

Consolidated Financial Statements of

**NIAGARA CHILDREN'S CENTRE  
SCHOOL AUTHORITY**

And Independent Auditor's Report thereon

Year ended August 31, 2023



## **KPMG LLP**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of Niagara Children's Centre School Authority

### ***Opinion***

We have audited the consolidated financial statements of Niagara Children's Centre School Authority (the "School"), which comprise:

- the consolidated statement of financial position as at August 31, 2023;
- the consolidated statement of operations for the year then ended;
- the consolidated statement of changes in net financial assets for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the School as at August 31, 2023, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***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 School in accordance with the applicable independence standards, and we have fulfilled our other ethical responsibilities in accordance with these standards.

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 public sector accounting standards, 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 School'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 School or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the School'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 the 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 School's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management



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- 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 School'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 School 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada  
February 20, 2024

# NIAGARA CHILDREN'S CENTRE SCHOOL AUTHORITY

Consolidated Statement of Financial Position

August 31, 2023, with comparative figures for 2022

	2023	2022
<b>Financial assets</b>		
Cash and cash equivalents	\$ 171,002	\$ 936,169
Accounts receivable	–	1,975
HST receivable	318,513	173,938
	<u>489,515</u>	<u>1,112,082</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	438,751	1,029,589
Deferred revenue (note 2)	5,726	5,726
	<u>444,477</u>	<u>1,035,315</u>
Net financial assets	45,038	76,767
<b>Non-financial assets</b>		
Prepaid expenses	3,070	–
Accumulated surplus (note 3)	<u>\$ 48,108</u>	<u>\$ 76,767</u>

See accompanying notes to consolidated financial statements.

On behalf of the Board:

\_\_\_\_\_ Director \_\_\_\_\_ Director

# NIAGARA CHILDREN'S CENTRE SCHOOL AUTHORITY

## Consolidated Statement of Operations

Year ended August 31, 2023, with comparative figures for 2022

	Budget	2023	2022
<b>Revenues:</b>			
Provincial grants - Grants for Student Needs	\$ 4,373,350	\$ 4,303,039	\$ 3,817,713
Provincial grants – Other	–	14,454	–
Other fees and revenues	–	124	157
	<u>4,373,350</u>	<u>4,317,617</u>	<u>3,817,870</u>
<b>Expenses (note 7):</b>			
Instruction expenditures	2,727,824	2,698,406	2,493,901
Administration expenditures	238,971	214,791	191,795
Transportation expenditures	1,103,000	1,135,431	812,282
Pupil expenditures	219,555	210,278	257,746
Other expenditures	84,000	58,711	62,146
Expenses not funded by the Ministry of Education	–	28,659	–
	<u>4,373,350</u>	<u>4,346,276</u>	<u>3,817,870</u>
Annual (deficit) surplus	–	(28,659)	–
Accumulated surplus, beginning of year	76,767	76,767	76,767
Accumulated surplus, end of year	\$ 76,767	\$ 48,108	\$ 76,767

See accompanying notes to consolidated financial statements

# NIAGARA CHILDREN'S CENTRE SCHOOL AUTHORITY

## Consolidated Statement of Changes in Net Financial Assets

Year ended August 31, 2023, with comparative figures for 2022

	2023	2022
Annual (deficit) surplus	\$ (28,659)	\$ –
increase in prepaid expenses	(3,070)	–
Change in net financial assets	(31,729)	–
Net financial assets, beginning of year	76,767	76,767
Net financial assets, end of year	\$ 45,038	\$ 76,767

See accompanying notes to consolidated financial statements

# NIAGARA CHILDREN'S CENTRE SCHOOL AUTHORITY

## Consolidated Statement of Cash Flows

Year ended December 31, 2023, with comparative figures for 2022

	2023	2022
Cash provided by:		
Operating activities:		
Annual (deficit) / surplus	\$ (28,659)	\$ –
Change in non-cash working capital items:		
Accounts receivable	1,975	(860)
Prepayments	(3,070)	–
Accounts payable and accrued liabilities	(590,838)	381,051
HST payable/receivable	(144,575)	(133,661)
(Decrease) increase in cash and cash equivalents	(765,167)	246,530
Cash and cash equivalents, beginning of year	936,169	689,639
Cash and cash equivalents, end of year	\$ 171,002	\$ 936,169

See accompanying notes to consolidated financial statements.



# NIAGARA CHILDREN'S CENTRE SCHOOL AUTHORITY

Notes to Consolidated Financial Statements

Year ended August 31, 2023

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Niagara Children's Centre School Authority (the "School") was established under the Education Act of Ontario and is one of six schools located in Children's Treatment Centres in Ontario. The School provides individualized education and therapeutic programming in small group settings to children and youth 4-21 years of age with multi- learning and physical exceptionalities.

## 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:

The 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) Basis of consolidation:

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

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

### (c) Cash and cash equivalents:

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from their date of acquisition, which are readily convertible into a known amount of cash, and are subject to an insignificant risk to changes in their fair value.

