YEARS ENDED MARCH 31, 2013 AND 2012

	<u>Operating Fund</u>	<u>Capital Fund</u>	<u>Total 2013</u>	<u>Total 2012</u>
Direct salaries and benefits				
Ministry of Children and Youth Services/ Ministry of Community and Social Services				
- Physical rehabilitation	\$ 6,572,114	\$ -	\$ 6,572,114	\$ 7,112,198
- Developmental services	3,927,439	-	3,927,439	3,937,216
Ministry of Education	1,420,967	-	1,420,967	1,404,827
Preschool Speech & Language Program	192,003	-	192,003	183,228
Blind/Low Vision Program	123,898	-	123,898	122,442
Applied Behaviour Analysis Program	494,322	-	494,322	206,323
CHEO	6,442	-	6,442	6,076
City of Ottawa				
- Preschool	375,006	-	375,006	334,255
- Regional Preschool	418,766	-	418,766	429,310
Other programs	<u>65,667</u>	<u>-</u>	<u>65,667</u>	<u>67,881</u>
	<u>\$ 13,596,624</u>	<u>\$ -</u>	<u>\$ 13,596,624</u>	<u>\$ 13,803,756</u>
Administrative				
Ministry of Children and Youth Services/ Ministry of Community and Social Services				
- Physical rehabilitation	\$ 2,754,800	\$ -	\$ 2,754,800	\$ 2,373,511
- Developmental services	588,414	-	588,414	588,414
Ministry of Education	345,029	-	345,029	339,630
City of Ottawa				
- Preschool	61,171	-	61,171	59,674
- Regional Preschool	<u>29,120</u>	<u>-</u>	<u>29,120</u>	<u>28,000</u>
	<u>\$ 3,778,534</u>	<u>\$ -</u>	<u>\$ 3,778,534</u>	<u>\$ 3,389,229</u>
Other operating				
Ministry of Children and Youth Services/ Ministry of Community and Social Services				
- Physical rehabilitation	\$ 200,033	\$ -	\$ 200,033	\$ 191,951
- Developmental services	354,334	-	354,334	351,635
- Repairs and maintenance	28,580	-	28,580	-
Ministry of Education	129,943	-	129,943	103,292
Preschool Speech & Language Program	1,245	-	1,245	10,026
Blind/Low Vision Program	9,995	-	9,995	12,558
Applied Behaviour Analysis Program	17,877	-	17,877	9,063
City of Ottawa				
- Preschool	15,549	-	15,549	9,362
- Regional Preschool	15,344	-	15,344	14,612
Other programs	27,652	94,002	121,654	218,931
Amortization				
- equipment	-	163,897	163,897	169,644
- building	-	28,910	28,910	36,717
- leasehold improvements	-	97,117	97,117	114,091
Ottawa Health Science Centre				
- shared capital expenses	<u>-</u>	<u>23,577</u>	<u>23,577</u>	<u>686</u>
	<u>\$ 800,552</u>	<u>\$ 407,503</u>	<u>\$ 1,208,055</u>	<u>\$ 1,242,568</u>

(See accompanying notes)

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**OTTAWA CHILDREN'S TREATMENT CENTRE/
CENTRE DE TRAITEMENT POUR ENFANTS D'OTTAWA**

