



**Campbell Children's  
School Authority**  
Challenge, Celebrate, Strengthen

**Campbell Children's School Authority**

**AUDITED CONSOLIDATED  
FINANCIAL STATEMENTS**

**September 1, 2017 – August 31, 2018**

# Campbell Children's School Authority

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Year Ended August 31, 2018

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## Management Report

The accompanying financial statements of the Campbell Children's School Authority are the responsibility of the Board management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants. A summary of the significant accounting policies are described in Note 2 to the financial statements. The preparation of 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.

Board 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 financial statements. These systems are monitored and evaluated by management.

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

The financial statements have been audited by Dawn Flett & Associates, independent external auditors appointed by the Board. The accompanying Auditors' Report outlines their responsibility, the scope of their examination and their opinion on the Board's financial statements.

Janet Harper  
Secretary of the Board

Kristin Burditt  
Chair of the Board

December 12, 2018

Date

## Independent Auditor's Report

### TO THE MEMBERS OF CAMPBELL CHILDREN'S SCHOOL AUTHORITY

We have audited the statement of financial position of Campbell Children's School Authority as at August 31, 2018 and the statements of operations and cash flow for the year then ended, statement of change in debt, 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 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.

#### 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.

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 Campbell Children's School Authority as at August 31, 2018 and the results of its operations and cash flow for the year then ended in accordance with Canadian public sector accounting standards.

*Dawn Hett & Associates*

Chartered Professional Accountant

Licensed Public Accountant

December 12, 2018  
Ajax, Ontario

Ministry of Education

Schedule 1 - Consolidated Statement of Financial Position  
As at August 31

Name of Board  
Board No.

Campbell Children's School Authority  
800201

	2017-18	2016-17
<b>1 FINANCIAL ASSETS</b>		
1.1 Cash and cash equivalents	362,111	259,846
1.2 Temporary investments	0	0
1.3 Accounts receivable	14,451	10,822
1.4 Investments	0	0
1.4.1 Assets held for sale		
1.5 Other	0	0
<b>1.6 TOTAL FINANCIAL ASSETS</b>	<b>376,562</b>	<b>270,668</b>
<b>2 LIABILITIES</b>		
2.1 Temporary borrowing	0	0
2.2 Accounts payable & Accrued liabilities	391,477	275,968
2.3 Other	0	0
2.4 Net Debenture Debt, Capital Loans and Leases	0	0
2.5 Deferred revenue	7,397	7,324
2.6 Employee benefits payable	31,302	31,794
2.7 Deferred Capital Contributions		
<b>2.8 TOTAL LIABILITIES</b>	<b>430,176</b>	<b>315,086</b>
<b>3 NET FINANCIAL ASSETS (NET DEBT)</b>	<b>-53,614</b>	<b>-44,418</b>
<b>4 NON-FINANCIAL ASSETS</b>		
4.1 Prepaid Expenses	42,137	32,684
4.2 Inventories of supplies	0	0
4.3 Tangible Capital Assets	0	0
<b>4.4 TOTAL NON-FINANCIAL ASSETS</b>	<b>42,137</b>	<b>32,684</b>
<b>5 ACCUMULATED SURPLUS/(DEFICIT)</b>	<b>-11,477</b>	<b>-11,734</b>

  
Secretary of the Board

  
Chair of the Board

Ministry of Education

Schedule 1.1 - Consolidated Statement of Operations  
For the year ended August 31, 2018

Name of Board  
Board No.

Campbell Children's School Authority  
800201

	2017-18 Budget	2017-18 Actual	2016-17 Actual
<b>1 REVENUES</b>			
1.1 Provincial grants - Grants for Student Needs	2,017,688	1,665,837	1,569,740
1.2 Provincial grants - Other		21,072	17,654
1.3 Local taxation			
1.4 School generated funds		264	25
1.5 Federal grants & fees			2,218
1.6 Investment income			
1.7 Other revenues - School boards			
1.8 Other fees & revenues		86	7,428
<b>1.10 TOTAL REVENUE</b>	<b>2,017,688</b>	<b>1,687,259</b>	<b>1,597,065</b>
<b>2 EXPENSES</b>			
2.1 Instruction	1,495,945	1,213,217	1,157,926
2.2 Administration	183,455	137,288	117,670
2.3 Transportation	156,700	161,016	162,661
2.4 Pupil Accomodation	179,000	172,669	158,227
2.5 School generated funds		499	378
2.6 Other	2,588	2,313	
<b>2.7 TOTAL EXPENSES</b>	<b>2,017,688</b>	<b>1,687,002</b>	<b>1,596,862</b>
<b>3.1 ANNUAL SURPLUS/(DEFICIT)</b>		<b>257</b>	<b>203</b>
<b>3.2 Accumulated Surplus / (Deficit) at beginning of year</b>	<b>-11,734</b>	<b>-11,734</b>	<b>-11,937</b>
<b>3.3 Accumulated Surplus / (Deficit) at end of year</b>	<b>-11,734</b>	<b>-11,477</b>	<b>-11,734</b>

Ministry of Education

Schedule 1.2 - Consolidated Statement of Cash Flow  
For the year ended August 31, 2018

Name of Board  
Board No.

