

ROCKY VIEW REGIONAL HANDIBUS SOCIETY

FINANCIAL STATEMENTS

DECEMBER 31, 2006

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To the members of Rocky View Regional Handibus Society

Management has the responsibility for preparing the accompanying financial statements and ensuring that all information in the Annual Report is consistent with these statements. This responsibility includes selecting appropriate accounting principles and making objective judgments and estimates in accordance with Generally Accepted Accounting Principles.

In discharging its responsibility for the integrity and fairness of the financial statements, as well as for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are Authorized, assets are safeguarded and proper records maintained.

The Board appoints external auditors to audit the financial statements and to meet separately with management to review their findings. The external auditors report directly to the members; their report follows.

Calgary, Alberta
March 22, 2007

GENERAL MANAGER

AUDITOR'S REPORT

To the Members of
Rocky View Regional Handibus Society

I have audited the statement of financial position Rocky View Regional Handibus Society as at December 31, 2006, and the statement of operations and statement of cash flows for the year then ended. These financial statements are the responsibility of the Society's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2006 and the results of operations for the year then ended, in accordance with Canadian generally accepted accounting principles.

Calgary, Alberta
March 22, 2007

Original signed
CHARTERED ACCOUNTANT

ROCKY VIEW REGIONAL HANDIBUS SOCIETY

BALANCE SHEET

AS AT DECEMBER 31, 2006

	2006	2005
ASSETS		
CURRENT		
Cash	\$ 23,798	\$ 5,295
Restricted cash (Note 4)	53,152	16,829
Accounts receivable	16,252	22,829
Prepaid expenses	15,054	13,898
	108,256	58,851
CAPITAL (Note 6)	119,399	155,044
	\$ 227,655	\$ 213,895
LIABILITIES		
CURRENT		
Accounts payable	\$ 35,943	\$ 14,286
Deferred contributions (Note 7)	32,204	16,085
	68,147	30,371
DEFERRED CAPITAL CONTRIBUTIONS (Note 8)	144,771	146,597
NET ASSETS		
NET ASSETS INVESTED IN CAPITAL	1,734	1,444
NET UNRESTRICTED ASSETS	13,003	35,483
	14,737	36,927
	\$ 227,655	\$ 213,895

APPROVED BY THE BOARD:

_____ Director

_____ Director

ROCKY VIEW REGIONAL HANDIBUS SOCIETY

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2006

	2006	2005
REVENUE		
Amortization of deferred capital contributions	\$ 21,826	\$ 34,390
Amortization of deferred contributions	18,500	-
Casino revenues	14,970	18,722
Fee for service	265,522	264,910
Grants	36,500	74,141
Other income	1,328	964
Unrestricted contributions	9,930	7,519
User fees	27,999	27,696
	396,575	428,342
EXPENSES		
Advertising and promotion	2,887	1,534
Amortization	22,427	34,559
Bad debts	-	793
Dues and memberships	1,709	1,115
Fuel	49,555	49,587
Insurance	16,820	17,321
Interest and bank charges	813	435
Office	15,117	10,867
Professional fees	4,500	4,500
Rent	14,577	10,656
Repairs and maintenance	53,316	49,473
Salaries and benefits	238,654	243,561
Telephone	4,171	3,944
Utilities	3,948	3,189
	428,494	431,534
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS		
Continuing operations	\$ (31,919)	\$ (3,192)
OTHER ITEMS		
Discontinued operations (Note 11)	9,729	14,113
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	\$ (22,190)	\$ 10,921

ROCKY VIEW REGIONAL HANDIBUS SOCIETY

STATEMENT CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2006

		Invested in capital assets	Unrestricted	Total <u>2006</u>	Total <u>2005</u>
BALANCE, beginning of year	\$	1,001	\$ 35,926	\$ 36,927	\$ 48,709
Deficiency of revenues over expenditures		(601)	(21,589)	(22,190)	10,921
Capital asset additions		1,334	(1,334)	-	-
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BALANCE, end of year	\$	1,734	\$ 13,003	\$ 14,737	\$ 36,927