STATEMENT OF CASH FLOWS

YEARS ENDED MARCH 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
CASH PROVIDED (USED)		
Operations activities		
Excess of expenses over revenue (revenue over expenses)	\$ 15,830	\$ (21,019)
Charge against operations which did not require a current outlay of cash:		
Amortization - net of amortization of deferred grants	19,443	13,739
Unrealized gains	<u>(18)</u>	<u>(6,444)</u>
	35,255	(13,724)
Changes in non-cash operating items:		
Receivable from Foundation	(601)	26,904
HST rebate receivable	(2,295)	11,195
Other receivables	37,772	(30,168)
Prepaid expenses	(237)	32,078
Accounts payable and accrued liabilities	42,426	(1,528,857)
Government remittances payable	(969)	153,839
Owing to Ministry of Children and Youth Services		
- Repairs and maintenance	2,947	-
Owing to Ministry of Education	13,521	32,715
Owing to City of Ottawa - Preschool	(14,817)	31,599
- Regional Preschool	46,097	18,821
Owing to CHEO - Applied Behaviour Analysis	(34,580)	38,703
Deferred revenue	<u>126,165</u>	<u>27,140</u>
	<u>250,684</u>	<u>(1,199,755)</u>
Investing activities		
Purchase of investments	(1,514,553)	(1,785,913)
Investments matured	1,490,000	3,067,000
Purchase of property and equipment	<u>(107,024)</u>	<u>(37,960)</u>
	<u>(131,577)</u>	<u>1,243,127</u>
Financing activities		
Grants received for purchase of property and equipment	<u>94,840</u>	<u>37,958</u>
INCREASE IN CASH	213,947	81,330
CASH, BEGINNING OF YEAR	<u>1,592,848</u>	<u>1,511,518</u>
CASH, END OF YEAR	<u>\$ 1,806,795</u>	<u>\$ 1,592,848</u>

(See accompanying notes)

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**OTTAWA CHILDREN'S TREATMENT CENTRE/
CENTRE DE TRAITEMENT POUR ENFANTS D'OTTAWA**

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2013 AND 2012

1. STATEMENT OF PURPOSE

The Ottawa Children's Treatment Centre Incorporated/Centre de traitement pour enfants d'Ottawa is a non-profit organization which provides accessible and integrated rehabilitation and developmental services and supports for children and youth and some specific adults who require support with physical, developmental and/or communication needs in partnership with families and the broader children's services system. Clients reside in Eastern Ontario including Ottawa, Renfrew County, Eastern Counties and North Lanark.

The Centre is a registered charity and is, under section 149 of the Income Tax Act, exempt from the payment of income taxes.

2. ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

These are the Centre's first set of financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNFPO"). The Centre presented financial statements under its previous Canadian generally accepted accounting principles ("CGAAP") annually to March 31st of each fiscal year up to, and including March 31, 2012.

As these financial statements are the first financial statements for which the Centre has applied ASNFPO, the financial statements have been prepared in accordance with the provisions set out in Section 1501 of ASNFPO, First-time Adoption by Not-for-Profit Organizations. Accordingly, the Centre has applied ASNFPO retrospectively to all comparative financial statements presented.

Section 1501 provides organizations with certain elective exemptions with respect to the retrospective application of ASNFPO. However, the adoption of ASNFPO had no impact on the previously reported assets, liabilities, revenues, expenses and net assets of the Centre, and accordingly, no adjustments have been recorded in the comparative balance sheet, statement of revenue and expenses and fund balances and the cash flow statement. Since no retrospective adjustments were required to the Centre's assets, liabilities and fund balances as at April 1, 2011, the Centre's date of transition to ASNFPO, a balance sheet as at that date has not been provided. The account balances under ASNFPO at April 1, 2011 are consistent with the account balances that were reflected in the Centre's previously issued statement of financial position as at March 31, 2011.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) and consist of the following significant accounting policies.

Revenue recognition

The financial statements have been prepared using the deferral method of revenue recognition for restricted contributions. Such contributions are recognized as revenue in the year which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Financial instruments

The Centre initially measures its financial assets and liabilities at fair value adjusted by transaction costs. The Centre subsequently measures all its non-cash financial assets and financial liabilities at 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 the statements of operations in the period incurred.

**OTTAWA CHILDREN'S TREATMENT CENTRE/
CENTRE DE TRAITEMENT POUR ENFANTS D'OTTAWA**

NOTES TO FINANCIAL STATEMENTS - Cont'd.

YEARS ENDED MARCH 31, 2013 AND 2012

3. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.

Property and equipment, deferred grants and amortization

Property and equipment are stated on the balance sheet at acquisition cost net of accumulated amortization. Amortization is provided on: major equipment using the straight-line method applied on the estimated useful life of the equipment with a range of 5 to 15 years, leasehold improvements over the term of the lease (including renewal options) and on the buildings using the straight-line method applied over 40 years. Grants received specifically for acquisition of property and equipment are deferred and amortized using the same basis as the respective asset.

