



Financial Statements

Joint Regional Transportation Agency

March 31, 2023

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Management's Responsibility for the Financial Statements

To the Board of Directors of the
Joint Regional Transportation Agency

The financial statements of the Joint Regional Transportation Agency are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of significant accounting policies is provided in Note 2. The preparation of the 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.

Management maintains a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are 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 the financial statements.

The external auditors, Grant Thornton LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of the Joint Regional Transportation Agency and meet when required. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of the Joint Regional Transportation Agency

DocuSigned by:
Mark A. Peck
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Mark Peck
Chief Executive Officer
June 27, 2023

DocuSigned by:
Mike Maxwell
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Mike Maxwell
Director, Financial Advisory Services
June 27, 2023

Independent auditor's report

To the Board of Directors of the Joint Regional Transportation Agency

Opinion

We have audited the financial statements of the Joint Regional Transportation Agency (the "Agency"), which comprise the statement of financial position as at March 31, 2023, and the statement 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 the Joint Regional Transportation Agency as at March 31, 2023, and the results of its 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 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.

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 Agency's ability to continue as a going concern, disclosing, as applicable, matters related to a 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 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 Tourism'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.

Grant Thornton LLP

Halifax, Canada
June 27, 2023

Chartered Professional Accountants

Joint Regional Transportation Agency

Statement of Operations

From date of
Incorporation
November 5,
2021, through

Year ended March 31	Budget	2023	March, 31 2022
Revenues	\$ 2,000,000	\$ 1,603,392	\$ -
Expenses			
Grants	-	-	-
Operating expenses	1,460,000	531,972	-
Professional services	-	602,571	-
Salaries & benefits	<u>540,000</u>	<u>468,849</u>	-
	<u>2,000,000</u>	<u>1,603,392</u>	-
Annual surplus		\$ <u>-</u>	\$ <u>-</u>

Joint Regional Transportation Agency

Statement of Financial Position

March 31

2023

2022

Assets

Accounts Receivable (Note 3)	\$ 53,307	\$ -
Due from Province of Nova Scotia	<u>186,147</u>	<u>-</u>
	<u>\$ 239,454</u>	<u>\$ -</u>

Liabilities

Accounts payables and accrued liabilities (Note 4)	\$ 239,454	\$ -
	<u>239,454</u>	<u>-</u>
Total liabilities	<u>239,454</u>	<u>-</u>
Net debt	<u>-</u>	<u>-</u>
Non-financial assets	<u>-</u>	<u>-</u>
Accumulated surplus (deficit)	<u>\$ -</u>	<u>\$ -</u>

On behalf of the Board

DocuSigned by:

Mike Maxwell

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DocuSigned by:

Mark A. Deek

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Joint Regional Transportation Agency Statement of Changes in Net Financial Assets

Year ended March 31	2023	From date of Incorporation November 5, 2021, through March, 31 2022
Net surplus	\$ -	\$ -
Net financial assets, beginning of year	<u>-</u>	<u>-</u>
Net financial assets, end of year	<u>\$ -</u>	<u>\$ -</u>

Joint Regional Transportation Agency

Notes to the Financial Statements

March 31, 2023

1. Nature of operations

The mandate of the Joint Regional Transportation Agency (JRTA or the Agency) is to conduct a comprehensive review of all modes of transportation associated with Halifax and the surrounding region including roads, bridges, highways, ferries, transit, rail, airports, and ports for the purpose of creating a Regional Transportation Plan to ensure a regional approach to transportation consistent with the growth and development of Halifax and the surrounding region; and the safe, efficient, and coordinated movement of people and goods.

The JRTA is an agency of the Province of Nova Scotia established under the authority of the Joint Regional Transportation Agency Act. The Agency is exempt from income tax under section 149 of the Income Tax Act.

2. Significant accounting policies

Basis of accounting

These financial statements are prepared by management in accordance with Public Sector Accounting Standards established by the Canadian Public Sector Accounting Board, which sets out generally accepted accounting standards and principles for government organizations.

