



## Consolidated Financial Statements

Niagara Peninsula Children's Centre  
School Authority

August 31, 2018



Weaving education and therapy together for student success.

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## MANAGEMENT REPORT

### **Management's Responsibility for the Consolidated Financial Statements**

The accompanying consolidated financial statements of the Niagara Peninsula Children's Centre School Authority are the responsibility of the Authority management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Canadian Institute of Chartered Professional Accountants.

A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Authority management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Authority meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by Grant Thornton LLP, independent external auditors appointed by the Authority. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Authority's consolidated financial statements.

Secretary of the Authority

Chair of the Authority

December 18, 2018

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# Independent Auditor's Report

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To the Board of Trustees of  
Niagara Peninsula Children's Centre School Authority

We have audited the accompanying consolidated financial statements of Niagara Peninsula Children's Centre School Authority, which comprise the consolidated statement of financial position as at August 31, 2018, and the consolidated statements of operations, change in net debt, and cash flows for the year 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 consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

# Independent Auditor's Report (continued)

## **Basis for qualified opinion**

In common with many School Authorities, Niagara Peninsula Children's Centre School Authority derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly our verification of these revenues was limited to the amounts recorded in the records of Niagara Peninsula Children's Centre School Authority and we were not able to determine whether any adjustments might be necessary to fundraising revenue, net revenue, financial assets and net financial position for the years ended August 31, 2018 and August 31, 2017, financial assets as at August 31, 2018 and August 31, 2017 and net financial assets as at September 1, 2017 and September 1, 2016. Our audit opinion on the financial statements for the year ended August 31, 2017 was modified accordingly, because of the possible effects of this scope limitation.

## **Qualified opinion**

In our opinion, except for the effects of the matter described in the Basis for qualified opinion paragraph, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Niagara Peninsula Children's Centre School Authority as at August 31, 2018 and the results of its consolidated operations, change in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

St. Catharines, Canada  
December 18, 2018

Chartered Professional Accountants  
Licensed Public Accountants

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# Niagara Peninsula Children's Centre School Authority

## Consolidated Statement of Financial Position

Year ended August 31	2018	2017
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Financial assets		
Cash and cash equivalents	\$ 216,330	\$ 296,226
Accounts receivable	<u>38,817</u>	<u>31,843</u>
Total financial assets	<u>\$ 255,147</u>	<u>\$ 328,069</u>
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Financial liabilities		
Accounts payable and accrued liabilities	\$ 222,258	\$ 328,069
Deferred revenue (note 2)	<u>32,889</u>	<u>-</u>
Total financial liabilities	<u>\$ 255,147</u>	<u>\$ 328,069</u>
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Net financial assets (net debt)	\$ -	\$ -
Non-financial assets	<u>-</u>	<u>-</u>
Accumulated surplus (deficit)	<u>\$ -</u>	<u>\$ -</u>

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See accompanying notes to the consolidated financial statements

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# Niagara Peninsula Children's Centre School Authority Consolidated Statement of Operations

Year ended August 31	Budget	2018	2017
<b>Revenue</b>			
Provincial grants - Grants for Student Needs	\$ 3,172,200	\$ <b>3,068,215</b>	\$ 2,766,805
Provincial grants - Other (note 2)	-	<b>10,910</b>	7,766
Investment income	1,500	<b>651</b>	1,217
Other fees and revenues	-	-	5,868
Total revenues	3,173,700	<b>3,079,776</b>	2,781,656
<b>Expenses</b>			
Instruction	2,279,800	<b>2,148,649</b>	1,999,051
Administration	151,500	<b>148,027</b>	139,135
Transportation	528,000	<b>539,143</b>	490,202
Pupil accomodation	149,400	<b>155,344</b>	125,293
Other	65,000	<b>88,613</b>	27,975
Total expenses (note 5)	3,173,700	<b>3,079,776</b>	2,781,656
Annual surplus (deficit)	-	-	-
Accumulated surplus (deficit), beginning of year	-	-	-
Accumulated surplus (deficit), end of year	\$ -	\$ -	\$ -

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See accompanying notes to the consolidated financial statements

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**Niagara Peninsula Children's Centre  
School Authority  
Consolidated Statement of Change in Net Debt**

Year ended August 31	2018	2017
Annual surplus (deficit)	\$ -	\$ -
Tangible capital asset activity	-	-
Other non-financial asset activity	-	-
Change in net debt	-	-
Net debt, beginning of year	-	-
Net debt, end of year	\$ -	\$ -

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See accompanying notes to the consolidated financial statements



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# Niagara Peninsula Children's Centre School Authority Consolidated Statement of Cash Flow

Year ended August 31 2018 2017

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Cash provided by (used in):

Operating transactions		
Annual surplus (deficit)	\$ -	\$ -
Changes in non-cash assets and liabilities		
Accounts receivable	(6,975)	(6,505)
Accounts payable and accrued liabilities	(105,810)	5,670
Deferred revenue	32,889	-
	(79,896)	(835)
Capital transactions	-	-
Investing transactions		
Financing transactions	-	-
	(79,896)	(835)
Change in cash and cash equivalents		
Cash and cash equivalents, beginning of year	296,226	297,061
Cash and cash equivalents, end of year	\$ 216,330	\$ 296,226

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See accompanying notes to the consolidated financial statements

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# Niagara Peninsula Children's Centre School Authority

## Notes to the Consolidated Financial Statements

August 31, 2018

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### 1. Significant accounting policies

The consolidated financial statements are prepared by management in accordance with Canadian public sector accounting standards. The significant accounting policies used are as follows:

#### a) Basis of accounting

Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenses are the cost of goods and services consumed in the period whether or not payment has been made or invoices received.

#### b) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations accountable for the administration of their financial affairs and resources to the Authority and which are controlled by the Authority.