Legislative grants

The legislative grants calculations are prepared annually by the Centre and submitted to the different Ministries and the City of Ottawa for final approval. Adjustments, if any, are recorded in the year they are made by the grantor.

Operating Fund

The Operating Fund accounts for the Centre's program and administered programs including administrative activities funded by the various Ministries and the City of Ottawa.

Capital Fund

The Capital Fund reports the assets, liabilities, revenues and expenses related to the Centre's property and equipment. It also includes all donations received from the Foundation and the public as well as expenses for programs not funded by any of the various ministries or the City of Ottawa.

Contributed services

A large number of volunteers contribute a significant number of hours per year to assist the Centre in carrying out its service delivery activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires the Centre's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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 these estimates.

Measurement uncertainty

The financial statements include a provision for employee related liabilities with respect to possible future settlements. Management's best estimate of the amounts that will be owing to employees has been reflected in these statements. Any differences between the amount accrued and actual results will be charged or credited to operations in the year of settlement.

OTTAWA CHILDREN'S TREATMENT CENTRE/
CENTRE DE TRAITEMENT POUR ENFANTS D'OTTAWA

NOTES TO FINANCIAL STATEMENTS - Cont'd.

YEARS ENDED MARCH 31, 2013 AND 2012

4. **FINANCIAL INSTRUMENTS**

Credit risk

The Centre is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the organization could incur a financial loss.

The maximum exposures of the Centre to credit risk are only to the extent of its carrying value of cash, amounts receivable, and investments.

Credit risk associated with cash and investments is minimized substantially by ensuring that these assets are invested in financial obligation of: governments; major financial institutions that have been accorded investment grade ratings by a primary rating agency; and/or other credit-worthy parties. An ongoing review is performed to evaluate changes in the status of the issuers of securities authorized for investment under the investment policy of the organization.

Management believes concentration of credit risk with respect to amounts receivable is limited due to credit quality of the parties extended credit.

Liquidity risk

Liquidity risk is the risk that the Centre will not be able to meet a demand for cash or fund its obligations as they become due. Liquidity risk also includes risk of the organization not being able to liquidate assets in a timely manner at a reasonable price.

The Centre meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

i) Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

The primary objective of the Centre with respect to its investments in fixed income investments is to ensure the security of principal amounts invested and provide for a high degree of liquidity, while achieving a satisfactory investment return.

The Centre manages the interest rate risk exposure of its fixed income securities and term deposits by using a portfolio with varying terms to maturity.

ii) Currency risk

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in the value of the Canadian dollar with respect to other currencies.

The Centre's investments are all denominated in Canadian dollars and it transacts primarily in Canadian dollars. As a result, management does not believe it is exposed to significant currency risk.

**OTTAWA CHILDREN'S TREATMENT CENTRE/
CENTRE DE TRAITEMENT POUR ENFANTS D'OTTAWA
NOTES TO FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2013**

4. FINANCIAL INSTRUMENTS - Cont'd.

iii) Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

The Centre is not exposed to other price risk.

Changes in risk

There have been no changes in the Centre's risk exposures from the prior year.

5. INVESTMENTS

Investments consist of:

	<u>Face Value</u>	<u>2013</u>	<u>2012</u>
Bonds and short-term deposits			
Government of Canada - 0.766%, due June 1, 2013	\$ 202,376	\$ 201,977	\$ -
GICs			
Peoples Trust - 1.70%, due October 24, 2013		100,000	-
Advisor's Advantage Trust - 1.45%, due January 10, 2014		100,000	-
Montreal Trust Co. of Canada - 1.50%, due January 10, 2014		100,000	-
HSBC Bank of Canada - 1.55%, due January 20, 2014		100,000	-
Vancity - 1.66%, due March 14, 2014		409,000	-
Canadian Western Bank - 1.65%, due March 14, 2014		100,000	-
National Bank of Canada - 1.75%, due December 24, 2014		100,000	-
Equitable Trust - 1.90%, due December 24, 2014		100,000	-
Home Trust Company - 2.00%, due December 24, 2014		100,000	-
AGF Trust Company - 2.00%, due December 24, 2014		100,000	-
Other			
Bank of Montreal Premium Money Market Fund Mutual Fund Units - 202,565		202,565	201,095
Manulife Bank Investment Savings Account Mutual Fund Units - 165,346		165,346	163,295
Matured in year		<u>-</u>	<u>1,489,929</u>
		1,878,888	1,854,319
Less: current portion		<u>1,110,977</u>	<u>1,489,929</u>
		<u>\$ 767,911</u>	<u>\$ 364,390</u>

The investments are managed by management with input from a professional investment advisor. Accrued interest of \$4,114 (2012 - \$4,746) is included in accounts receivable.