# NIAGARA CHILDREN'S CENTRE SCHOOL AUTHORITY

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2023

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## 1. Significant accounting policies (continued):

### (d) Employee future benefits:

The School provides defined retirement and other future benefits to specified employee groups. These benefits include life insurance, health care benefits, dental benefits, retirement gratuity, worker's compensation, and long-term disability benefits.

As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the principals and vice-principals associations, the School is required to remit a negotiated amount per full-time equivalency ("FTE") on a monthly basis to Ontario Non-union Education Trust ("ONE-T"). ONE-T provides health, life and dental benefits to the principal, education workers (excluding casual and temporary staff) and other school authority staff up to a school authority's participation date into the ELHT. These benefits are being provided through a joint governance structure between the bargaining/employee groups, school authority trustees associations and the Government of Ontario. Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN).

### (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) School fundraising and other revenue:

School fundraising and other revenue are reported as other fees and revenue in the period earned.

# NIAGARA CHILDREN'S CENTRE SCHOOL AUTHORITY

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2023

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## 1. Significant accounting policies (continued):

### (h) Government grants:

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

### (i) Budget figures:

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Trustees. The budget 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. The budget is first approved by the Trustees and then ratified by the Ministry of Education.

### (j) Financial instruments:

The School measures its financial assets and financial liabilities at fair value at the acquisition date, except for financial assets and financial liabilities acquired in related party transactions. Transaction costs related to the acquisition of financial instruments subsequently measured at fair value are recognized in when incurred. The carrying amounts of financial instruments not subsequently measured at fair value are adjusted by the amount of the transaction costs directly attributable to the acquisition of the instrument.

The School subsequently measures all of its financial assets and financial liabilities at amortized cost.

### (k) Use of estimates:

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are provisions for accrued liabilities.

# NIAGARA CHILDREN'S CENTRE SCHOOL AUTHORITY

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2023

## 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, 2023 is comprised of:

	August 31, 2022	Contributions received	Revenue recognized in the period	Adjustments	August 31, 2023
Other provincial grants	\$ 5,726	\$ 13,163	\$ (14,454)	\$ 1,291	\$ 5,726

## 3. Accumulated surplus:

Accumulated surplus consists of the following:

	2023	2022
Internally appropriated	\$ 48,108	\$ 76,767

## 4. Employee future benefits:

### (a) Ontario Municipal Employees Retirement System ("OMERS"):

Non-teaching employees who are permanent full time employees of the School are eligible to be members of OMERS, a multi employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The School contributions equal the employee contributions to the plan. During the year ended August 31, 2023, the School contributed \$68,189 (2022 - \$37,191) to the plan. As this is a multi employer pension plan, these contributions are the School's pension benefit expenses. No pension liability for this type of plan is included in the School's consolidated financial statements.

# NIAGARA CHILDREN'S CENTRE SCHOOL AUTHORITY

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2023

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## 4. Employee future benefits (continued):

### (b) Ontario Teacher's Pension Plan

All teachers are required 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 School's consolidated financial statements.

## 5. Other employee benefits:

### (a) 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.

### (b) Workplace Safety and Insurance Board Obligations:

The School is a Schedule 1 employer under the Workplace Safety and Insurance Act and, as such, the School insures all claims by its injured workers under the Act. The School's insurance premiums for the year ended August 31, 2023 were \$16,774 (2022 - \$11,371) and are included in the School'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.

### (c) Long term disability life insurance and health care benefits:

The School provides life insurance, dental and health care benefits to employees on long term disability leave. The costs of premiums on these plans are the responsibility of the employees. The School does not have any costs related to the insurance. The costs of salary compensation paid to employees on long term disability leave are fully insured and not included in the School's consolidated financial statements.

# NIAGARA CHILDREN'S CENTRE SCHOOL AUTHORITY

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2023

## 6. Ontario School Board Insurance Exchange:

The School is a member of the Ontario School Board Insurance Exchange ("OSBIE"), a reciprocal insurance company licensed under the Insurance Act. The School entered into this agreement on March 31, 2023. OSBIE insures general public liability, property damage and certain other risks. Liability insurance is available to a maximum of \$27,000,000 per occurrence.

The ultimate premiums over a five-year period are based on the reciprocals and the Board's actual claims experience. Periodically, the Board may receive a refund or be asked to pay an additional premium based on its pro rate share of claims experience. The current five-year term expires December 31, 2026. Premiums paid to OSBIE for the policy year ending December 31, 2023 amounted to \$2,043.

## 7. Expenses by object:

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

	2023 Budget	2023 Actual	2022 Actual
Salary and wages	\$ 2,110,885	\$ 2,136,570	\$ 2,052,086
Employee benefits	407,140	425,542	371,649
Staff development	21,000	10,740	22,204
Supplies and services	303,219	269,352	326,899
Fees and contract services	1,281,606	1,271,774	912,012
Others	249,500	203,639	133,020
Expenses not funded by Ministry of Education	—	28,659	—
	<b>\$ 4,373,350</b>	<b>\$ 4,346,276</b>	<b>\$ 3,817,870</b>