

ROCKY VIEW REGIONAL HANDIBUS SOCIETY

FINANCIAL STATEMENTS

DECEMBER 31, 2011

P.F. TURNER, PROFESSIONAL CORPORATION

Chartered Accountant

INDEPENDENT AUDITOR'S REPORT

To the Members of Rocky View Regional Handibus Society

I have audited the accompanying financial statements of Rocky View Regional Handibus Society which comprise the statement of financial position as at December 31, 2011, and the statement of receipts, disbursements and members equity and cash flows for the year then ended.

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, 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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 statement 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion .

In my opinion, these financial statements present fairly, in all material respects, the financial position of Rocky View Regional Handibus Society as at December 31, 2011 and the results of operations and cash flows of the society for the year then ended, in accordance with Canadian generally accepted accounting principles.



Calgary, Alberta
March 27, 2012

P.F. Turner, Professional Corporation
CHARTERED ACCOUNTANT

ROCKY VIEW REGIONAL HANDIBUS SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2011

	2011	2010
ASSETS		
CURRENT		
Cash	\$ 20,072	\$ 59,274
Restricted cash (Note 5)	46,949	58,206
Accounts receivable	10,150	36,982
Prepaid expenses	23,322	19,470
	100,493	173,932
PROPERTY AND EQUIPMENT (Note 7)	397,741	384,114
	\$ 498,234	\$ 558,046
LIABILITIES		
CURRENT		
Accounts payable	\$ 60,163	\$ 38,384
Deferred contributions (Note 8)	22,110	58,206
	82,273	96,590
DEFERRED CAPITAL CONTRIBUTIONS (Note 9)	382,056	363,585
NET ASSETS		
NET UNRESTRICTED ASSETS	33,905	97,871
	33,905	97,871
	\$ 498,234	\$ 558,046

APPROVED BY THE BOARD:

 Director
 Director

ROCKY VIEW REGIONAL HANDIBUS SOCIETY

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2011

	2011	2010
REVENUE		
Amortization of deferred capital contributions	\$ 46,529	\$ 57,225
Amortization of deferred contributions	36,000	18,000
Casino revenues	96	29,919
Fee for service	337,417	286,433
Grants	158,500	114,629
Other income	4,834	6,199
Unrestricted contributions	15,986	8,893
User fees	54,936	39,099
Acquired from takeover of Big Hill Senior Citizens Activity Society (Note 3)	-	123,488
	654,298	683,885
EXPENSES		
Advertising and promotion	692	1,704
Amortization	46,665	57,398
Bad debts	-	7,353
Dues and memberships	1,425	3,221
Fuel	93,257	58,801
Insurance	22,575	16,742
Interest and bank charges	2,106	2,019
Office	14,622	17,898
Professional fees	7,600	6,750
Rent	22,200	20,100
Repairs and maintenance	65,573	71,232
Salaries and benefits	425,892	334,539
Telephone	12,163	8,855
Utilities	5,109	4,267
	719,879	610,879
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS		
Continuing operations	(65,581)	73,006
OTHER ITEMS		
Gain on disposal of assets	1,615	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	\$ (63,966)	\$ 73,006

ROCKY VIEW REGIONAL HANDIBUS SOCIETY
STATEMENT CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Total</u> <u>2011</u>	<u>Total</u> <u>2010</u>
BALANCE, beginning of year	\$ 97,871	\$ 24,865
Excess of revenues over expenditures	(63,966)	73,006
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BALANCE, end of year	\$ 33,905	\$ 97,871
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ROCKY VIEW REGIONAL HANDIBUS SOCIETY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2011

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficiency of revenues over expenditures, continuing operations	\$ (65,581)	\$ 73,006
Items not affecting cash		
Amortization	46,665	57,398
Amortization of deferred contributions	(46,529)	(57,225)
	(65,445)	73,179
Change in non-cash working capital items		
Accounts receivable	26,832	(26,816)
Prepaid expenses	(3,852)	(492)
Accounts payable and accrued liabilities	21,779	1,606
Deferred contributions	(36,096)	27,081
NET CASH GENERATED THROUGH OPERATING ACTIVITIES	(56,782)	74,558
CASH FLOWS FROM FINANCING ACTIVITIES		
Deferred capital donation	65,000	73,000
NET CASH GENERATED THROUGH FINANCING ACTIVITIES	65,000	73,000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(60,867)	(219,874)
Proceeds of disposal of property and equipment	2,190	-
NET CASH GENERATED THROUGH INVESTING ACTIVITIES	(58,677)	(219,874)
NET INCREASE (DECREASE) IN CASH	(50,459)	(72,316)
BALANCE, Beginning of year	117,480	189,796
BALANCE, End of year	\$ 67,021	\$ 117,480
CASH CONSISTS OF:		
Cash	20,072	59,274
Restricted cash	46,949	58,206
	67,021	117,480

ROCKY VIEW REGIONAL HANDIBUS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

1. NATURE OF OPERATIONS

Rocky View Regional Handibus Society (the "Society") is a non-profit organization that provides transportation for special needs children and seniors in Central Alberta. The Society is incorporated under the Alberta Societies Act and is exempt from income tax under the provision of section 149(1) of the Income Tax Act. The continued operations of the society are dependant of the on-going financial and other support of its sponsors.