**OTTAWA CHILDREN'S TREATMENT CENTRE/
CENTRE DE TRAITEMENT POUR ENFANTS D'OTTAWA**

NOTES TO FINANCIAL STATEMENTS - Cont'd.

YEARS ENDED MARCH 31, 2013 AND 2012

6. PROPERTY AND EQUIPMENT

	<u>2013</u>		<u>2012</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Cost</u>	<u>Accumulated amortization</u>
Building	\$ 1,716,186	\$ 1,212,678	\$ 1,716,186	\$ 1,183,769
Equipment	1,892,756	1,350,173	1,888,994	1,277,354
Leasehold improvements	1,403,103	1,074,935	1,418,603	993,318
Site development costs	<u>43,652</u>	<u>-</u>	<u>31,467</u>	<u>-</u>
	5,055,697	<u>\$ 3,637,786</u>	5,055,250	<u>\$ 3,454,441</u>
Accumulated amortization	<u>3,637,786</u>		<u>3,454,441</u>	
	<u>\$ 1,417,911</u>		<u>\$ 1,600,809</u>	

Under the terms of the lease with the Children's Hospital of Eastern Ontario for the Centre's rental space in the Max Keeping Building, a portion of the costs of leasehold improvements may be recovered should the lease be terminated by them prior to 2022. The Centre has the option of terminating the lease. The portion of refund available at March 31, 2013 is \$281,488 and is reduced on a straight line basis until 2022.

7. DEFERRED REVENUE

Deferred revenue represents the following:

	<u>Unexpended grants from previous year</u>	<u>Grants received in year</u>	<u>Amount expended in year</u>	<u>Unexpended balance</u>
Clinic for Augmentative Communications	\$ 70,914	\$ -	\$ -	\$ 70,914
Caution Parent Learning	38,710	53,639	49,085	43,264
Preschool	94,958	-	-	94,958
Other programs	<u>62,006</u>	<u>31,727</u>	<u>33,465</u>	<u>60,268</u>
	266,588	85,366	82,550	269,404
Capital programs	<u>441,390</u>	<u>272,460</u>	<u>149,111</u>	<u>564,739</u>
	<u>\$ 707,978</u>	<u>\$ 357,826</u>	<u>\$ 231,661</u>	<u>\$ 834,143</u>

8. DEFERRED GRANTS

	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$ 1,637,780	\$ 1,902,197
Add:		
Contributions deferred in year for property and equipment asset purchases	94,840	42,296
Less:		
Amortization of deferred contributions related to property and equipment	<u>(270,481)</u>	<u>(306,713)</u>
Balance, end of year	<u>\$ 1,462,139</u>	<u>\$ 1,637,780</u>

**OTTAWA CHILDREN'S TREATMENT CENTRE/
CENTRE DE TRAITEMENT POUR ENFANTS D'OTTAWA
NOTES TO FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2013**

9. OTTAWA CHILDREN'S TREATMENT CENTRE FOUNDATION

The Ottawa Children's Treatment Centre Foundation is a not-for-profit charitable organization that was established to raise funds for capital expansion, equipment needs, expanded client programs, research, publications and education for the Centre. As a result, the Centre has an economic interest in the Foundation. However, each organization is separately managed and reports to separate Boards of Directors. These financial statements do not include the assets, liabilities or operations of the Foundation.

Of the \$272,460 of grants received from the Foundation during the year, \$268,659 (2012 - \$240,000) was distributed by the Foundation to the Centre. \$149,111 of this amount was spent in the year, \$29,142 of which was used to support programs in the operating fund. \$119,548 has been allocated to deferred revenue to be spent in future years. The Foundation had net assets of approximately \$540,000 at March 31, 2013.

