

Spruce Grove Specialized Transit Service



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

June 01, 2017

Carilyn Bjarnason
Community Development Coordinator
Parkland County, 53109 Hwy 779
Parkland County, AB
T7Z 1R1

Attention: Carilyn Bjarnason

Re: 2017 Seniors and Disabled Transportation Grant

Specialized Transit Service offers transportation to seniors and disabled persons in Spruce Grove and a designated area of Parkland County.

We expect our revenues to be maintained over the next 3 year period and we will continue to be vigilant about maintaining costs as much as we are able in these economic times. Even though prices of items and services rise around us we feel we will be able to maintain our expenditures and therefore we are requesting a grant at the same level as the previous 3 years, \$12,000.00 from the County. Please find attached a copy of our Financial Audit to determine our revenues and expenditures.

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 without your support. Your grant of \$12,000.00 is a wonderful testimony of your commitment to ensure we remain a viable resource to those citizens who require those services.

Once again let me thank you for your continuing support on behalf of our board, staff and especially our clients.

Should you have any further questions or concerns, please feel free to contact our STS manager Bonnie Foster at , or myself at .

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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): Dick Lutz, STS President

Telephone Number: 2 Fax Number: Cell Number: -

E-mail Address: _____

Purpose of Goals of Association, Society or Group: Spruce Grove Specialized Transit Service is an independent non-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 2017.

Number of People Serviced by Association, Society or Group: 716 Registered Applicants

(This is number of unique individuals served, not the number of rides)

Number of Parkland County People Serviced: 31 Registered Applicants

Please attach:

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

June 01, 2017
Date

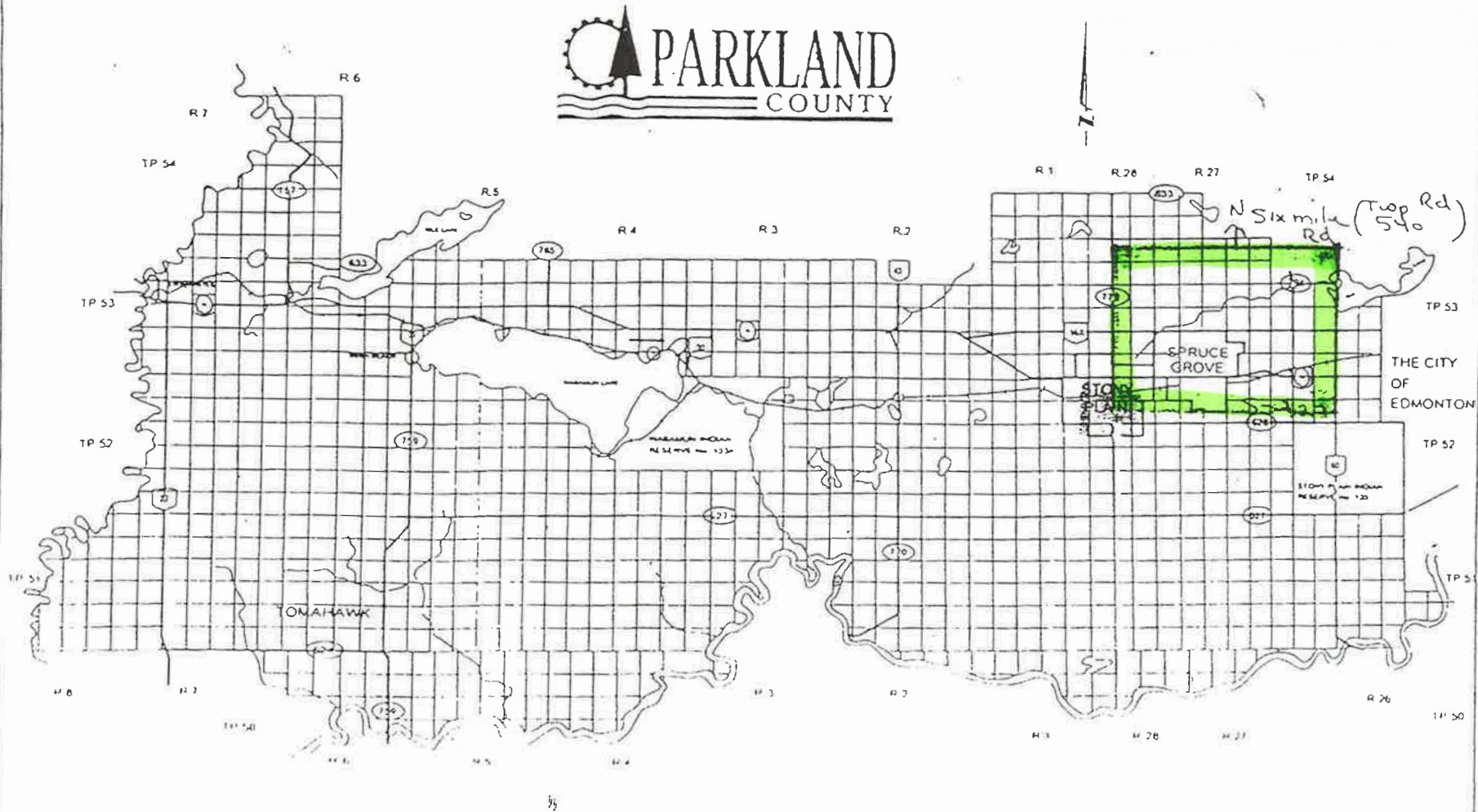
Signature

Please forward completed form and attachments to Carilyn Bjarnason, Community Development Coordinator, Parkland County, 53109 Hwy 779, Parkland County, AB T7Z 1R1 or cbjarnason@parklandcounty.com.

Applications must be received by June 15, 2017

For further information, please contact Carilyn at 780-968-8342

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.



**SPRUCE GROVE SPECIALIZED
TRANSIT SERVICE**

Spruce Grove, Alberta

Financial Statements

For The Year Ended December 31, 2016

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, 2016 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 auditors' 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 qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Spruce Grove Specialized Transit Service derives revenue from donations the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Spruce Grove Specialized Transit Service. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenues over expenses, and cash flows from operations, assets, liabilities, and net assets for the year ended December 31, 2016.

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HAWKINGS.COM



Independent Auditors' Report to the Members of Spruce Grove Specialized Transit Service *(continued)*

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Spruce Grove Specialized Transit Service as at December 31, 2016 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.

Hawkings Epp Dumont LLP

Edmonton, Alberta
March 21, 2017

Hawkings Epp Dumont LLP
Chartered Accountants

SPRUCE GROVE SPECIALIZED TRANSIT SERVICE**Statement of Financial Position****As At December 31, 2016**

	2016	2015
ASSETS		
CURRENT		
Cash and cash equivalents (<i>Note 2</i>)	\$ 274,708	\$ 249,799
Goods and Services Tax recoverable	969	1,149
	<u>275,677</u>	<u>250,948</u>
SERVUS CREDIT UNION COMMON SHARES	2,190	2,116
	<u>\$ 277,867</u>	<u>\$ 253,064</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 7,017	\$ 5,969
NET ASSETS		
Unrestricted	220,852	247,095
Internally restricted (<i>Note 7</i>)	50,000	-
	<u>270,852</u>	<u>247,095</u>
	<u>\$ 277,869</u>	<u>\$ 253,064</u>

