

Financial Statements of

**SERVICE DE TRANSPORT DES ÉLÈVES -
WINDSOR-ESSEX STUDENT TRANSPORTATION
SERVICES**

And Independent Auditors' Report thereon

Year ended August 31, 2022



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INDEPENDENT AUDITORS' REPORT

To Board of Directors of Service de transport des élèves - Windsor-Essex Student Transportation Services

Opinion

We have audited the financial statements of the Service de transport des élèves - Windsor-Essex Student Transportation Services, (the Entity), which comprise:

- the statement of financial position as at end of August 31, 2022
- the statement of operations for the year then ended
- the statement of cash flows for the year then ended
- and notes to the 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 financial position of the Entity as at August 31, 2022, its results of operations, and its 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 "*Auditors' Responsibilities for the Audit of the Financial Statements*" section of our auditors' report.

We are independent of the Entity 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.



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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 Entity's internal control.



Page 3

- 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada

December 7, 2022

**SERVICE DE TRANSPORT DES ÉLÈVES -
WINDSOR-ESSEX STUDENT TRANSPORTATION SERVICES**


Statement of Financial Position

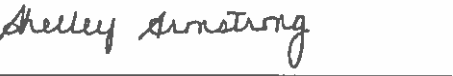
Year ended August 31, 2022, with comparative information for 2021

	2022	2021
Financial assets:		
Cash	\$ 13,400	\$ 835
Accounts receivable	10,359	155,921
Due from related parties (note 3)	820,170	110,033
Total financial assets	\$ 843,929	\$ 266,789
Financial liabilities:		
Due to related parties (note 4)	\$ 744,494	\$ 209,429
Accounts payable and accrued liabilities	99,435	57,360
Total financial liabilities	\$ 843,929	\$ 266,789

See accompanying notes to financial statements.

On behalf of the Board:


General Manager


Treasurer

**SERVICE DE TRANSPORT DES ÉLÈVES -
WINDSOR-ESSEX STUDENT TRANSPORTATION SERVICES**

Statement of Operations

Year ended August 31, 2022, with comparative information for 2021

	Budget (Unaudited)	2022	2021
Revenues:			
Conseil scolaire catholique Providence	\$ 3,883,613	\$ 4,152,344	\$ 3,746,655
Conseil scolaire Viamonde	570,732	578,214	396,551
Greater Essex County District School Board	14,549,340	16,424,104	14,096,098
John McGivney Children's Centre	6,000	6,000	8,000
Windsor Essex Catholic District School Board	9,994,462	9,684,785	8,250,611
In-kind revenue - Ministry of Government and Consumer Services (note 6)	-	69,222	94,951
Total revenues	29,004,147	30,914,669	26,592,866
Expenses:			
Transportation services	26,866,313	28,696,554	23,452,511
Administrative			
Advertising and promotion	10,000	9,129	6,818
Banker board fee	25,000	25,000	25,000
COVID-19 (notes 6 and 7)	988,034	994,440	2,002,592
Insurance	21,000	20,962	19,028
Legal fees	5,000	-	-
Memberships	2,000	235	235
Office supplies and equipment	20,000	15,640	17,337
Program supplies	18,000	12,270	4,702
Purchased services	50,000	77,040	71,450
Rent	59,800	59,687	58,231
Safety training for Students	-	47,324	-
Salaries and benefits	782,000	798,920	795,347
Software fees and licenses	137,000	146,561	129,120
Telephone	9,000	8,058	8,114
Training	7,500	1,618	2,019
Travel and meetings	3,500	1,231	362
Total expenses	29,004,147	30,914,669	26,592,866
Annual surplus	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

**SERVICE DE TRANSPORT DES ÉLÈVES -
WINDSOR-ESSEX STUDENT TRANSPORTATION SERVICES**

Statement of Cash Flows

Year ended August 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Change in non-cash assets and liabilities:		
Decrease (increase) in accounts receivable	\$ 145,562	\$ (155,921)
(Increase) decrease in due from related parties	(710,137)	578,164
Increase (decrease) in accounts payable and accrued liabilities	42,075	(7,259)
Net change in cash from operating activities	(522,500)	414,984
Financing activities:		
Increase (decrease) in due to related parties	535,065	(438,510)
Net change in cash	12,565	(23,526)
Cash, beginning of year	835	24,361
Cash, end of year	\$ 13,400	\$ 835

See accompanying notes to financial statements.

