

RIVERTON & DISTRICT HANDI-VAN INC.

Financial Statements

Year Ended December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Members of Riverton & District Handi-Van Inc.

Qualified Opinion

We have audited the financial statements of Riverton & District Handi-Van Inc. (the Organization), which comprise the statement of financial position as at December 31, 2018, and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2018, and its results of operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the organization derives revenue from grants and donations the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets. Our audit opinion on the financial statements for the year ended December 31, 2017 was modified accordingly because of the possible effects of this limitation of scope.

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 Organization 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 qualified audit 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 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.

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Independent Auditor's Report to the Members of Riverton & District Handi-Van Inc. *(continued)*

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 the Organization'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 Organization 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.

Winnipeg, Manitoba
June 27, 2019



KALER CATIBOG
CHARTERED PROFESSIONAL ACCOUNTANTS

RIVERTON & DISTRICT HANDI-VAN INC.

Statement of Financial Position

December 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 41,357	\$ 21,972
Accounts receivable	1,737	1,975
	<u>\$ 43,094</u>	<u>\$ 23,947</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 1,503	\$ 2,543
NET ASSETS		
General fund	<u>41,591</u>	<u>21,404</u>
LIABILITIES AND NET ASSETS	<u>\$ 43,094</u>	<u>\$ 23,947</u>

ON BEHALF OF THE BOARD

Director

Director

See notes to financial statements

RIVERTON & DISTRICT HANDI-VAN INC.

Statement of Revenues and Expenditures

Year Ended December 31, 2018

	2018	2017
REVENUES		
Fees	\$ 15,803	\$ 19,959
Grants from R.M. of Bifrost - Riverton	19,543	12,706
Donations	10,141	49,965
Interest	440	517
	<u>45,927</u>	<u>83,147</u>
EXPENDITURES		
Advertising and promotion	553	496
Bad debts	-	287
Driver honorariums	6,992	8,402
Business taxes, licenses and memberships	305	75
Workers compensation	154	146
Insurance	3,399	3,389
Interest and bank charges	2	2
Office	443	488
Meetings	87	67
New Handi Van	-	65,778
Professional fees	7,320	7,993
Repairs and maintenance - van	1,113	4,320
Vehicle - fuel	5,374	5,002
	<u>25,742</u>	<u>96,445</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 20,185</u>	<u>\$ (13,298)</u>

RIVERTON & DISTRICT HANDI-VAN INC.

Statement of Changes in Net Assets

Year Ended December 31, 2018

	<u>2018</u>	<u>2017</u>
NET ASSETS - BEGINNING OF YEAR	\$ 21,406	\$ 34,702
Excess of revenues over expenditures	20,185	(13,298)
NET ASSETS - END OF YEAR	<u>\$ 41,591</u>	<u>\$ 21,404</u>

See notes to financial statements

RIVERTON & DISTRICT HANDI-VAN INC.

Statement of Cash Flow

Year Ended December 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	\$ 20,185	\$ (13,298)
Changes in non-cash working capital:		
Accounts receivable	238	2,046
Accounts payable	(1,038)	2
	<u>(800)</u>	<u>2,048</u>
INCREASE (DECREASE) IN CASH FLOW	19,385	(11,250)
Cash - beginning of year	<u>21,972</u>	<u>33,222</u>
CASH - END OF YEAR	\$ 41,357	\$ 21,972

See notes to financial statements

RIVERTON & DISTRICT HANDI-VAN INC.

Notes to Financial Statements

Year Ended December 31, 2018

1. DESCRIPTION OF BUSINESS

The service organization was incorporated on February 19, 2010 and assumed the assets and liabilities of the former Riverton and District Handi-Van as of January 1, 2010. The assets assumed include cash and trade accounts receivable, the liabilities being trade accounts payable and the general surplus fund. The organization provides transportation for the disabled and elderly in the Riverton and district area. As a non-profit service organization, the service organization is exempt from tax on its earnings under section 149(1)(2) of the Income Tax Act. The service organization utilizes two vans provided free of charge by the Municipality of Bifröst-Riverton.

2. REVENUE RECOGNITION

These financial statements are prepared on an accrual basis using the deferred method of accounting. Fees and grant revenues are recognized as revenue when earned and collection is reasonably assured.

3. CAPITAL ASSETS

The Organization expenses any capital asset purchases in the year the purchase is incurred.

4. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2018.

(a) Liquidity risk

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

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

5. DONATED SERVICES

The organization does not record the value of donated services as it is not practical to determine a reasonable estimate of such services.
