

**Nipissing-Parry Sound Student
Transportation Services/
Services de transport scolaire
Nipissing-Parry Sound**

**Independent Auditor's Report and
Financial Statements**

August 31, 2023


Management's Responsibility for the Financial Statements

The accompanying financial statements of the Nipissing-Parry Sound Student Transportation Services/Services de transport scolaire Nipissing-Parry Sound (the "Consortium") are the responsibility of the Consortium's management and have been prepared in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, as described in Note 2 to the financial statements.

The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Consortium's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management. The Board meets with management and the external auditor 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 Baker Tilly SNT LLP, independent external auditor appointed by the Consortium. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Consortium's financial statements.



Executive Director

October 24, 2023

Baker Tilly SNT LLP / s.r.l.

1850 Bond, Unit / Unité A

North Bay, ON, Canada P1B 4V6

T: +1 705.494.9336

F: +1 705.494.8783

www.bakertilly.ca

Independent Auditor's Report

**To the Members of
Nipissing-Parry Sound Student Transportation
Services/Services de transport scolaire
Nipissing-Parry Sound**

Opinion

We have audited the financial statements of Nipissing-Parry Sound Student Transportation Services/Services de transport scolaire Nipissing-Parry Sound, which comprise the statement of financial position as at August 31, 2023, and the statements of operations, changes in net debt 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 Nipissing-Parry Sound Student Transportation Services/Services de transport scolaire Nipissing-Parry Sound as at August 31, 2023, and 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 report. We are independent of the Consortium 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.

ACCOUNTING • TAX • ADVISORY

Baker Tilly SNT LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.

COMPTABILITÉ • FISCALITÉ • SERVICES-CONSEILS

Baker Tilly SNT s.r.l. est membre de la Coopérative Baker Tilly Canada, qui fait partie du réseau mondial Baker Tilly International Limited. Les membres de la Coopérative Baker Tilly Canada et de Baker Tilly International Limited sont tous des entités juridiques distinctes et indépendantes.

Independent Auditor's Report (continued)

Responsibilities of Management and Those Charged with Governance 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.

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

Those charged with governance are responsible for overseeing the Consortium'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 Consortium's internal control.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 Consortium'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 Consortium 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.

North Bay, Ontario
October 24, 2023

Baker Tilly SNT LLP

CHARTERED PROFESSIONAL ACCOUNTANTS,
LICENSED PUBLIC ACCOUNTANTS

**Nipissing-Parry Sound Student Transportation Services/
Services de transport scolaire Nipissing-Parry Sound**

**Financial Statements
August 31, 2023**

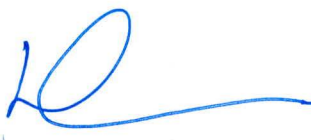
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**Nipissing-Parry Sound Student Transportation Services/
Services de transport scolaire Nipissing-Parry Sound**
Statement of Financial Position
August 31, 2023

	<u>2023</u>	<u>2022</u>
Financial Assets		
Cash	\$ 144,082	\$ 39,003
Accounts receivable	141,319	217,936
Due from member boards (note 5)	<u>51,601</u>	<u>1,051</u>
	<u>337,002</u>	<u>257,990</u>
Liabilities		
Accounts payable and accrued liabilities	58,343	146,345
Due to member boards (note 5)	286,995	115,281
Deferred capital contributions (note 6)	71,733	54,539
Deferred revenue (note 7)	<u>10,000</u>	<u>10,000</u>
	<u>427,071</u>	<u>326,165</u>
Net Debt	<u>(90,069)</u>	<u>(68,175)</u>
Non-Financial Assets		
Prepaid expenses	18,336	13,636
Tangible capital assets (note 8)	<u>71,733</u>	<u>54,539</u>
	<u>90,069</u>	<u>68,175</u>
Accumulated Surplus	<u>\$ -</u>	<u>\$ -</u>
Commitments (note 9)		

Approved by the Board:

 Director

 Director

The accompanying notes are an integral part of these financial statements.