ROCKY VIEW REGIONAL HANDIBUS SOCIETY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2006

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficiency of revenues over expenditures, continuing operations	\$ (31,919)	\$ (3,192)
Items not affecting cash		
Amortization	22,427	34,559
Amortization of deferred contributions	9,729	14,113
Amortization of capital contributions	(21,826)	(34,390)
Cash flow from discontinued operations	9,729	14,113
	(21,589)	11,090
Change in non-cash working capital items		
Accounts receivable	6,577	(11,464)
Prepaid expenses	(1,156)	1,014
Accounts payable and accrued liabilities	21,657	(182)
Deferred contributions	16,119	7,879
NET CASH GENERATED THROUGH OPERATING ACTIVITIES	21,608	8,337
CASH FLOWS FROM FINANCING ACTIVITIES		
Deferred capital donation	20,000	125,000
NET CASH GENERATED THROUGH FINANCING ACTIVITIES	20,000	125,000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(2,486)	(147,174)
Recovery of cost of capital assets	15,704	-
NET CASH GENERATED THROUGH INVESTING ACTIVITIES	13,218	(147,174)
NET INCREASE (DECREASE) IN CASH	54,826	(13,837)
BALANCE, Beginning of year	22,124	35,961
BALANCE, End of year	\$ 76,950	\$ 22,124
CASH CONSISTS OF:		
Cash	23,798	5,295
Restricted cash	53,152	16,829
	76,950	22,124

ROCKY VIEW REGIONAL HANDIBUS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

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%
Computer upgrades	100%
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

Amounts invested in capital assets, as shown on the statement of changes in net assets, is shown net of deferred capital contributions

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. 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 of 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.

3. 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.

ROCKY VIEW REGIONAL HANDIBUS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

4. RESTRICTED CASH

Restricted cash is comprised of casino funds contributed for the specific purposes of acquiring and maintaining capital assets .

	2006	2005
Cash - Casino	\$ 1,116	\$ 16,085
Cash - Restricted contributions	52,036	743
	\$ 53,152	\$ 16,828

5. 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 does not have significant credit risk exposure to any individual party.

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net <u>2006</u>	Net <u>2005</u>
Automotive	\$ 418,374	\$ 303,390	\$ 114,984	\$ 151,073
Office furniture & equipment	9,175	7,612	1,563	1,869
Computer equipment	5,678	3,180	2,498	1,660
Computer upgrades	2,046	2,046	-	-
Leasehold improvements	2,616	2,262	354	442
	\$ 437,889	\$ 318,490	\$ 119,399	\$ 155,044

7. DEFERRED CONTRIBUTIONS

	2006	2005
Balance, beginning of the year	\$ 16,085	\$ 8,206
Amounts restricted for expenses not yet incurred	50,537	17,879
Amount transferred in (out)	20,000	(10,000)
Amount recognized as revenue	(33,470)	-
	\$ 53,152	\$ 16,085

Deferred contributions represent amounts received to pay for operational costs over two years as well as casino funds that are to be used to maintain the capital assets 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, 2006

8. DEFERRED CAPITAL CONTRIBUTIONS

	2006	2005
Balance, beginning of the year	\$ 146,597	\$ 55,987
Restricted contributions	20,000	115,000
Amount transferred to deferred capital contributions	-	10,000
Amount recognized as revenue	(21,826)	(34,390)
	<hr/> \$ 144,771	<hr/> \$ 146,597

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

9. ECONOMIC DEPENDENCE

The society relies on funds from the Rocky View School Division from which it derives 66% of its revenue (2005 54%).

10. 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.

11. DISCONTINUED OPERATIONS

The Society ceased to act as the agent for Purolator Courier during the year. There were no assets specifically identified as relating to this operation, nor were specific expenses eliminated.