Niagara Training & Employment Agency Inc.

Financial Statements

For the year ended March 31, 2026

Niagara Training & Employment Agency Inc.

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Independent Auditor's Report

To the Board of Trustees of Niagara Training & Employment Agency Inc.:

Opinion

We have audited the financial statements of Niagara Training & Employment Agency Inc. (the "Agency"), which comprise the statement of financial position as at March 31, 2026, and the statements of income and fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2026, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Agency in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statement for the year ended March 31, 2025 were audited by another auditor who expressed an unmodified opinion on those statements on June 24, 2025.

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 accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Agency'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 Agency or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Agency's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency'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 Agency to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

St. Catharines, Ontario

June 30, 2026

Niagara Training & Employment Agency Inc.
Statement of Financial Position
As at March 31, 2026

	Revenue Fund	*Capital Fund*	*2026*	*2025*
Assets				
Current				
Cash *(Note 2)*	**1,142,859**	**1,728,877**	**2,871,736**	2,697,441
Accounts receivable	**24,963**	**22,830**	**47,793**	34,984
HST receivable	**73,794**	**-**	**73,794**	46,656
Inter-fund transfers	**176,709**	**(176,709)**	**-**	-
Prepaid expenses and other	**70,027**	**156**	**70,183**	62,637
Guaranteed investment certificates *(Note 3)*	**-**	**825,625**	**825,625**	-
	1,488,352	**2,400,779**	**3,889,131**	2,841,718
Guaranteed investment certificates *(Note 3)*	**-**	**-**	**-**	795,038
Property and equipment *(Note 4)*	**-**	**1,049,530**	**1,049,530**	1,059,875
	1,488,352	**3,450,309**	**4,938,661**	4,696,631
Liabilities				
Current				
Accounts payable and accrued liabilities *(Note 7)*	**437,470**	**-**	**437,470**	309,257
Government remittances payable	**20,880**	**-**	**20,880**	25,979
Deferred revenue *(Note 5)*	**3,720**	**342**	**4,062**	7,709
	462,070	**342**	**462,412**	342,945
Fund Balances				
Investment in property and equipment *(Note 6)*	**-**	**1,049,188**	**1,049,188**	1,059,533
Unrestricted funds *(Note 6)*	**1,026,282**	**68,299**	**1,094,581**	1,109,913
Reserves	**-**	**2,332,480**	**2,332,480**	2,184,240
	1,026,282	**3,449,967**	**4,476,249**	4,353,686
	1,488,352	**3,450,309**	**4,938,661**	4,696,631

Approved on behalf of the Board

Chief Executive Officer

The accompanying notes are an integral part of these financial statements

Niagara Training & Employment Agency Inc.
Statement of Income and Fund Balances
For the year ended March 31, 2026

	Revenue Fund	*Capital Fund*	*2026*	*2025*
Revenue				
Provincial subsidies	**1,211,907**	**-**	**1,211,907**	1,211,907
Other subsidies	**435,114**	**-**	**435,114**	456,748
Sale of goods and services	**48,031**	**-**	**48,031**	59,238
Donations and amortization of deferred grants	**-**	**24,586**	**24,586**	24,218
Interest and other revenue	**4,215**	**90,147**	**94,362**	116,375
Gain on disposal of vehicles	**-**	**9,929**	**9,929**	143
Rental income and expense recoveries *(Note 7)*	**82,379**	**308,782**	**391,161**	450,722
	1,781,646	**433,444**	**2,215,090**	2,319,351
Expenses				
Salaries *(Note 7)*	**735,710**	**-**	**735,710**	936,140
Benefits	**148,097**	**-**	**148,097**	153,214
Travel	**4,354**	**-**	**4,354**	3,775
Training	**12,703**	**-**	**12,703**	24,505
Purchased services	**275,359**	**4,677**	**280,036**	286,227
Supplies	**27,597**	**-**	**27,597**	27,498
Rentals *(Note 7)*	**19,172**	**-**	**19,172**	22,325
Property taxes	**-**	**59,309**	**59,309**	55,542
Utilities	**45,619**	**26,274**	**71,893**	75,104
Repairs, maintenance and replacements	**375,464**	**132,132**	**507,596**	275,654
Vehicle operations	**44,432**	**-**	**44,432**	36,125
Advertising	**14,600**	**-**	**14,600**	7,690
Insurance	**37,343**	**23,409**	**60,752**	55,786
Other	**38,469**	**583**	**39,052**	40,891
Allocated administrative expenses	**(4,352)**	**4,352**	**-**	-
Amortization	**-**	**67,224**	**67,224**	67,135
	1,774,567	**317,960**	**2,092,527**	2,067,611
Excess of revenue over expenses	**7,079**	**115,484**	**122,563**	251,740
Fund balances, beginning of year	**1,019,203**	**1,150,243**	**2,169,446**	2,189,558
Transfers to reserves *(Note 6)*	**-**	**(148,240)**	**(148,240)**	(271,852)
Fund balances, end of year	**1,026,282**	**1,117,487**	**2,143,769**	2,169,446