**Nipissing-Parry Sound Student Transportation Services/
Services de transport scolaire Nipissing-Parry Sound**
Statement of Operations
For The Year Ended August 31, 2023

	2023 Budget <small>(Unaudited)</small>	2023 Actual	2022 Actual
Revenues			
Member boards	\$ 22,875,741	\$ 24,382,224	\$ 23,455,742
External organizations	405,592	406,302	337,857
Amortization of deferred capital contributions	-	21,310	17,543
Total Revenues	<u>23,281,333</u>	<u>24,809,836</u>	<u>23,811,142</u>
Expenses			
General Administration			
Advertising	1,500	1,712	7,187
Amortization	21,310	21,310	17,543
Building accommodation	77,000	71,490	62,808
Contractual services	42,000	41,377	32,677
Insurance	9,550	10,297	7,262
Office supplies	95,600	38,527	25,474
Professional development	17,600	14,495	21,325
Salaries and benefits	986,599	872,275	780,702
Telecommunications and network services	84,000	71,665	72,244
Travel	4,300	3,010	1,345
	<u>1,339,459</u>	<u>1,146,158</u>	<u>1,028,567</u>
Transportation			
Home to school	21,432,242	23,122,957	22,356,590
School to school	104,040	134,419	95,229
External organizations	405,592	406,302	330,756
	<u>21,941,874</u>	<u>23,663,678</u>	<u>22,782,575</u>
Total Expenses	<u>23,281,333</u>	<u>24,809,836</u>	<u>23,811,142</u>
Excess of Revenues over Expenses	-	-	-
Accumulated Surplus, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Accumulated Surplus, End Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

**Nipissing-Parry Sound Student Transportation Services/
Services de transport scolaire Nipissing-Parry Sound**
Statement of Changes in Net Debt
For The Year Ended August 31, 2023

	<u>2023</u> Budget (Unaudited)	<u>2023</u> Actual	<u>2022</u> Actual
Excess of Revenues over Expenses	\$ -	\$ -	\$ -
Amortization of tangible capital assets	-	21,310	17,543
Acquisition of tangible capital assets	-	(38,504)	(26,037)
Change in prepaid expenses	<u>-</u>	<u>(4,700)</u>	<u>2,991</u>
Increase in Net Debt	-	(21,894)	(5,503)
Net Debt, Beginning of Year	<u>(68,175)</u>	<u>(68,175)</u>	<u>(62,672)</u>
Net Debt, End of Year	<u><u>\$ (68,175)</u></u>	<u><u>\$ (90,069)</u></u>	<u><u>\$ (68,175)</u></u>

The accompanying notes are an integral part of these financial statements.

**Nipissing-Parry Sound Student Transportation Services/
Services de transport scolaire Nipissing-Parry Sound**
Statement of Cash Flows
For The Year Ended August 31, 2023

	<u>2023</u>	<u>2022</u>
Operating transactions		
Excess of Revenues over Expenses	\$ -	\$ -
Cash provided by (used for)		
Non-cash items including amortization, write-downs and gain/loss on disposals		
Amortization of tangible capital assets	21,310	17,543
Amortization of deferred capital contributions	(21,310)	(17,543)
Decrease (increase) in prepaid expenses	(4,700)	2,991
Decrease (increase) in accounts receivable	76,617	(101,013)
Decrease (increase) in due from member boards	(50,550)	997
Increase (decrease) in accounts payable and accrued liabilities	(88,002)	71,086
Increase (decrease) in due to member boards	<u>171,714</u>	<u>(490,050)</u>
Cash provided by (used for) operating transactions	<u>105,079</u>	<u>(515,989)</u>
Capital transactions		
Acquisition of tangible capital assets	<u>(38,504)</u>	<u>(26,037)</u>
Financing transactions		
Deferred capital contributions received	<u>38,504</u>	<u>26,037</u>
Increase (decrease) in cash	105,079	(515,989)
Cash at the beginning of year	<u>39,003</u>	<u>554,992</u>
Cash at the end of year	<u><u>\$ 144,082</u></u>	<u><u>\$ 39,003</u></u>

The accompanying notes are an integral part of these financial statements.

Nipissing-Parry Sound Student Transportation Services/ Services de transport scolaire Nipissing-Parry Sound

**Notes to the Financial Statements
August 31, 2023**

1. Status and Nature of Activities

Nipissing-Parry Sound Student Transportation Services/Services de transport scolaire Nipissing-Parry Sound (the "Consortium") is a transportation consortium incorporated under the laws of the Province of Ontario as a not-for-profit organization without share capital to provide various administrative and consultative services to the member school boards, and it is exempt from income taxes under section 149 of the Income Tax Act.

2. Significant Accounting Policies

The financial statements are prepared by management in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. The financial statements are the representation of management.

Basis of Accounting

Revenues and expenses 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 acquired in the period whether or not payment has been made or invoices received.

Revenue Recognition

Recovery of expenses from member school boards is recognized as revenue in the year in which the related expenses are incurred. The revenues from external organizations are recognized when the services are rendered.

Government Transfers

Government transfers, which includes revenue from member school boards, are recognized in the financial statements as revenues 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 amounts can be made.