Campbell Children's School Authority  
800201

	2017-18	2016-17
<b>1 OPERATING TRANSACTIONS</b>		
1.1 Annual Surplus (Deficit)	257	203
<b>2 Sources and (Uses):</b>		
2.1 Non-cash items including amortization, write downs, and gain/loss on disposal of TCA	0	0
2.1.1 Deferred capital contributions revenue		
2.2 Deferred Gain on Disposal of Restricted Assets		
2.3 (Increase) Decrease in temporary investments	0	0
2.4 (Increase) Decrease in accounts receivable	-3,629	787
2.5 (Increase) Decrease in other financial assets	0	0
2.6 (Increase) Decrease in assets held for sale		
2.7 Increase (Decrease) in Accounts payable & Accrued liabilities	115,509	-577
2.8 Increase (Decrease) in Other liabilities	0	0
2.9 Increase (Decrease) in deferred revenues - operating	73	-13,791
2.10 Increase (Decrease) employee benefits payable	-492	-556
2.11 (Increase) Decrease in prepaid expenses	-9,453	-2,479
2.12 (Increase) Decrease in inventories of supplies	0	0
2.13 <b>Cash provided by (applied to) operating transactions</b>	102,266	-16,413
<b>3 CAPITAL TRANSACTIONS</b>		
3.1 Proceeds on sale of tangible capital assets	0	
3.2 Cash used to acquire tangible capital assets	0	
3.3 <b>Cash provided by (applied to) capital transactions</b>	0	0
<b>4 INVESTING TRANSACTIONS</b>		
4.1 (Increase) Decrease in long term investments	0	
4.2 <b>Cash provided by (applied to) investing transactions</b>	0	0
<b>5 FINANCING TRANSACTIONS</b>		
5.1 Long term liabilities issued		
5.2 Increase (Decrease) in temporary borrowing	0	
5.3 Debt repaid and sinking fund contributions		
5.3.1 (Increase)/decrease in accounts receivable - Government of Ontario - Approved capital		
5.3.2 Additions to/(disposals from) deferred capital contributions		
5.3.3 Increase/(decrease) in deferred revenues - capital	0	
5.4 <b>Cash provided by (applied to) financing transactions</b>	0	0
<b>6 CHANGE IN CASH AND CASH EQUIVALENTS</b>	102,266	-16,413
7 Opening Cash and Cash Equivalents	259,846	276,259
8 Closing Cash and Cash Equivalents	362,112	259,846

Ministry of Education

**Schedule 1.3 - Consolidated Statement of Change in Net Debt  
For the year ended August 31, 2018**

Name of Board  
Board No.

Campbell Children's School Authority  
800201

	2017-18	2016-17
1 Annual Surplus / (Deficit)	257	203
2 <b>TANGIBLE CAPITAL ASSET ACTIVITY</b>		
2.1 Acquisition of tangible capital assets	0	0
2.2 Amortization of tangible capital assets	0	0
2.3 Gain/Loss on sale of tangible capital assets	0	0
2.4 Proceeds on sale of tangible capital assets	0	0
2.4.1 Less: Gains on sale allocated to deferred revenue		
2.5 Transfer to assets held for sale		
2.6 Write-downs of tangible capital assets	0	0
2.7 <b>Total tangible capital asset activity</b>	0	0
3 <b>OTHER NON-FINANCIAL ASSET ACTIVITY</b>		
3.1 Acquisition of supplies inventories		
3.2 Acquisition of prepaid expenses	-42,136	-32,684
3.3 Consumption of supplies inventories		
3.4 Use of prepaid expenses	32,684	30,206
3.5 <b>Total other non-financial asset activity</b>	-9,452	-2,478
4 (Increase) decrease in net debt	-9,195	-2,275
4.1 Net debt at beginning of year	-44,418	-42,143
4.2 Net debt at end of year	<b>-53,613</b>	<b>-44,418</b>