The accompanying notes are an integral part of these financial statements

Niagara Training & Employment Agency Inc.
Statement of Cash Flows
For the year ended March 31, 2026

	2026	*2025*
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	**122,563**	251,740
Non-cash items		
Amortization	**67,224**	67,135
Gain on disposal of vehicles	**(9,929)**	(143)
Amortization of deferred grants	**(24,538)**	(24,218)
	155,320	294,514
Changes in working capital accounts		
Accounts receivable	**(12,809)**	(19,350)
HST receivable	**(27,138)**	(16,044)
Prepaid expenses and other	**(7,546)**	5,543
Accounts payable and accrued liabilities	**128,213**	31,815
Government remittance payable	**(5,099)**	10,178
Deferred revenue	**(3,647)**	(2,852)
	227,294	303,804
Investing		
Purchase of property and equipment	**(34,112)**	-
Proceeds on disposal of property and equipment	**11,700**	1,651
Increase in guaranteed investment certificates	**(30,587)**	(30,587)
	(52,999)	(28,936)
Increase in cash	**174,295**	274,868
Cash, beginning of year	**2,697,441**	2,422,573
Cash, end of year	**2,871,736**	2,697,441

The accompanying notes are an integral part of these financial statements

1. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Nature of business

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

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and accordingly use the accrual method of accounting. Under the accrual method of accounting, revenue is recorded when earned, expenses are recorded when incurred.

The Agency uses the deferral method of accounting for contributions and reports on a fund accounting basis. The following funds are maintained:

Revenue fund
Reflecting the activities associated with the Agency's externally funded program operations.

Capital fund
Reflecting the activities associated primarily with the Agency's short and long term capital requirements. Represents funds to be used for the purpose of capital additions, improvements and repairs not funded by grants or subsidies.

Revenue recognition

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

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

For the sale of goods and services, revenue is recognized when the service is performed.

Property and equipment

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

Amortization is not funded by the Ministry of Community and Social Services and the Ministry of Children and Youth Services and accordingly, it is the Agency's policy to charge operations of the capital fund with these amounts.

	Rates
Buildings	5 %
Office furniture and equipment	20 %
Machinery and equipment	20 %
Computer hardware	30 %
Vehicles	30 %
Tractors	30 %
Mowers	30 %
Playground equipment	30 %
Paving	8 %

1. Significant accounting policies *(Continued from previous page)*

Long-lived assets

Long-lived assets consist of property and equipment. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Agency writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Agency's ability to provide goods and services. The asset are also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Agency determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

Financial instruments

The Agency recognizes financial instruments when the Agency becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

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

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

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and government remittances payable.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

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

The Agency subsequently measures the related party financial instruments at amortized cost.

Due to related party is measured at cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenues over expenses.

Financial asset impairment

The Agency assesses impairment of all its financial assets measured at cost or amortized cost. When there are indications of possible impairment, and the Agency determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in excess of revenues over expenses. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenues over expenses.