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

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

SPRUCE GROVE SPECIALIZED TRANSIT SERVICE

Statement of Operations

For The Year Ended December 31, 2016

	Budget 2016 (Note 8)	2016	2015
REVENUE			
Grants (Note 3)	\$ 164,000	\$ 164,000	\$ 164,000
Fares	45,000	40,606	39,819
Donations	6,000	8,000	7,100
Investment income	2,000	1,335	1,404
Miscellaneous	-	358	277
	217,000	214,299	212,600
EXPENSES			
Driver remuneration	120,000	122,384	106,543
Salaries, wages and benefits	49,000	44,120	43,059
Fleet fuel	20,000	11,551	12,612
Professional fees	8,000	3,500	3,525
Telephone and cellular	4,000	3,060	2,271
Office and computer	8,500	2,993	5,161
Insurance	2,000	1,181	1,307
Workers' Compensation Board	2,500	1,179	882
Advertising and promotion	1,000	469	573
Professional development	2,000	105	225
	217,000	190,542	176,158
EXCESS OF REVENUE OVER EXPENSES	\$ -	\$ 23,757	\$ 36,442

SPRUCE GROVE SPECIALIZED TRANSIT SERVICE**Statement of Changes in Net Assets****For The Year Ended December 31, 2016**

	Unrestricted	Restricted	2016	2015
BALANCE - BEGINNING OF YEAR	\$ 247,095	\$ -	\$ 247,095	\$ 210,653
Excess of revenue over expenses	23,757	-	23,757	36,442
Transfer	(50,000)	50,000	-	-
BALANCE - END OF YEAR	\$ 220,852	\$ 50,000	\$ 270,852	\$ 247,095

SPRUCE GROVE SPECIALIZED TRANSIT SERVICE**Statement of Cash Flows****For The Year Ended December 31, 2016**

	2016	2015
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 23,757	\$ 36,442
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	1,046	181
Goods and Services Tax recoverable	180	515
	1,226	696
	24,983	37,138
INVESTING ACTIVITIES		
Servus Credit Union common share dividends received	(74)	(76)
INCREASE IN CASH FLOW	24,909	37,062
CASH AND CASH EQUIVALENTS- BEGINNING OF YEAR	249,799	212,737
CASH AND CASH EQUIVALENTS- END OF YEAR (Note 2)	\$ 274,708	\$ 249,799

SPRUCE GROVE SPECIALIZED TRANSIT SERVICE

Notes to Financial Statements

December 31, 2016

NATURE OF OPERATIONS

Spruce Grove Specialized Transit Service (the "Service") is a not-for-profit organization and was incorporated under the Societies Act of Alberta on January 25, 1994. *The Service is a registered charity and is exempt from the payment of income taxes under the Income Tax Act.*

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.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Cash and cash equivalents

Cash and cash equivalents include items that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These short-term investments have a maturity of one year or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

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 the service is provided by the Service.

Investment revenue is recognized in the year earned.

Tangible capital assets

Tangible capital assets are recorded as expenses on the Statement of Operations in the year in which they are purchased. There were no tangible capital assets expensed in 2016 (2015 - \$0).

Contributed services

Volunteers contribute a significant amount of their time each year. Contributed services are not recognized in the financial statements due to the difficulty in determining their fair value.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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SPRUCE GROVE SPECIALIZED TRANSIT SERVICE

Notes to Financial Statements

December 31, 2016

1. 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 Servus Credit Union common shares.

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

The Service has no financial assets or liabilities 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.

2. CASH AND CASH EQUIVALENTS

	2016	2015
High Yield Savings Account	\$ 231,972	\$ 208,736
Operating Account	42,736	41,063
	<u>\$ 274,708</u>	<u>\$ 249,799</u>

3. GRANTS

	Budget 2016 (Note 8)	2016	2015
City of Spruce Grove	\$ 152,000	\$ 152,000	\$ 152,000
Parkland County	11,000	12,000	12,000
	<u>\$ 163,000</u>	<u>\$ 164,000</u>	<u>\$ 164,000</u>

SPRUCE GROVE SPECIALIZED TRANSIT SERVICE

Notes to Financial Statements

December 31, 2016

4. 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, 2016.

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.

5. 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.

6. 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, 2014 to September 30, 2017, 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.

7. INTERNALLY RESTRICTED NET ASSETS

Restricted net assets consist of funds restricted by the Board for the purpose of future operating expenses.

8. BUDGET FIGURES

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