

Spruce Grove Specialized Transit Service

c/o 315 Jespersen Avenue, Spruce Grove, Alberta T7X 3E8 Phone 962-2456

June 04, 2014

Manager of Community and Protective Services
Parkland County, 53109 Hwy 779
Parkland County, AB
T7Z 1R1

Attention: Dave Cross

Re: 2014 Seniors and Disabled Transportation Grant

Once again it is that time of the year when the Board of The Specialized Transit Service review the past year and look into what the future holds for our operation. Over the past year we have continued to maintain a moderate growth in ridership and a promise that our growth will continue as we advance into future years. We continue to hold the line on costs while ensuring that our clients still get the service they have come to expect at a cost they are able to afford. For me, it is also the time that I, on behalf of the staff and board of STS, get to thank those who provide the financial support our organization requires in the way of grants and donations.

Being the second largest financial supporter of STS, we would be unable to continue to provide the transportation needs of seniors and the mobility challenged individuals in the City of Spruce Grove and a designated area of Parkland County. Your grant of \$11,000.00 is a wonderful testimony of your commitment to ensure we remain a viable resource to those citizens who require those services.

From an operational point of view, STS has seen an increase in the amount of trips into the City of Edmonton for clients who require specialized treatments and for those who have to access medical specialists unavailable in the Spruce Grove area. These appointments continue to put a burden on our transportation units and driver costs. We have received our van replacement that was ordered in 2013, and expect to replace an additional van later in 2014. We have also worked out a new plan with the City of Spruce Grove to have the last van out of service maintained as a Maintenance Vehicle to be used in emergency situations. This plan will allow us to consistently have three wheelchair accessible units available for service at all times.

At this time, we are presently preparing our next Three Year Business Plan. In it, we expect to project our goals and commitments for the next three years. We expect our revenues to show a moderate growth over that time while continuing to maintain our expenditures. As a result of our success in maintaining these costs, we are requesting a grant at the same level as last year, (\$11,000.00) from the County. Once again let me thank you for your continuing support on behalf of our board, staff and especially our clients.

We expect to complete our Three Year Business Plan in June of this year and will forward you a copy upon approval by the Board. Should you have any further questions or concerns, please feel free to contact our STS manager Bonnie Foster at (780) 962-2456, or myself at (780) 962-3829.

Please find attached a copy of our Financial Audit.

Sincerely,



Sid Davis, President,
Spruce Grove Specialized Transit Service
SD/bf



**SPECIALIZED TRANSPORTATION GRANTS
FOR SENIORS AND DISABLED PERSONS**

APPLICATION FOR FUNDING

Name of Association, Society or Group: Spruce Grove Specialized Transit Service

Are you registered with the Province of Alberta as a non-profit organization? Yes

Address: c/o 315 Jespersen Avenue, Spruce Grove, AB T7X 3E8

Contact Person (position/title): Bonnie Foster, Office Manager

Telephone Number: 780.962-2456 Fax Number: 780.962-9501

Cell Number: _____ E-mail Address: sts.bonnie@shaw.ca

Purpose of Goals of Association, Society or Group: Spruce Grove Specialized Transit Service is an independent not-for-profit organization that provides transportation for essential medical and social services at a reasonable cost for Seniors (55+) and persons with mobility challenges in Spruce Grove and designated Parkland County areas.

Reason for Request for Funding: Funding for operational costs for the year 2014.

Number of People Serviced by Association, Society or Group: 898 Registered Applicants

Number of Parkland County People Serviced: 72 Registered County Applicants

Please attach:

1. Financial Statement and/or Budget that indicates revenues and expenditures.
2. Map of Parkland County indicating your service area.

