

**ROCKY VIEW REGIONAL HANDIBUS SOCIETY**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2009**

## 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 19, 2010

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, 2009, 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, 2009 and the results of operations for the year then ended, in accordance with Canadian generally accepted accounting principles.

Calgary, Alberta  
March 19, 2010

Original signed  
CHARTERED ACCOUNTANT

# ROCKY VIEW REGIONAL HANDIBUS SOCIETY

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2009

	2009	2008
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 34,080	\$ 29,985
Restricted cash (Note 4)	155,716	131,350
Accounts receivable	10,166	37,130
Prepaid expenses	18,978	14,387
	<b>218,940</b>	<b>212,852</b>
PROPERTY AND EQUIPMENT (Note 6)	<b>221,638</b>	<b>252,089</b>
	<b>\$ 440,578</b>	<b>\$ 464,941</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	\$ 36,780	\$ 30,380
Deferred contributions (Note 7)	31,125	1,802
	<b>67,905</b>	<b>32,182</b>
DEFERRED CAPITAL CONTRIBUTIONS (Note 8)	<b>347,810</b>	<b>378,536</b>
<b>NET ASSETS</b>		
NET UNRESTRICTED ASSETS	<b>24,863</b>	<b>54,223</b>
	<b>24,863</b>	<b>54,223</b>
	<b>\$ 440,578</b>	<b>\$ 464,941</b>

APPROVED BY THE BOARD:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# ROCKY VIEW REGIONAL HANDIBUS SOCIETY

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2009

	2009	2008
<b>REVENUE</b>		
Amortization of deferred capital contributions	\$ 30,726	\$ 32,548
Amortization of deferred contributions	-	6,088
Casino revenues	16,821	11,545
Fee for service	256,087	267,986
Grants	122,683	97,050
Other income	7,196	9,298
Unrestricted contributions	1,867	38,940
User fees	40,177	26,725
	<b>475,557</b>	<b>490,180</b>
<b>EXPENSES</b>		
Advertising and promotion	285	1,874
Amortization	30,954	38,003
Bad debts	-	633
Dues and memberships	1,050	1,674
Fuel	49,497	60,599
Insurance	15,926	15,000
Interest and bank charges	1,404	503
Office	10,992	10,026
Professional fees	6,620	8,300
Rent	18,000	16,200
Repairs and maintenance	55,364	55,592
Salaries and benefits	304,076	264,815
Telephone	6,661	7,162
Uniforms	600	-
Utilities	4,013	3,962
	<b>505,442</b>	<b>484,343</b>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>		
Continuing operations	(29,885)	5,837
<b>OTHER ITEMS</b>		
Gain on disposal of assets	525	4,125
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>\$ (29,360)</b>	<b>\$ 9,962</b>

**ROCKY VIEW REGIONAL HANDIBUS SOCIETY**  
**STATEMENT CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	Unrestricted	Total <u>2009</u>	Total <u>2008</u>
BALANCE, beginning of year	\$ 54,223	\$ 54,223	\$ 44,261
Excess of revenues over expenditures	(29,360)	(29,360)	9,962
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BALANCE, end of year	\$ 24,863	\$ 24,863	\$ 54,223
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# ROCKY VIEW REGIONAL HANDIBUS SOCIETY

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2009

	2009	2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenditures, continuing operations	\$ (29,885)	\$ 5,837
Items not affecting cash		
Amortization	30,954	38,003
Amortization of deferred contributions	(30,726)	(38,636)
	(29,657)	5,204
Change in non-cash working capital items		
Accounts receivable	26,964	4,531
Prepaid expenses	(4,591)	578
Accounts payable and accrued liabilities	6,400	(5,771)
Deferred contributions	29,323	(17,633)
<b>NET CASH GENERATED THROUGH OPERATING ACTIVITIES</b>	<b>28,439</b>	<b>(13,091)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Deferred capital donation	-	168,269
Casino proceeds	-	-
<b>NET CASH GENERATED THROUGH FINANCING ACTIVITIES</b>	<b>-</b>	<b>168,269</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(950)	(155,635)
Proceeds of disposal of property and equipment	972	33,000
<b>NET CASH GENERATED THROUGH INVESTING ACTIVITIES</b>	<b>22</b>	<b>(122,635)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>28,461</b>	<b>32,543</b>
<b>BALANCE, Beginning of year</b>	<b>161,335</b>	<b>128,792</b>
<b>BALANCE, End of year</b>	<b>\$ 189,796</b>	<b>\$ 161,335</b>
<b>CASH CONSISTS OF:</b>		
Cash	34,080	29,985
Restricted cash	155,716	131,350
	<b>189,796</b>	<b>161,335</b>

# ROCKY VIEW REGIONAL HANDIBUS SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

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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, 2009

### 4. RESTRICTED CASH

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

	2009	2008
Cash - Casino	\$ 31,125	\$ 1,802
Cash - Restricted contributions	124,591	129,548
	<b>\$ 155,716</b>	<b>\$ 131,350</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>2009</u>	Net <u>2008</u>
Automotive	\$ 574,250	\$ 355,914	\$ 218,336	\$ 248,414
Office furniture & equipment	9,680	8,343	1,337	1,525
Computer equipment	5,678	3,893	1,785	1,924
Computer upgrades	2,046	2,046	-	-
Leasehold improvements	2,616	2,436	180	226
	<b>\$ 594,270</b>	<b>\$ 372,632</b>	<b>\$ 221,638</b>	<b>\$ 252,089</b>

### 7. DEFERRED CONTRIBUTIONS

	2009	2008
Balance, beginning of the year	\$ 1,802	\$ 19,435
Amounts restricted for expenses not yet incurred	46,144	-
Amount recognized as revenue	(16,821)	(17,633)
	<b>\$ 31,125</b>	<b>\$ 1,802</b>

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, 2009

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### 8. DEFERRED CAPITAL CONTRIBUTIONS

	2009	2008
Balance, beginning of the year	\$ 378,536	\$ 242,815
Restricted contributions	-	168,269
Amount recognized as revenue	(30,726)	(32,548)
	<hr/> \$ 347,810	<hr/> \$ 378,536

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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. The Municipal District of Rocky View 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.

### 9. ECONOMIC DEPENDENCE

The society relies on funds from the Rocky View School Division from which it derives 53% of its revenue (2008 55%).

### 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.