10. PENSION PLAN

All full-time employees of the Centre, except those seconded from outside school boards, are required to be members of the Hospitals of Ontario Pension Plan which is a multi-employer final average pay contributory pension plan. Eligible part-time employees may also be voluntary members of the plan. Employer contributions made to the Plan during the year by the Centre amounted to \$975,103 (2012 - \$1,007,866). These amounts are included with applicable salaries in the statement of revenue and expenses and fund balances. The most recent actuarial valuation of the plan at December 31, 2012 indicates the plan is fully funded with no increases to contribution rates until at least the end of 2013.

11. COMMITMENTS

The Centre has entered into a contract for information technology support until March 2018. The annual payments under this contract, exclusive of any applicable taxes, is as follows:

2014	\$ 355,756
2015	362,688
2016	369,759
2017	376,971
2018	384,327

The Centre has entered into lease agreements for satellite locations with initial terms ending in various fiscal years until 2019. The aggregate amount of minimum annual lease payments, exclusive of the applicable taxes, for the next five years are as follows:

2014	\$ 312,180
2015	320,375
2016	303,529
2017	254,868
2018	224,395

It is currently management's intention to renew the leases. The above figures do not reflect the future costs of leases that have not yet been renewed.

The Centre has leased land at 395 Smyth Road from the Children's Hospital of Eastern Ontario for \$1 per year until 2014.

12. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform to the presentation adopted for the current year.

**OTTAWA CHILDREN'S TREATMENT CENTRE/
CENTRE DE TRAITEMENT POUR ENFANTS D'OTTAWA**

SCHEDULE A - REVENUE AND EXPENSES FOR CITY OF OTTAWA PRESCHOOL PROGRAM

YEARS ENDED MARCH 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Revenue		
City of Ottawa	\$ 449,320	\$ 401,071
Preschool fees	<u>2,406</u>	<u>2,220</u>
	<u>451,726</u>	<u>403,291</u>
Expenses		
Direct salaries and benefits	375,006	334,255
Administrative	61,171	59,674
Other operating	<u>15,549</u>	<u>9,362</u>
	<u>451,726</u>	<u>403,291</u>
Excess of revenue over expenses for the year	<u>\$ -</u>	<u>\$ -</u>

OTTAWA CHILDREN'S TREATMENT CENTRE/
CENTRE DE TRAITEMENT POUR ENFANTS D'OTTAWA

SCHEDULE B - REVENUE AND EXPENSES FOR CITY OF OTTAWA REGIONAL PRESCHOOL PROGRAM
YEARS ENDED MARCH 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Revenue		
City of Ottawa	<u>\$ 463,230</u>	<u>\$ 471,922</u>
Expenses		
Direct salaries and benefits	418,766	429,310
Administrative	29,120	28,000
Other operating	<u>15,344</u>	<u>14,612</u>
	<u>463,230</u>	<u>471,922</u>
Excess of revenue over expenses for the year	<u>\$ -</u>	<u>\$ -</u>

OTTAWA CHILDREN'S TREATMENT CENTRE/
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SCHEDULE C - REVENUE AND EXPENSES FOR APPLIED BEHAVIOUR ANALYSIS PROGRAM
YEARS ENDED MARCH 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Revenue		
Applied Behaviour Analysis Program	\$ <u>512,199</u>	\$ <u>215,386</u>
Expenses		
Direct salaries and benefits	494,322	206,323
Other operating	<u>17,877</u>	<u>9,063</u>
	<u>512,199</u>	<u>215,386</u>
Excess of revenue over expenses for the year	\$ <u>-</u>	\$ <u>-</u>