June 04, 2014

Date

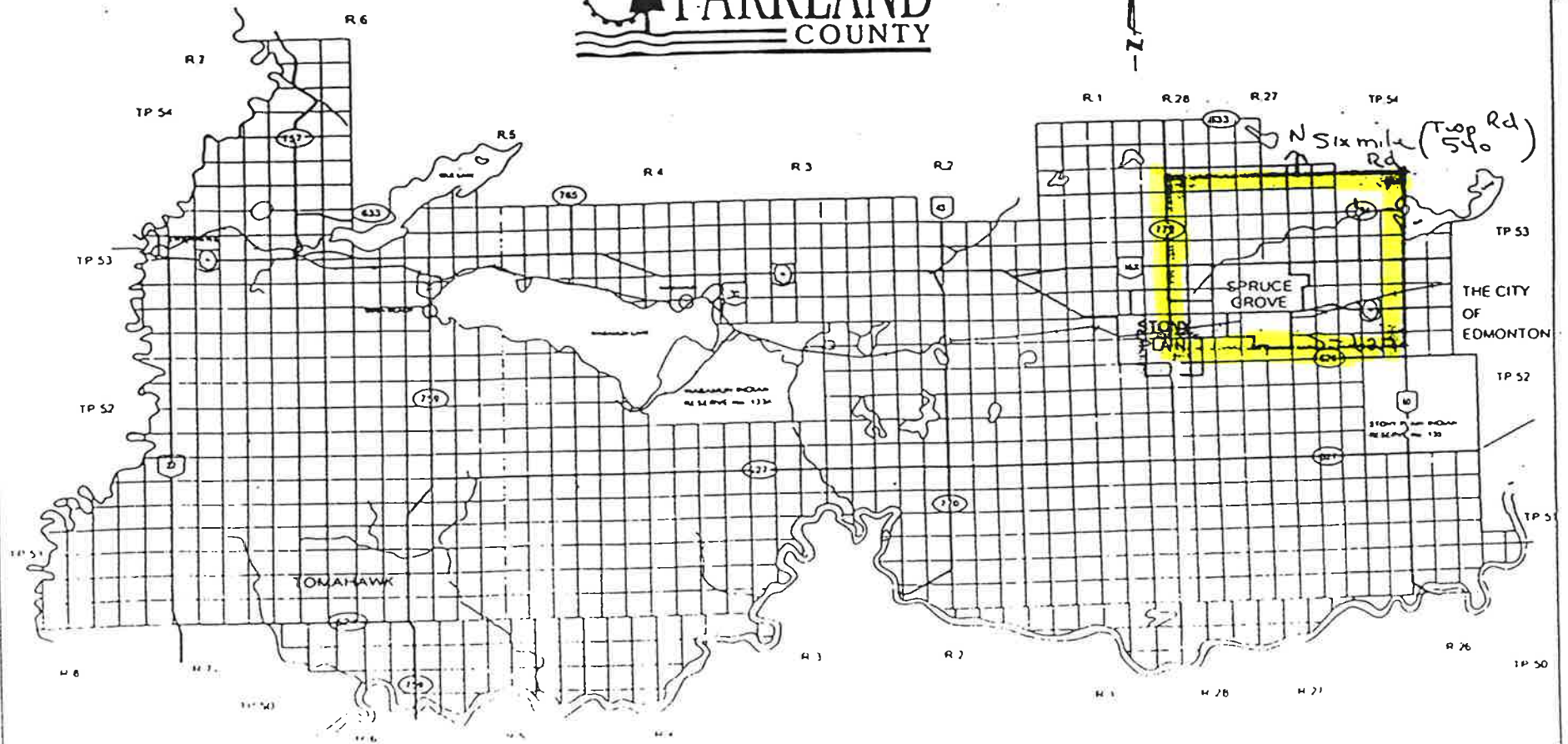

Signature

**Please forward completed form and attachments to Manager of Legislative and Administrative Services,
Parkland County, 53109 Hwy 779, Parkland County, AB T7Z 1R1. Applications must be received by June 28th.
For further information, please contact Barb Williams at 780-968-8888, extension 8232.**

The personal information provided by you is being collected under the authority of the Municipal Government Act and will be used for the purposes under that Act. The personal information that you provide may be made public, subject to the provisions of the Freedom of Information and Protection of Privacy Act. Should you have any questions regarding this collection of information, please contact Dough Tymchyshyn, Manager of legislative and Administrative Services, at 780-968-8405.



STS provides service for:
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**SPRUCE GROVE SPECIALIZED
TRANSIT SERVICE**

Spruce Grove, Alberta

Financial Statements

For The Year Ended December 31, 2013



INDEPENDENT AUDITORS' REPORT

To the Members of Spruce Grove Specialized Transit Service

Report on Financial Statements

We have audited the accompanying financial statements of Spruce Grove Specialized Transit Service, which comprise the statement of financial position as at December 31, 2013 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Spruce Grove Specialized Transit Service as at December 31, 2013 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.

Hawkins Epp Dumont LLP

Edmonton, Alberta
March 18, 2014

Hawkins Epp Dumont LLP
Chartered Accountants

EDMONTON

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STONY PLAIN

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PO Box 10099
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SPRUCE GROVE SPECIALIZED TRANSIT SERVICE**Statement of Financial Position****As At December 31, 2013**

	2013	2012
ASSETS		
CURRENT		
Cash and temporary investments (<i>Note 3</i>)	\$ 186,151	\$ 173,118
Goods and Services Tax recoverable	4,486	592
	<u>190,637</u>	<u>173,710</u>
SERVUS CREDIT UNION COMMON SHARES	1,961	1,886
	<u>\$ 192,598</u>	<u>\$ 175,596</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 6,009	\$ 8,489
NET ASSETS		
Unrestricted	<u>186,589</u>	<u>167,107</u>
	<u>\$ 192,598</u>	<u>\$ 175,596</u>

ON BEHALF OF THE BOARD:_____
*Director*_____
Director

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

SPRUCE GROVE SPECIALIZED TRANSIT SERVICE

Statement of Operations

For The Year Ended December 31, 2013

	Budget 2013 (Note 8)	2013	2012
REVENUE			
Grants (Note 4)	\$ 138,000	\$ 139,000	\$ 126,000
Fares	43,000	43,560	44,487
Donations	6,000	7,100	8,850
Goods and Services Tax expense recoveries	-	3,252	-
Investment income	1,000	1,791	1,672
Miscellaneous	-	163	152
	188,000	194,866	181,161
EXPENSES			
Contract labour	103,000	105,501	102,431
Salaries, wages and benefits	45,000	40,602	35,548
Fleet fuel	22,000	14,554	15,000
Office and computer	3,800	4,896	3,537
Professional fees	4,000	3,278	3,188
Telephone and cellular	3,600	2,624	3,055
Workers' Compensation Board	2,000	1,828	1,660
Insurance	2,000	1,128	1,052
Advertising and promotion	1,600	568	338
Professional development	1,000	405	645
	188,000	175,384	166,454
EXCESS OF REVENUE OVER EXPENSES	\$ -	\$ 19,482	\$ 14,707