2. SIGNIFICANT ACCOUNTING POLICIES

The society's accounting policies and the standards of it's disclosure are in accordance with the recommendations of the Canadian Institute of Chartered Accountants, except as follows:

i) Cash and restricted cash consist of cash on hand and funds on deposit.

ii) Capital assets are recorded at cost. The Society provides for amortization using the declining balance method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Automotive	30%
Office furniture and equipment	20%
Computer equipment	30%
Scheduling software	20% Straight line
Leasehold improvements	20%

One half the normal rate of amortization is recorded in the year of acquisition and no provision is recorded in the year of disposition

iii) Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recorded as revenue in the year in which the related expenses are incurred. Deferred Capital Contributions are recognized as revenue over the estimated life of the related asset using the declining balance method. 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.

Fee for service, user fees and other income revenues are recognized on a completion basis.

iv) Contributed services

Volunteers contributed time to assist the Society in carrying out its programs. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

ROCKY VIEW REGIONAL HANDIBUS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

3. BIG HILL SENIOR CITIZENS ACTIVITIES SOCIETY

The society took over the operations of the Big Hill Senior Citizens Activities Society (BHSCAS), also known as "Cochrane Handibus", in September 2010. Rocky View Regional Handibus Society (Rocky View) acquired three buses and the balance of the cash in the bank when Big Hill Senior's dissolved their society. The details of the acquisition are as follows:

Cash	\$ 123,488
Value of three busses	73,000
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	\$ 196,488
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4. MEASUREMENT UNCERTAINTY

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of such estimates in future periods could be significant.

5. RESTRICTED CASH

Restricted cash-Casino is comprised of casino funds contributed for the specific purposes of acquiring and maintaining capital assets. Restricted contributions are funds received for specific purposes that have not yet been spent.

	2011	2010
Cash - Casino	\$ 1,110	\$ 1,206
Restricted contributions for the acquisition of software	18,133	-
Restricted contributions for purchase of a bus	6,000	-
Restricted contributions for operating expense	21,000	57,000
Other including accumulated interest	706	-
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	\$ 46,949	\$ 58,206
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6. FINANCIAL INSTRUMENTS

The Society's financial instruments recognized in the Statement of Financial Position consist of cash, accounts receivable and all liabilities. The fair values of the financial instruments approximate their carrying amounts due to the short term maturity or current market rate associated with these instruments.

The society manages its exposure to risks associated with financial instruments that have the potential to affect its operating and financial performance in accordance with its risk management policy

Credit risk is the possibility that parties may default on their financial obligations. The society manages its credit risk by maintaining its funds in a major Canadian financial institution. Accounts receivable risk is managed by assessing the credit worthiness of customers where material amounts are involved.

ROCKY VIEW REGIONAL HANDIBUS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

NOTE 6 ..CONTINUED

Liquidity is the risk that Rocky View may not be able to meet a demand for cash or fund obligations as they come due. The society manages this risk by monitoring cash requirements and maintaining adequate funds in a major Canadian financial institution.

7. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	Net <u>2011</u>	Net <u>2010</u>
Automotive	\$ 750,562	\$ 393,104	\$ 357,458	\$ 381,099
Office furniture & equipment	9,680	8,614	1,066	1,187
Computer equipment	5,678	4,070	1,608	1,684
Computer upgrades	2,046	2,046	-	-
Scheduling software	46,867	9,373	37,494	-
Leasehold improvements	2,616	2,501	115	144
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 817,449	\$ 419,708	\$ 397,741	\$ 384,114

8. DEFERRED CONTRIBUTIONS

	2011	2010
Balance, beginning of the year	\$ 1,802	\$ 19,435
Amounts restricted for expenses not yet incurred	46,144	-
Amount recognized as revenue	(36,096)	(17,633)
	<hr/>	<hr/>
	\$ 11,850	\$ 1,802

Deferred contributions represent casino funds that are to be used to maintain the property and equipment and assist in paying for office rent and insurance expenditures.

ROCKY VIEW REGIONAL HANDIBUS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2011

9. DEFERRED CAPITAL CONTRIBUTIONS

	2011	2010
Balance, beginning of the year	\$ 378,536	\$ 242,815
Restricted contributions	-	168,269
Amount recognized as revenue	(46,529)	(32,548)
	<hr/> \$ 332,007	<hr/> \$ 378,536

Deferred capital contributions represent contributed property and equipment and restricted contributions related to the Society's automotive assets.

In 2008, Rocky View County sold a bus costing \$63,269 to the society for \$1. The difference was recorded as a deferred capital contribution and amortized over the expected life of the asset. Rocky View County retains first right of refusal to reacquire the handibus in the event of the dissolution or substantial change in the nature of the society or should the society decide to sell the vehicle.

In 2010 the society acquired three busses from Big Hill Senior Citizens Activities Society at no cost. The fair value of the busses is \$73,000. The amount is recorded as a deferred capital contribution and is being amortized over the life of the busses.

10. ECONOMIC DEPENDENCE

The society relies on funds from Rocky View Schools from which it derives 51% of its revenue (2010 53%).

11. COMPARATIVE FIGURES

The comparative figures have been reclassified, where applicable, to conform to the presentation used in the current year. These changes do not affect prior year earnings.

12. FUNDRAISING COSTS

The society solicits funds from various organizations and individuals in the area. Fundraising activities are carried out by administrative personnel, no outside agencies are employed. There are minimal costs associated with fundraising as a separate activity. Such costs are expected to be less than \$6,000.