Nipissing-Parry Sound Student Transportation Services/ Services de transport scolaire Nipissing-Parry Sound

**Notes to the Financial Statements
August 31, 2023**

2. Significant Accounting Policies (Continued)

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 expenses are incurred or services performed.

Deferred Capital Contributions

Government transfers for tangible capital assets that meet the definition of a liability are referred to as deferred capital contributions. Amounts are recognized into revenue as the liability is extinguished over the useful life of the asset.

Employee Future Benefits

The Consortium makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS) which is a multi-employer contributory defined benefit program with contributions expensed as incurred. The costs of other retirement benefits are determined using the projected benefit method prorated on services and management's best estimate of retirement ages of employees.

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. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net debt for the year.

Use of Estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions. These estimates and assumptions are based on management's best information and judgement and may differ significantly from actual results.

Nipissing-Parry Sound Student Transportation Services/ Services de transport scolaire Nipissing-Parry Sound

**Notes to the Financial Statements
August 31, 2023**

2. Significant Accounting Policies (Continued)

Tangible Capital Assets

Tangible capital assets are recorded at historical cost less accumulated amortization.

Tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Estimated Useful Life in Years
Computer hardware and software	5
Office equipment	5 and 10
Telephone equipment	5

In the year of acquisition and disposition, amortization is calculated using one-half of the above stated rate.

Financial Instruments

Financial instruments are classified at either fair value or amortized cost.

Financial instruments classified at amortized cost include cash, accounts receivable, due from member boards, accounts payable and accrued liabilities and due to member boards. They are initially recorded at their fair value and subsequently carried at amortized cost using the effective interest rate method, less impairment. Transaction costs are added to the carrying value of the instrument.

Nipissing-Parry Sound Student Transportation Services/ Services de transport scolaire Nipissing-Parry Sound

**Notes to the Financial Statements
August 31, 2023**

3. Measurement Uncertainty

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Consortium's best information and judgement.

- The amounts recorded for employee future benefits are based on estimates of future costs.
- The amounts recorded for amortization and opening cost of tangible capital assets are based on estimates of useful life, residual value and valuation rates.

By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could result in differences.

4. Credit Facilities

The Consortium has authorized credit facilities totalling \$80,000, which is guaranteed by the Nipissing Parry-Sound Catholic District School Board. As at August 31, 2023, the Consortium has utilized \$0 (2022 - \$0). The interest is calculated at the bank's prime lending rate plus 1.5%.

5. Related Parties

The Consortium's affairs are managed by a board which is comprised of four elected directors who each hold a senior management position with one of the four member school boards (the Members). The Consortium's members are comprised of:

- Conseil scolaire catholique Franco-Nord,
- Conseil scolaire public du Nord-Est de l'Ontario,
- Near North District School Board, and
- Nipissing-Parry Sound Catholic District School Board

The Members facilitate the activities of the transportation consortium by cooperating and sharing resources and information.

The expenses of the Consortium are apportioned to each member Board based on that Board's student ridership. The Members are the sole users of the Consortium's financial statements. Therefore, providing the amount of transactions classified by financial statement category would not enhance the information presented therein.

Nipissing-Parry Sound Student Transportation Services/ Services de transport scolaire Nipissing-Parry Sound

Notes to the Financial Statements
August 31, 2023

5. Related Parties (Continued)

The Consortium held related party balances as at August 31 as follows:

	2023	2022
Due from member boards:		
Conseil scolaire catholique Franco-Nord	\$ 24,447	\$ -
Nipissing-Parry Sound Catholic District School Board	27,154	-
Near North District School Board	-	1,051
	\$ 51,601	\$ 1,051
Due to member boards:		
Conseil scolaire catholique Franco-Nord	\$ -	\$ 54,474
Conseil scolaire public du Nord-Est de l'Ontario	21,692	38,661
Near North District School Board	265,303	-
Nipissing-Parry Sound Catholic District School Board	-	22,146
	\$ 286,995	\$ 115,281

6. Deferred Capital Contributions

Deferred capital contributions include contributions received that are used for the acquisition of tangible capital assets. Amounts are recognized into revenue as the liability is extinguished over the useful life of the asset.

	2023	2022
Balance, beginning of year	\$ 54,539	\$ 46,045
Additions to deferred capital contributions	38,504	26,037
Revenue recognized in the period	(21,310)	(17,543)
Balance, end of year	\$ 71,733	\$ 54,539

7. Deferred Revenue

On July 5, 2013, the Consortium received \$10,000 from the Ontario Association of School Business Officials (OASBO) to assist in establishing a position of fairness commissioner. As at August 31, 2023, the Consortium has not yet finalized this process.