1. Significant accounting policies *(Continued from previous page)*

Use of estimates

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

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

Significant estimates and assumptions are used when accounting for items such as impairment of long lived assets, determination of useful lives of property and equipment, revenue recognition, contingent liabilities and allowances for accounts receivable.

Customer's accounting for cloud computing arrangement

The Agency has applied the simplification approach to account for expenditures in a cloud computing arrangement. Under the simplification approach, the Agency recognizes expenditures related to the elements in the cloud computing arrangement as an expense as incurred. In the current year, expenses of $3,487 have been recognized in repairs, maintenance and replacements expenses.

2. Cash

The Agency has an authorized overdraft facility of $100,000, with interest charged at bank prime plus .625%. The overdraft facility is secured by guaranteed investment certificates held by the Agency.

3. Guaranteed investment certificates

The Agency holds two guaranteed investment certificates, held at Meridian Credit Union. These guaranteed investment certificates earns interest at a rate of 4.05 % and mature December 2026.

4. Property and equipment

	Cost	***Accumulated amortization***	***2026 Net book value***	*2025 Net book value*
Land	**271,248**	**-**	**271,248**	271,248
Buildings	**3,003,702**	**1,956,681**	**1,047,021**	1,102,719
Office furniture and equipment	**296,158**	**287,992**	**8,166**	10,208
Machinery and equipment	**71,665**	**71,665**	**-**	-
Computer hardware	**56,652**	**56,652**	**-**	-
Vehicles	**297,496**	**260,707**	**36,789**	12,902
Tractors	**98,919**	**98,873**	**46**	67
Mowers	**60,608**	**60,608**	**-**	-
Playground equipment	**89,632**	**89,632**	**-**	-
Paving	**25,550**	**13,969**	**11,581**	12,588
	4,271,630	**2,896,779**	**1,374,851**	1,409,732
Deferred grants and donations	**(1,344,429)**	**(1,019,108)**	**(325,321)**	(349,857)
	2,927,201	**1,877,671**	**1,049,530**	1,059,875

5. Deferred revenue

The deferred revenue relates to funding received during the year for expenditures that span beyond the current fiscal year. The amount of funding received but not yet spent at the end of the fiscal year was deferred and will be recognized when the related expenses have been incurred.

6. Changes in Fund Balances - Capital Fund

	2026	*2025*
Invested in Property and equipment		
Balance, beginning of year	**1,059,533**	1,103,956
Deficiency of revenue over expenses	**(10,345)**	(44,423)
	1,049,188	1,059,533

	2026	*2025*
Unrestricted		
Balance, beginning of year	**90,710**	89,061
Excess of revenue over expenses	**125,829**	273,501
Transfer to reserves	**(148,240)**	(271,852)
	68,299	90,710

During the year, the Agency transferred $148,240 (2025 - $271,852) to their property reserves. These reserves are maintained by the Agency in the event of unexpected costs arising at their facilities.

7. Related not-for-profit organization

Niagara Training & Employment Agency Inc (NTEC) is related to Niagara Support Services (NSS) by virtue of several common board of trustee members and common management. NSS is a non-profit, charitable organization, incorporated without share capital under the Ontario Business Corporation Act. NSS's primary purpose is to provide support services for developmentally disabled persons.

NTEC and NSS share management, other staff and occupancy costs. These costs are allocated to each organization based on use, on normal market terms, and are measured at the exchange amount, which is the amount of consideration established and agreed to between the related parties. As at March 31, 2026, there are amounts due to NSS of $86,920 (2025 - due to NSS $35,476). These amounts are included in accounts payable. The following transactions occurred during the year:

	2026	*2025*
Rental revenue	**257,817**	259,127
Rental expense	**1,560**	1,560
Sales	**4,359**	-
Wages and benefits charged	**69,180**	122,447
Wages and benefits received	**209,952**	215,542

8. Economic dependence

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

9. Financial instruments

The Agency, as part of its operations, carries a number of financial instruments. It is management's opinion that the Agency is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.