**CAMPBELL CHILDREN'S SCHOOL AUTHORITY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**AS AT AUGUST 31, 2018**

**1. Significant Accounting Policies**

**The financial statements are prepared by the School Authority in accordance with Canadian public sector accounting standards and include the following:**

**(a) Basis of Accounting**

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

**(b) Cash and Cash Equivalents**

**Cash and cash equivalents are comprised of cash on hand, demand deposits 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.**

**(c) 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 performed.**

**(d) Retirement and Other Employee Future Benefits**

**The School Authority provides defined retirement and other future benefits to specified employee groups. These benefits include pension, retirement gratuity, worker's compensation and sick leave plan. In 2012, changes were made to the School Authority's retirement gratuity plan and sick leave plan. The School Authority has adopted the following policies with respect to accounting for those employee benefits:**

**CAMPBELL CHILDREN'S SCHOOL AUTHORITY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**AS AT AUGUST 31, 2018**

**1. Significant Accounting Policies (Cont'd)**

- (i) The cost of self insured retirement and other employee future benefit plans are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, long-term inflation rates and discount rates. In prior years, the cost of retirement gratuities that vested or accumulated over the periods of service provided by the employee were actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement and discount rates. As a result of the plan change, the cost of retirement gratuities are determined using the employee's salary, banked sick days and years of service as at August 31, 2012. The changes resulted in a plan curtailment and any unamortized actuarial gains and losses were recognized as at August 31, 2012. An actuarial report updating the plan to August 31, 2015 identified an unamortized actuarial gain of \$11,526 based on factoring in the expected date of payment for remaining retirement gratuity. The net gain will be recognized over the expected remaining service life.

The update to August 31, 2018 identified an unamortized actuarial loss of \$3,688 based on the expected date of payment for the remaining retirement gratuity.

For those self insured benefit obligations that arise from specific events that occur from time to time, such as obligations for worker's compensation, the cost is recognized immediately in the period the events occur.

- (ii) The costs of multi-employer defined pension plan benefits, such as the Hospitals of Ontario Pension Plan, is the employer's contribution due to the plan during the year.
- (iii) The costs of insured benefits are the employer's portion of insurance premiums owed for coverage of employees during the year.

**(e) Government Transfers**

Government transfers, which include legislative grants, are recognized in the 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.

**CAMPBELL CHILDREN'S SCHOOL AUTHORITY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**AS AT AUGUST 31, 2018**

**1. Significant Accounting Policies (Cont'd)**

**(f) Budget Figures**

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the School Authority and the Ministry of Education. The budget approved by the School Authority is developed in accordance with the provincially mandated funding model for school boards and is used to manage program spending within the guidelines of the funding model. The budget figures are unaudited.

**(g) Use of Estimates**

The preparation of financial statements in conformity with Canadian public sector accounting principles requires 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 expenditures during the year. Actual results could differ from these estimates. Significant estimates include assumptions used in estimating accounts payable and accrued liabilities and retirement and other employee future benefit liabilities.

**2. Deferred Revenue**

Revenue received that has been set aside for specific purposes by legislation, regulation or agreement are included in deferred revenue in the statement of financial position. Revenue is recognized as expenses are incurred.

Deferred revenue set aside for specific purposes by legislation, regulation or agreement is comprised of:

	<u>Opening Balance</u>	<u>Funds Received</u>	<u>Expenses Incurred</u>	<u>Funds Returned</u>	<u>Closing Balance</u>
Ministry Grants	\$ 6,665	\$ 20,177	\$20,023	\$ -	\$ 6,819
Donations	659	-	81	-	578
	<u>\$ 7,324</u>	<u>\$ 20,177</u>	<u>\$ 20,104</u>	<u>\$ -</u>	<u>\$ 7,397</u>

**CAMPBELL CHILDREN'S SCHOOL AUTHORITY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**AS AT AUGUST 31, 2018**

**3. Retirement and Other Employee Future Benefits**

**(a) Retirement and Other Employee Future Benefit Liabilities**

	<b><u>2018</u></b> <b>Total</b> <b>Employee</b> <b><u>Future Benefits</u></b>	<b><u>2017</u></b> <b>Total</b> <b>Employee</b> <b><u>Future Benefits</u></b>
Accrued employee future benefit obligations at August 31	\$ 26,584	\$ 22,348
Unamortized gain	<u>4,718</u>	<u>9,446</u>
Employee benefits payable per financial statements	<u>\$ 31,302</u>	<u>\$ 31,794</u>

**(b) Retirement and Other Employee Future Benefit Expenses**

	<b><u>2018</u></b> <b>Total</b> <b>Employee</b> <b><u>Future Benefits</u></b>	<b><u>2017</u></b> <b>Total</b> <b>Employee</b> <b><u>Future Benefits</u></b>
Interest on accrued benefit obligation	\$ 548	\$ 535
Amortization of actuarial gain	(1,040)	(1,040)
Current year benefit cost	-	(51)
Employee future benefit expenses *	<u>\$ (492)</u>	<u>\$ (556)</u>

\* Excluding pension contributions to the Hospitals of Ontario Pension Plan, a multi-employer pension plan described in Note 4 (c).