SERVICE DE TRANSPORT DES ÉLÈVES - WINDSOR-ESSEX STUDENT TRANSPORTATION SERVICES

Notes to Financial Statements

Year ended August 31, 2022

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and reflect the following policies:

Reporting entity

The Service de transport des élèves – Windsor-Essex Student Transportation Services (the "Consortium") is an incorporated Not for Profit organization established in 2013 to provide transportation services within the combined jurisdictions of the current member school boards.

The current member school boards are Conseil scolaire catholique Providence, Conseil scolaire Viamonde, Greater Essex County District School Board and Windsor-Essex Catholic District School Board. Under the formal agreement, decisions related to the financial and operating activities are shared. No Board is in a position to exercise unilateral control.

Basis of accounting

Revenues and expenses are reported on an accrual basis of accounting. The accrual basis of accounting recognizes revenues when transportation services have been provided in accordance with the cost sharing agreement and when collection is reasonably assured; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and/or the creation of a legal obligation to pay.

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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from these estimates.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Tangible capital assets

Capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives. During the current and previous years, purchases of furniture and equipment are considered immaterial and have not been capitalized.

SERVICE DE TRANSPORT DES ÉLÈVES - WINDSOR-ESSEX STUDENT TRANSPORTATION SERVICES

Notes to Financial Statements (continued)

Year ended August 31, 2022

2. Economic dependence:

The Consortium's operations consist exclusively of supplying services to the current member boards in their combined jurisdictions.

3. Due from related parties:

The amounts are due from members of the Consortium. They are non-interest bearing and will be repaid within the year.

	2022	2021
Conseil scolaire catholique Providence	\$ 203,899	\$ 28,403
Conseil scolaire Viamonde	38,166	2,271
Greater Essex County District School	104,922	1,641
Windsor Essex Catholic District School Board	473,183	77,718
	\$ 820,170	\$ 110,033

4. Due to related parties:

The amounts are due to members of the Consortium. They are non-interest bearing and will be repaid within the year.

	2022	2021
Greater Essex County District School Board	\$ 744,494	\$ 209,429

5. Contingent liabilities:

In the normal course of operations, the Consortium becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at August 31, 2022 cannot be predicted with certainty, it is the opinion of the Consortium that their resolution will not have a material adverse effect on the Consortium's financial position or results of operations.

SERVICE DE TRANSPORT DES ÉLÈVES - WINDSOR-ESSEX STUDENT TRANSPORTATION SERVICES

Notes to Financial Statements (continued)

Year ended August 31, 2022

6. In-kind transfers from the Ministry of Government and Consumer Services (MGCS):

The amounts recorded in the Statement of Operations were calculated based on the weighted average cost of the personal protective equipment and critical supplies and equipment, as determined by the MGCS, and quantities received based on the Consortium's records. Revenues and expenses recorded in the Statement of Operations for these transfers totals \$69,222 (2021 - \$94,951).

7. Global Pandemic (COVID-19):

In the 2021-2022 school year, the Ministry of Education continued to provide funding for student transportation, with the exception of the daily fuel adjustment for the two-week period following the December Holidays when schools were closed. Further, in recognition that school boards are facing unique student transportation challenges, the Ministry of Education provided funding to support physical distancing, personal protective equipment, school bus driver recruitment and retention, additional staffing costs and enhanced cleaning. Total incremental COVID-19 related costs of \$994,440 (2021 - \$2,002,592) are recorded in the Statement of Operations and were charged to member school boards based on their proportion of ridership.