**Nipissing-Parry Sound Student Transportation Services/
Services de transport scolaire Nipissing-Parry Sound**

Notes to the Financial Statements
August 31, 2023

8. Tangible Capital Assets

	<u>Cost</u>			<u>Accumulated Amortization</u>			<u>Balance at August 31, 2023</u>	<u>Net Book Value August 31, 2023</u>	<u>Net Book Value August 31, 2022</u>	
	<u>Balance at August 31, 2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at August 31, 2023</u>	<u>Balance at August 31, 2022</u>	<u>Amortization</u>				<u>Disposals</u>
Computer hardware	\$ 84,353	\$ 38,504	\$ (23,822)	\$ 99,035	\$ 48,455	\$ 15,956	\$ (23,822)	\$ 40,589	\$ 58,446	\$ 35,898
Computer software	39,010	-	-	39,010	27,102	2,187	-	29,289	9,721	11,908
Office equipment	47,198	-	(30,000)	17,198	42,576	1,321	(30,000)	13,897	3,301	4,622
Telephone equipment	31,610	-	(26,304)	5,306	29,499	1,846	(26,304)	5,041	265	2,111
Total	\$ 202,171	\$ 38,504	\$ (80,126)	\$ 160,549	\$ 147,632	\$ 21,310	\$ (80,126)	\$ 88,816	\$ 71,733	\$ 54,539

Nipissing-Parry Sound Student Transportation Services/ Services de transport scolaire Nipissing-Parry Sound

Notes to the Financial Statements
August 31, 2023

9. Commitments

The Consortium has operating leases for premises expiring August 2028. The minimum lease payments are as follows:

2024	\$	63,160
2025		64,445
2026		65,733
2027		67,054
2028		<u>62,602</u>
Total	\$	<u>322,994</u>

10. Pension Agreements

The Consortium makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of all permanent, full-time and qualifying part-time members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The OMERS Administration Corporation Board of Directors, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. OMERS provides pension services to more than 559,000 active and retired members and approximately 1,000 employers.

Each year an independent actuary determines the funding status of OMERS Primary Pension Plan ('the Plan') by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. On December 31, 2022, the estimated accrued pension obligation for all members of the Plan was \$128,789 million (2021 - \$119,342 million). The Plan had an actuarial value of net assets at that date of \$122,111 million (2021 - \$116,211 million) indicating an actuarial deficit of \$6,678 million (2021 - \$3,131 million). The Plan is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Consortium does not recognize any share of OMERS pension surplus or deficit.

The amount contributed to OMERS for the year was \$59,740 (2022 - \$58,585) for current services and is included as an expense on the Statement of Operations.

On January 1, 2023, the yearly maximum pensionable earnings increased to \$66,600 from \$64,900 in 2022. The contributions are calculated at a rate of 9.0% (2022 - 9.0%) for the amount up to the yearly maximum pensionable earnings stated above and at a rate of 14.6% (2022 - 14.6%) for the amount above the yearly maximum pensionable earnings.

Nipissing-Parry Sound Student Transportation Services/ Services de transport scolaire Nipissing-Parry Sound

**Notes to the Financial Statements
August 31, 2023**

11. Financial Instruments and Risk Management

The Consortium is exposed to some financial risks, including credit risk, liquidity risk and market risk.

There have been no changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Credit risk

Credit risk is the risk of losses resulting from a counterparty's failure to honour its contractual obligations. The Consortium is exposed to credit risk to the extent that receivables are not collected in a timely manner. The Consortium's financial assets consisting of cash, accounts receivable and due from member boards are subject to credit risk. The carrying amounts of financial assets on the statement of financial position represent the maximum credit risk of the Consortium at the date of the statement of financial position.

Liquidity risk

Liquidity risk is the risk that the Consortium will not be able to meet its financial obligations as they become due. The Consortium's financial liabilities include accounts payable and accrued liabilities and due to member boards. The Consortium maintains sufficient resources to meet its obligations. The Consortium does not believe it is subject to significant liquidity risk.

Market risk

Market risk is the risk of changes in the fair value of financial instruments resulting from fluctuations in the market. The Board is exposed to currency risk, interest risk and price risk to the extent that the fair value of a financial instrument will fluctuate as a result of market factors. The Consortium's financial instruments consisting of cash, accounts receivable and due from member boards, accounts payable and accrued liabilities and due to member boards are subject to market risk. The Consortium does not believe it is subject to significant market risk.

12. Budget Figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the board. The budget figures are unaudited.