OTTAWA CHILDREN'S TREATMENT CENTRE/
CENTRE DE TRAITEMENT POUR ENFANTS D'OTTAWA

SCHEDULE OF REVENUE AND EXPENSES BY MINISTRY DETAIL CODE
YEARS ENDED MARCH 31, 2013 AND 2012

	9132	9253	9256	9261	A476	A510	A596	A597	A557	Non-MCSSS	Total
	DS - Prof and Specialized Services	SCS-Children Behaviour Intervention	SCS - Children Assessment & Counselling	Special Needs Phase II - Child - Dev. Disability	SCS - Children Infant Development	Out-of-Home Respite Services	Other ASD Supports	ASD Respite Services	Repairs and Maintenance	amounts	per audited financial statements
Revenue											
Ministry of Children and Youth Services/ Ministry of Community and Social Services											
- Physical rehabilitation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- Developmental services	465,014	1,040,064	1,815,089	114,332	911,690	392,526	27,408	97,200	-	\$ 9,296,402	\$ 9,296,402
- One-time funding	-	-	-	-	-	-	-	-	-	-	-
- Developmental services	-	-	-	-	-	-	-	-	-	-	-
- Repairs and maintenance funding	-	-	-	-	-	-	-	-	-	-	-
- Developmental services	-	-	-	-	-	-	-	-	-	-	-
Ministry of Education											
City of Ottawa - Preschool	-	-	-	-	-	-	-	-	-	28,580	28,580
Preschool fees	-	-	-	-	-	-	-	-	-	-	-
City of Ottawa - Regional Preschool	-	-	-	-	-	-	-	-	-	-	-
Preschool Speech & Language Program	-	-	-	-	-	-	-	-	-	-	-
Blind/Low Vision Program	-	-	-	-	-	-	-	-	-	-	-
Applied Behaviour Analysis Program	-	-	-	-	-	-	-	-	-	-	-
CHEO (expenses recovered)	-	-	-	-	-	-	-	-	-	-	-
Other programs	-	-	-	-	-	-	-	-	-	6,442	6,442
Donations - general	-	-	-	-	-	-	-	-	-	142,789	142,789
Foundations donations	-	-	-	-	-	-	-	-	-	130	130
- Physical rehabilitation	-	-	-	-	-	-	-	-	-	29,142	29,142
- Other programs	-	-	-	-	-	-	-	-	-	88,218	88,218
Amortization of deferred grants	-	-	-	-	-	-	-	-	-	-	-
- equipment	-	723	1,522	-	552	332	-	-	-	159,691	162,820
- building	-	-	-	-	-	-	-	-	-	14,093	14,093
- leasehold improvements	-	-	-	-	-	-	-	-	-	93,568	93,568
Interest and other	-	-	-	-	-	-	-	-	-	201,403	201,403
- Physical rehabilitation	-	-	-	-	-	-	-	-	-	6,864	6,864
- Development services	-	-	-	-	-	-	-	6,000	-	20,096	20,096
- Ministry of Education	-	-	-	-	-	-	-	-	-	15,016	15,016
- Other programs	-	-	-	-	-	-	-	-	-	18	18
Adjustments to investment	-	-	-	-	-	-	-	-	-	-	-
Expenses											
Direct salaries and benefits	465,014	1,040,787	1,816,611	114,332	913,106	392,858	27,408	103,200	28,580	13,697,147	18,599,043
Administrative	457,729	751,459	1,616,750	98,729	731,218	150,304	26,572	94,678	-	9,669,185	13,596,624
Less allocated to operating	-	219,337	191,573	12,394	146,885	18,225	-	-	-	3,190,120	3,778,534
	-	(90,001)	(44,901)	(6,000)	(58,976)	-	-	-	-	-	(199,878)
	-	129,336	146,672	6,394	87,909	18,225	-	-	-	3,190,120	3,578,656
Other operating	6,120	34,456	45,112	3,085	35,003	224,329	836	8,522	28,580	822,012	1,208,055
Allocated from administrative	-	90,001	44,901	6,000	58,976	-	-	-	-	-	199,878
	6,120	124,457	90,013	9,085	93,979	224,329	836	8,522	28,580	822,012	1,407,933
	463,849	1,005,252	1,853,435	114,208	913,106	392,858	27,408	103,200	28,580	13,681,317	18,583,213
Excess of revenue over expenses (expenses over revenue)	\$ 1,165	\$ 35,535	\$ (36,824)	\$ 124	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,830	\$ 15,830