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

SPRUCE GROVE SPECIALIZED TRANSIT SERVICE

Statement of Changes in Net Assets

For The Year Ended December 31, 2013

	2013	2012
BALANCE - BEGINNING OF YEAR	\$ 167,107	\$ 152,400
Excess of revenue over expenses	<u>19,482</u>	<u>14,707</u>
BALANCE - END OF YEAR	<u>\$ 186,589</u>	<u>\$ 167,107</u>

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

SPRUCE GROVE SPECIALIZED TRANSIT SERVICE**Statement of Cash Flows****For The Year Ended December 31, 2013**

	2013	2012
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 19,482	\$ 14,707
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	(2,480)	(161)
Goods and Services Tax recoverable	(3,894)	88
	(6,374)	(73)
	13,108	14,634
INVESTING ACTIVITIES		
Servus Credit Union common share dividends received	(75)	(72)
INCREASE IN CASH FLOW	13,033	14,562
CASH AND TEMPORARY INVESTMENTS - BEGINNING OF YEAR	173,118	158,556
CASH AND TEMPORARY INVESTMENTS - END OF YEAR (Note 3)	\$ 186,151	\$ 173,118
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	\$ 1,791	\$ 1,666

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

SPRUCE GROVE SPECIALIZED TRANSIT SERVICE

Notes to Financial Statements

December 31, 2013

1. NATURE OF OPERATIONS

The Service is a not-for-profit organization incorporated under the *Companies Act* of the Province of Alberta on January 25, 1994. The Service is committed to providing door-to-door public transportation services at a reasonable cost for all seniors and for youth, adults, and families in Spruce Grove and area who are unable to use regular transportation because of a physical or mental disability. The Service is also a registered charity and, therefore, exempt from income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Use of estimates

The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates and approximations.

Revenue recognition

The Service follows the deferral method of accounting for contributions, which include donations and government grants. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Fare revenue is recognized when received.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred.

Tangible capital assets

Tangible capital assets are recorded as expenses on the Statement of Operations in the year in which they are purchased. There was \$1,198 of tangible capital assets expensed in 2013 (2012 - \$Nil).

Contributed services

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

(continues)

SPRUCE GROVE SPECIALIZED TRANSIT SERVICE

Notes to Financial Statements

December 31, 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

Measurement of financial instruments

The Service initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instruments.

The Service subsequently measures all its financial assets and financial liabilities at 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 net income.

Financial assets measured at amortized cost include cash and temporary investments.

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

The Service has no financial assets measured at fair value.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is 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 net income.

3. CASH AND TEMPORARY INVESTMENTS

	2013	2012
High Yield Savings Account	\$ 154,087	\$ 118,701
Chequing Account	32,064	54,417
	<u>\$ 186,151</u>	<u>\$ 173,118</u>

4. GRANTS

	Budget 2013 (Note 8)	2013	2012
City of Spruce Grove	\$ 128,000	\$ 128,000	\$ 116,000
Parkland County	10,000	11,000	10,000
	<u>\$ 138,000</u>	<u>\$ 139,000</u>	<u>\$ 126,000</u>

SPRUCE GROVE SPECIALIZED TRANSIT SERVICE

Notes to Financial Statements

December 31, 2013

5. FINANCIAL INSTRUMENTS

It is management's opinion that the Service is not exposed to significant credit, market, currency or other price risk through its financial instruments. The following analysis provides information about the Service's risk exposure and concentration as of December 31, 2013;

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Service is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources and accounts payable and accrued liabilities.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Service manages exposure through its normal operating and financing activities. The Service is exposed to interest rate risk primarily through its high yield savings account.

The Service mitigates these risks by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise.

6. ECONOMIC DEPENDENCE

The Service's primary source of revenue is grant revenue from the City of Spruce Grove and Parkland County. The Service's ability to continue viable operations is dependent on this funding.

7. AGREEMENT WITH CITY OF SPRUCE GROVE

The City of Spruce Grove (the "City") and the Service have an agreement for a three year term from October 1, 2011 to September 30, 2014, at which time it will be reviewed by both parties.

Under this Agreement the Service will administer services that will assist seniors and residents with a physical or mental disability who cannot utilize an alternate means of transport in accessing essential services and maintaining a reasonable quality of life.

The City has agreed to provide general maintenance, parts and labour on the Service's vehicles in accordance with established City practices, and federal Department of Transport Regulations. The City will purchase replacement vehicles and will provide a garage for storage of the Service's vehicles, including rent, upkeep and utilities.

8. BUDGET FIGURES

Budget figures have been provided for information purposes only and are unaudited.

9. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.