**CAMPBELL CHILDREN'S SCHOOL AUTHORITY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**AS AT AUGUST 31, 2018**

**3. Retirement and Other Employee Future Benefits (Cont'd)**

**(c) 2012 Plan Changes**

In 2012, changes were made to the School Authority's retirement plan and sick leave plan. As a result, employees eligible for retirement gratuity will receive payout upon retirement based on their accumulated vested sick days under the plan, years of service and salary as of August 31, 2012. All accumulated non-vested sick days are eliminated as of September 1, 2012, and were replaced with a short-term leave and disability plan.

**4. Retirement Benefits**

**(a) Ontario Teachers' Pension Plan**

Teachers and related employee groups are eligible to be members of the Ontario Teachers' Pension Plan, a defined benefit 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 Authority's financial statements.

**(b) Retirement Gratuities**

The School Authority provides retirement gratuities to certain groups of employees hired prior to specified dates. The School Authority provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the School Authority's financial statements. In prior years, the amount of gratuities payable to eligible employees at retirement was based on their salary, accumulated sick days and years of service at retirement. As a result of the plan change, the amount of the gratuities payable to eligible employees at retirement is now based on their salary, accumulated sick days and years of service at August 31, 2012. The impact of these changes were recorded as at August 31, 2012 and identified in Note 3 (b). Note 3 (a) has been updated to reflect an August 31, 2018 actuarial report.

**CAMPBELL CHILDREN'S SCHOOL AUTHORITY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**AS AT AUGUST 31, 2018**

**4. Retirement Benefits (Cont'd)**

**(c) Hospitals of Ontario Pension Plan**

All qualifying non-teaching employees of the School Authority are eligible to be members of the Hospitals of Ontario Pension Plan, a defined benefit plan which is a multi-employer average pay contributory plan. Employer contributions made to the plan during the period by the School Authority amounted to \$34,326 (2017: \$22,228). Those amounts have been included in employees benefits expense in the Schedule of Expenditure.

**5. Other Employee Future Benefits**

**a) Workplace Safety and Insurance Board Obligations**

The School Authority is a Schedule 1 employer under the Workplace Safety and Insurance Act and, as such, the School Authority insures all claims by its injured workers under the Act. The School Authority's insurance premiums for the year ended August 31, 2018 were \$6,704 (2017: \$6,408) and are included in the School Authority's current year benefit costs. No liabilities for claims by its injured workers under the Act are included in the School Authority's financial statements.

**b) Employee Future Benefit Plans**

The accrued benefit obligations for employee future benefit plans as at August 31, 2018 are based on actuarial valuations for accounting purposes as at August 31, 2018 – August 31, 2020). These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are the School Authority's best estimates of expected rates of:

	<b>2018</b>
	<b>%</b>
<b>Inflation</b>	<b>1.5</b>
<b>Wage and salary escalation</b>	<b>0.0</b>
<b>Discount on accrued benefit obligations</b>	<b>2.90</b>

**CAMPBELL CHILDREN'S SCHOOL AUTHORITY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**AS AT AUGUST 31, 2018**

**6. Expenditures By Object**

The following is a summary of the current and capital expenditures reported on the statement of financial activities by object:

	<b><u>2018</u></b> <b><u>Budget</u></b>	<b><u>2018</u></b> <b><u>Actual</u></b>	<b><u>2017</u></b> <b><u>Actual</u></b>
<b>Current expenditures</b>			
Salary and wages	\$ 1,215,900	\$ 1,070,101	\$ 1,026,471
Employee benefits	286,400	188,795	197,615
Staff development	10,400	4,425	3,119
Supplies and services	56,000	36,897	48,937
Fees and contract services	356,400	345,335	256,119
Other	90,000	39,136	64,222
Non- operating expenses	<u>2,588</u>	<u>2,313</u>	<u>-</u>
	<u>\$ 2,017,688</u>	<u>\$ 1,687,002</u>	<u>\$ 1,596,483</u>

**7. Ontario School Board Insurance Exchange (OSBIE)**

The school board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act. OSBIE insures general public liability, property damage and certain other risks.