

Financial Statements of

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

And Independent Auditors' Report thereon

Year ended August 31, 2024



KPMG LLP

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INDEPENDENT AUDITOR'S 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, 2024
- 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, 2024, 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 “***Auditor’s Responsibilities for the Audit of the Financial Statements***” section of our auditor’s 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.

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 Entity'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 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 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 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. A horizontal line is drawn underneath the signature, extending from the left side of the 'K' towards the right.

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada

November 26, 2024

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

Statement of Financial Position

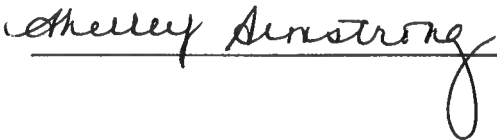
Year ended August 31, 2024, with comparative information for 2023

	2024	2023
Financial assets:		
Cash	\$ 400	\$ 58,437
Accounts receivable	-	838
Due from related parties (note 4)	785,268	490,247
Total financial assets	\$ 785,668	\$ 549,522
Financial liabilities:		
Due to related parties (note 5)	\$ 685,535	\$ 462,208
Accounts payable and accrued liabilities	103,038	87,314
Total financial liabilities	\$ 788,573	\$ 549,522
Net debt	(2,905)	-
Non-financial assets:		
Prepaid expenses	2,905	-
Total non-financial assets	\$ 2,905	\$ -
Accumulated surplus	\$ -	\$ -

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, 2024, with comparative information for 2023

	Budget (Unaudited)	2024	2023
Revenues:			
Conseil scolaire catholique Providence	\$ 4,289,688	\$ 4,311,682	\$ 4,256,695
Conseil scolaire Viamonde	748,389	777,534	716,035
Greater Essex County District School Board	18,800,401	19,195,749	17,723,631
John McGivney Children's Centre	7,000	7,000	6,000
Windsor Essex Catholic District School Board	11,732,521	11,397,503	10,354,572
Total revenues	35,577,999	35,689,468	33,056,933
Expenses:			
Transportation services	34,263,047	34,126,613	31,779,297
Administrative			
Advertising and promotion	10,000	7,856	6,112
Banker board fee	25,000	25,000	25,000
Insurance	30,200	30,108	30,378
Legal fees	10,000	36,191	4,022
Memberships	500	235	235
Office supplies and equipment	16,000	13,468	12,064
Program supplies	25,000	25,047	32,502
Purchased services	76,000	102,739	66,548
Rent	63,000	62,708	61,179
Safety training for Students	46,110	47,769	45,617
Salaries and benefits	884,842	1,087,207	880,368
Software fees and licenses	101,000	105,336	89,693
Telephone	10,000	8,682	15,465
Training	11,300	4,280	3,723
Travel and meetings	6,000	6,229	4,730
Total expenses	35,577,999	35,689,468	33,056,933
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, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Change in non-cash assets and liabilities:		
Decrease in accounts receivable	\$ 838	\$ 9,521
(Increase) decrease in due from related parties	(295,021)	329,923
(Increase) in prepaid expenses	(2,905)	-
Increase (decrease) in accounts payable and accrued liabilities	15,724	(12,121)
Net change in cash from operating activities	(281,364)	327,323
Financing activities:		
Increase (decrease) in due to related parties	223,327	(282,286)
Net change in cash	(58,037)	45,037
Cash, beginning of year	58,437	13,400
Cash, end of year	\$ 400	\$ 58,437

See accompanying notes to financial statements.

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

Notes to Financial Statements

Year ended August 31, 2024

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, 2024

2. Change in Accounting Policy – Adoption of New Accounting Standards

The Consortium adopted the following accounting standards for the year ended August 31, 2024, with no impact on the financial statements.

1. PS 3400 *Revenue* establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e. the payor expects a good or service from the public sector entity), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions. For exchange transactions, revenue is recognized when a performance obligation is satisfied. For non-exchange transactions, revenue is recognized when there is authority to retain an inflow of economic resources and a past event that gave rise to an asset has occurred.
2. PSG-8 *Purchased* provides guidance on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act.
3. PS 3160 *Public Private Partnerships (P3s)* provides specific guidance on the accounting and reporting for P3s between public and private sector entities where the public sector entity procures infrastructure using a private sector partner.

3. Economic dependence

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

4. 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.

	2024	2023
Conseil scolaire catholique Providence	\$ 18,879	\$ 54,536
Conseil scolaire Viamonde	39,970	9,688
Greater Essex County District School	80,598	278,000
Windsor Essex Catholic District School Board	645,821	148,023
	\$ 785,268	\$ 490,247

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

Notes to Financial Statements (continued)

Year ended August 31, 2024

5. 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.

	2024	2023
Greater Essex County District School Board	\$ 685,535	\$ 462,208

6. 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, 2024 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.

7. Monetary resolution to Bill 124, the Protecting a Sustainable Public Sector for Future Generations Act:

A monetary resolution to Bill 124 was reached between the Crown and Unifor. This agreement provides a 0.75% increase for salaries and wages on September 1, 2019, a 0.75% increase for salaries and wages on September 1, 2020, and a 2.75% increase in salaries and wages on September 1, 2021, in addition to the original 1% increase applied on September 1 in each year during the 2019-22 collective agreements. The same increases also apply to non-unionized employee groups.

The crown has funded the monetary resolution for these employee groups to the applicable school boards through the appropriate changes to the Grants for Student Needs benchmarks.

Due to this resolution, there is an impact on salary and wages expenses of \$94,181 in the 2023-2024 fiscal year. The portion related to 2019-20 to 2022-23 is \$69,046, with the remainder of \$25,135 related to 2023-24.