

**ROCKY VIEW REGIONAL HANDIBUS SOCIETY**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2008**

## 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 18, 2009

Original signed  
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, 2008, 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, 2008 and the results of operations for the year then ended, in accordance with Canadian generally accepted accounting principles.

Calgary, Alberta  
March 18, 2009

Original signed  
CHARTERED ACCOUNTANT

# ROCKY VIEW REGIONAL HANDIBUS SOCIETY

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2008

	2008	2007
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 29,985	\$ 20,199
Restricted cash (Note 4)	131,350	108,593
Accounts receivable	37,130	41,661
Prepaid expenses	14,387	14,965
	<b>212,852</b>	<b>185,418</b>
PROPERTY AND EQUIPMENT (Note 6)	<b>252,089</b>	<b>157,244</b>
	<b>\$ 464,941</b>	<b>\$ 342,662</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	\$ 30,380	\$ 36,151
Deferred contributions (Note 7)	1,802	19,435
	<b>32,182</b>	<b>55,586</b>
DEFERRED CAPITAL CONTRIBUTIONS (Note 8)	<b>378,536</b>	<b>242,815</b>
<b>NET ASSETS</b>		
NET ASSETS INVESTED IN CAPITAL	<b>3,148</b>	<b>2,856</b>
NET UNRESTRICTED ASSETS	<b>51,075</b>	<b>41,405</b>
	<b>54,223</b>	<b>44,261</b>
	<b>\$ 464,941</b>	<b>\$ 342,662</b>

APPROVED BY THE BOARD:

\_\_\_\_\_ Original signed \_\_\_\_\_ Director

\_\_\_\_\_ Original signed \_\_\_\_\_ Director

# ROCKY VIEW REGIONAL HANDIBUS SOCIETY

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2008

	2008	2007
<b>REVENUE</b>		
Amortization of deferred capital contributions	\$ 32,548	\$ 20,934
Amortization of deferred contributions	6,088	25,000
Casino revenues	11,545	15,761
Fee for service	267,986	271,910
Grants	97,050	66,400
Other income	9,298	18,564
Unrestricted contributions	38,940	30,334
User fees	26,725	22,522
	<b>490,180</b>	<b>471,425</b>
<b>EXPENSES</b>		
Advertising and promotion	1,874	2,334
Amortization	38,003	24,769
Bad debts	633	-
Dues and memberships	1,674	1,721
Fuel	60,599	49,693
Insurance	15,000	15,558
Interest and bank charges	503	1,563
Office	10,026	15,337
Professional fees	8,300	4,500
Rent	16,200	15,600
Repairs and maintenance	55,592	53,168
Salaries and benefits	264,815	251,793
Telephone	7,162	4,447
Utilities	3,962	3,692
	<b>484,343</b>	<b>444,175</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>		
Continuing operations	5,837	27,250
<b>OTHER ITEMS</b>		
Gain on disposal of assets	4,125	2,272
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>\$ 9,962</b>	<b>\$ 29,522</b>

# ROCKY VIEW REGIONAL HANDIBUS SOCIETY

## STATEMENT CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2008

		Invested in capital assets	Unrestricted	Total <u>2008</u>	Total <u>2007</u>
BALANCE, beginning of year	\$	2,856	\$ 41,405	\$ 44,261	\$ 14,737
Excess of revenues over expenditures		(213)	10,175	9,962	29,522
Capital asset additions		505	-	-	-
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BALANCE, end of year	\$	3,148	\$ 51,075	\$ 54,223	\$ 44,261
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# ROCKY VIEW REGIONAL HANDIBUS SOCIETY

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2008

	2008	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenditures, continuing operations	\$ 5,837	\$ 27,250
Items not affecting cash		
Amortization	38,003	24,769
Amortization of deferred contributions	(38,636)	(45,934)
	5,204	6,085
Change in non-cash working capital items		
Accounts receivable	4,531	(25,409)
Prepaid expenses	578	89
Accounts payable and accrued liabilities	(5,771)	211
Deferred contributions	(17,633)	(12,769)
<b>NET CASH GENERATED THROUGH OPERATING ACTIVITIES</b>	<b>(13,091)</b>	<b>(31,793)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Deferred capital donation	168,269	87,000
Casino proceeds	-	59,970
<b>NET CASH GENERATED THROUGH FINANCING ACTIVITIES</b>	<b>168,269</b>	<b>146,970</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(155,635)	(63,335)
Proceeds of disposal of property and equipment	33,000	-
<b>NET CASH GENERATED THROUGH INVESTING ACTIVITIES</b>	<b>(122,635)</b>	<b>(63,335)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>32,543</b>	<b>51,842</b>
<b>BALANCE, Beginning of year</b>	<b>128,792</b>	<b>76,950</b>
<b>BALANCE, End of year</b>	<b>\$ 161,335</b>	<b>\$ 128,792</b>
<b>CASH CONSISTS OF:</b>		
Cash	29,985	20,199
Restricted cash	131,350	108,593
	161,335	128,792

# ROCKY VIEW REGIONAL HANDIBUS SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

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### 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. 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.

### 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, 2008

### 4. RESTRICTED CASH

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

	2008	2007
Cash - Casino	\$ 1,802	\$ 13,347
Cash - Restricted contributions	129,548	95,246
	<b>\$ 131,350</b>	<b>\$ 108,593</b>

### 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. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	Net <u>2008</u>	Net <u>2007</u>
Automotive	\$ 585,810	\$ 337,396	\$ 248,414	\$ 153,534
Office furniture & equipment	9,680	8,155	1,525	1,317
Computer equipment	5,678	3,754	1,924	2,110
Computer upgrades	2,046	2,046	-	-
Leasehold improvements	2,616	2,390	226	283
	<b>\$ 605,830</b>	<b>\$ 353,741</b>	<b>\$ 252,089</b>	<b>\$ 157,244</b>

### 7. DEFERRED CONTRIBUTIONS

	2008	2007
Balance, beginning of the year	\$ 19,435	\$ 32,205
Amounts restricted for expenses not yet incurred	-	59,968
Amount transferred in (out)	-	(31,977)
Amount recognized as revenue	(17,633)	(40,761)
	<b>\$ 1,802</b>	<b>\$ 19,435</b>

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 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, 2008

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### 8. DEFERRED CAPITAL CONTRIBUTIONS

	2008	2007
Balance, beginning of the year	\$ 242,815	\$ 144,771
Restricted contributions	168,269	87,000
Amount recognized as revenue	(32,548)	(20,934)
	<hr/> \$ 378,536	<hr/> \$ 242,815

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

During the year, the Municipal District of Rocky View 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. The Municipal District of Rocky View retains first right of refusal to require 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.

### 9. ECONOMIC DEPENDENCE

The society relies on funds from the Rocky View School Division from which it derives 55% of its revenue (2007 58%).

### 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. 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.