School generated funds that exist at the school level and which are controlled by the Authority, are reflected in the consolidated financial statements.

#### c) Cash and cash equivalents

Cash and equivalents comprise of cash on hand and short-term investments. Short-term investments are highly liquid, subject to insignificant risk of changes in value and have a short maturity term of less than 90 days.

#### d) Retirement and other employee future benefits

The Authority provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance and health care benefits, dental benefits and worker's compensation. The Authority has adopted the following policies with respect to accounting for these employee benefits:

- For those self insured benefit obligations that arise from specific events that occur from time to time, such as life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period the events occur.
- The costs of multi-employer defined pension plan benefits, such as the Ontario Municipal Employees Retirement System pensions, are the employer's contributions due to the plan in the period.
- The costs of insured benefits are the employer's portion of insurance premiums owed for coverage of employees during the period.

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# Niagara Peninsula Children's Centre School Authority

## Notes to the Consolidated Financial Statements

August 31, 2018

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### 1. Significant accounting policies (continued)

#### e) Tangible capital assets

Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair market value at the date of contribution. Tangible capital assets that are below the \$5,000 capitalization threshold as outlined by the Ministry of Education are expensed as incurred.

#### f) Deferred revenue

Certain amounts are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or services are performed.

#### g) Government transfers

Government transfers, which include legislative grants, are recognized in the consolidated financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be made. If government transfers contain stipulations which give rise to a liability, they are deferred and recognized in revenue when the stipulations are met.

#### h) Investment income

Investment income is reported as revenue in the period earned.

#### i) Budget figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Trustees. The budget approved by the Trustees is developed in accordance with the provincially mandated funding model for school authorities and is used to manage program spending within the guidelines of the funding model.

#### j) Use of estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Significant estimates include assumptions when estimating provisions for accrued liabilities. Actual results could differ from these estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the period in which they become known.

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# Niagara Peninsula Children's Centre School Authority

## Notes to the Consolidated Financial Statements

August 31, 2018

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### 2. Deferred revenue

Revenues received and that have been set aside for specific purposes by legislation, regulation or agreement are included in deferred revenue on the consolidated statement of financial position.

Deferred revenue set aside for specific purposes by legislation, regulation or agreement as at August 31, 2018 is comprised of:

	Balance as at August 31, 2017	Externally restricted revenue	Revenue recognized in the period	Balance as at August 31, 2018
Other provincial grants	\$ <u>          -</u>	\$ <u>  43,799</u>	\$ <u>  10,910</u>	\$ <u>  32,889</u>

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### 3. Retirement benefits

#### i) Ontario Municipal Employees Retirement System

Non-teaching employees of the School Authority are eligible to be members of the Ontario Municipal Employees Retirement System, a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Authority contributions equal the employee contributions to the plan. During the year ended August 31, 2018, the Authority contributed \$43,886 (2017 - \$43,374) to the plan. As this is a multi-employer pension plan, these contributions are the Authority's pension benefit expenses. No pension liability for this type of plan is included in the Authority's consolidated financial statements.

#### ii) Ontario Teacher's Pension Plan

Teachers are eligible to be members of Ontario Teacher's Pension Plan. Employer contributions for these employees are provided directly by the Province of Ontario. The pension costs and obligations related to this plan are a direct responsibility of the Province. Accordingly, no costs or liabilities related to this plan are included in the Authority's consolidated financial statements.

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### 4. Other employee future benefits

#### i) Sick leave top-up benefits

As a result of changes made in 2012-2013 to the short-term leave and disability plan, a maximum of 11 unused sick leave days from the current year may be carried forward into the following year only, to be used to top-up salary for illnesses paid through the short-term leave and disability plan in that year. Under the Ontario Ministry of Education memorandum 2013:SB12 Section 68 school authorities are not required to report this liability in the financial statements given the size of the boards and the actuarial expense that would be associated with the estimation of the liability.

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# Niagara Peninsula Children's Centre School Authority

## Notes to the Consolidated Financial Statements

August 31, 2018

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#### 4. Other employee future benefits (continued)

##### ii) Workplace Safety and Insurance Board Obligations

The Authority is a Schedule 1 employer under the Workplace Safety and Insurance Act and, as such, the Authority insures all claims by its injured workers under the Act. The Authority's insurance premiums for the year ended August 31, 2018 were \$19,707 (2017 - \$16,997) and are included in the Authority's current year benefit costs. No liabilities for claims by its injured workers under the Act are included in the Authority's consolidated financial statements. The plan changes made in 2012 require School Authorities to provide salary top-up to a maximum of 4.5 years for employees receiving payments from the Workplace Safety and Insurance Board, where previously negotiated collective agreements included such provision.

##### iii) Long-term disability life insurance and health care benefits

The Authority provides life insurance, dental and health care benefits to employees on long-term disability leave. The costs of premiums on these plans are shared with the employee on an agreed basis. The Authority provides its share of these benefits through an unfunded defined benefit plan. The costs of salary compensation paid to employees on long-term disability leave are fully insured and not included in the Authority's consolidated financial statements.

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#### 5. Expenses by object

The following is a summary of the reported on the consolidated statement of operations by object:

	<u>2018</u> <u>Budget</u>	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
<b>Expenses:</b>			
Salary and wages	\$ 1,846,500	\$ 1,763,728	\$ 1,654,633
Employee benefits	342,200	322,773	300,000
Staff development	10,000	10,485	13,108
Supplies and services	201,900	199,514	144,535
Fees and contract services	598,300	609,962	553,114
Other	<u>174,800</u>	<u>173,314</u>	<u>116,266</u>
	<u>\$ 3,173,700</u>	<u>\$ 3,079,776</u>	<u>\$ 2,781,656</u>

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