Presentation of budgeted figures

Each year, JRTA prepares an annual budget, referred to as the estimate, which represents the financial plan for the fiscal period commencing April 1. The budgeted figures presented are consistent with Public Sector Accounting Standards. The fiscal 2022-23 budget was passed in the Nova Scotia House of Assembly on April 22, 2022.

Revenue recognition

Provincial operating grant revenues are accounted for as government transfers. Government transfers are recognized as revenue when the transfer is authorized and all eligibility criteria are met, except when and to the extent that the transfer stipulations give rise to an obligation that meets the definition of a liability.

Transfers meeting the definition of a liability are recorded as deferred revenue and are recognized as revenue when the funds are used as intended.

Government transfers

Government transfers are transfers of monetary assets or tangible capital assets from a government entity for which the transferring government does not receive any goods or services in return, expect to be repaid in the future, or expect a direct financial return.

Government transfers where JRTA is the transferring entity are recognized as an expense in the period the transfer is authorized and all eligibility criteria have been met by the recipient.

Government transfers where JRTA is the recipient entity, a transfer without eligibility criteria or stipulations is recognized as revenue when the transfer is authorized. A transfer with eligibility criteria but without stipulations is recognized as revenue when the transfer is authorized and all eligibility criteria have been met.

Remeasurement Gains and Losses

As JRTA has no assets subject to remeasurement, no statement of remeasurement gains and losses is presented.

Joint Regional Transportation Agency

Notes to the Financial Statements

March 31, 2023

2. Significant accounting policies (continued)

Measurement Uncertainty

The preparation of the financial statements in accordance with Public Sector Accounting Standards requires management to make estimates and assumptions that may affect the assets, liabilities, revenues, and expenses as of the financial statement date. Actual results could differ from those reported.

Financial Instruments

Initial Measurement

Financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred. Financial instruments consist of receivables and payables.

Subsequent measurement

At each reporting date, the Agency measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for investments, which must be measured at fair value. The Agency uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of revenues and expenses. The financial instruments measured at amortized cost are bank indebtedness, receivables, payables and accruals and loan payable.

For financial assets measured at cost or amortized cost, the Agency regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Agency determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in the operations in the year the reversal occurs.

Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest or credit risks arising from financial instruments.

3. Accounts receivable	<u>2023</u>	<u>2022</u>
HST receivable	\$ 33,757	\$ -
Accrued receivables	<u>19,550</u>	<u>-</u>
	<u>\$ 53,307</u>	<u>\$ -</u>

4. Payables	<u>2023</u>	<u>2022</u>
Accounts payable balance comprised of:		
Accounts payable	\$ 146,287	\$ -
Accrued liabilities	<u>93,167</u>	<u>-</u>
	<u>\$ 239,454</u>	<u>\$ -</u>

Joint Regional Transportation Agency

Notes to the Financial Statements

March 31, 2023

5. Related part transactions

Included in the financial statements are transactions with the Province of Nova Scotia. All transactions with related parties are in the normal course of operations and are transacted at the exchange amount agreed to by related parties. These transactions include the following:

Included in Financial Assets are amounts of \$186,147 due from the Province of Nova Scotia (2022 - \$nil).

Revenues received from the Province of Nova Scotia include operating grants of \$1,586,392 (2022 - \$nil).

6. Pension and post retirement benefits

JRTA employees participate in the Public Service Superannuation Fund (the "Plan"), a contributory defined benefit pension plan administered by the Public Service Superannuation Plan Trustee Inc., which provides pension benefits based on length of service and earnings. Contributions to the Plan are required by both the employees and the employer. Total contributions for 2023 were \$31,527 (2022 - \$nil) and are recognized as an expense during the year. The Agency is not responsible for any underfunded liability, nor does the Corporation have access to any surplus that may arise in the Plan.

7. Commitments

JRTA has committed to a 5 year lease for office space. Minimum lease payments for future periods are below:

2023-24	\$ 125,337
2024-25	125,337
2025-26	125,337
2026-27	125,337
2027-28	20,889

8. Public compensation disclosure

For the year ended March 31, 2023, the following board members, officers, and employees received compensation of \$100,000 or more:

Deveau, Guy	\$ 103,739
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