

ROCKY VIEW REGIONAL HANDIBUS SOCIETY

FINANCIAL STATEMENTS

DECEMBER 31, 2007

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 20, 2008

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, 2007, 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, 2007 and the results of operations for the year then ended, in accordance with Canadian generally accepted accounting principles.

Calgary, Alberta
March 20, 2008

Original Signed
CHARTERED ACCOUNTANT

ROCKY VIEW REGIONAL HANDIBUS SOCIETY

BALANCE SHEET

AS AT DECEMBER 31, 2007

	2007	2006
ASSETS		
CURRENT		
Cash	\$ 22,357	\$ 23,798
Restricted cash (Note 4)	106,435	53,152
Accounts receivable	41,661	16,252
Prepaid expenses	14,965	15,054
	185,418	108,256
PROPERTY AND EQUIPMENT (Note 6)	157,245	119,399
	\$ 342,663	\$ 227,655
LIABILITIES		
CURRENT		
Accounts payable	\$ 36,154	\$ 35,943
Deferred contributions (Note 7)	19,435	32,204
	55,589	68,147
DEFERRED CAPITAL CONTRIBUTIONS (Note 8)	242,815	144,771
NET ASSETS		
NET ASSETS INVESTED IN CAPITAL	1,430	1,444
NET UNRESTRICTED ASSETS	42,829	13,293
	44,259	14,737
	\$ 342,663	\$ 227,655

APPROVED BY THE BOARD:

_____ Director

_____ Director

ROCKY VIEW REGIONAL HANDIBUS SOCIETY

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2007

	2007	2006
REVENUE		
Amortization of deferred capital contributions	\$ 20,934	\$ 21,826
Amortization of deferred contributions	25,000	18,500
Casino revenues	15,761	14,970
Fee for service	271,910	265,522
Grants	66,400	36,500
Other income	18,564	1,328
Unrestricted contributions	30,334	9,930
User fees	22,522	27,999
	471,425	396,575
EXPENSES		
Advertising and promotion	2,334	2,887
Amortization	24,769	22,427
Dues and memberships	1,721	1,709
Fuel	49,693	49,555
Insurance	15,558	16,820
Interest and bank charges	1,563	813
Office	15,337	15,117
Professional fees	4,500	4,500
Rent	15,600	14,577
Repairs and maintenance	53,168	53,316
Salaries and benefits	251,793	238,654
Telephone	4,447	4,171
Utilities	3,692	3,948
	444,175	428,494
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS		
Continuing operations	\$ 27,250	\$ (31,919)
OTHER ITEMS		
Gain on disposal of assets	2,272	-
Discontinued operations (Note 11)	-	9,729
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	\$ 29,522	\$ (22,190)7

ROCKY VIEW REGIONAL HANDIBUS SOCIETY

STATEMENT CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2007

		Invested in capital assets	Unrestricted	Total <u>2007</u>	Total <u>2006</u>
BALANCE, beginning of year	\$	1,734	\$ 13,003	\$ 14,737	\$ 48,709
Excess of revenues over expenditures		(304)	29,826	29,522	(22,190)
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BALANCE, end of year	\$	1,430	\$ 42,829	\$ 44,259	\$ 14,737
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ROCKY VIEW REGIONAL HANDIBUS SOCIETY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2007

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficiency of revenues over expenditures, continuing operations	\$ 27,250	\$ (31,919)
Items not affecting cash		
Amortization	24,769	22,427
Amortization of deferred contributions	(45,934)	(21,826)
Cash flow from discontinued operations	-	9,729
	6,085	(21,589)
Change in non-cash working capital items		
Accounts receivable	(25,409)	6,577
Prepaid expenses	89	(1,156)
Accounts payable and accrued liabilities	211	21,657
Deferred contributions	(12,769)	16,119
NET CASH GENERATED THROUGH OPERATING ACTIVITIES	(31,793)	21,608
CASH FLOWS FROM FINANCING ACTIVITIES		
Deferred capital donation	87,000	20,000
Casino proceeds	59,970	-
NET CASH GENERATED THROUGH FINANCING ACTIVITIES	146,970	20,000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(63,335)	(2,486)
Recovery of cost of property and equipment	-	15,704
NET CASH GENERATED THROUGH INVESTING ACTIVITIES	(63,335)	13,218
NET INCREASE (DECREASE) IN CASH	51,842	54,826
BALANCE, Beginning of year	76,950	22,124
BALANCE, End of year	\$ 128,792	\$ 76,950
CASH CONSISTS OF:		
Cash	22,357	23,798
Restricted cash	106,435	53,152
	128,792	76,950

ROCKY VIEW REGIONAL HANDIBUS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

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, 2007

4. RESTRICTED CASH

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

	2007	2006
Cash - Casino	\$ 13,347	\$ 1,116
Cash - Restricted contributions	93,088	52,037
	\$ 106,435	\$ 53,153

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>2007</u>	Net <u>2006</u>
Automotive	\$ 458,564	\$ 305,030	\$ 153,534	\$ 114,985
Office furniture & equipment	9,175	7,857	1,318	1,562
Computer equipment	5,678	3,568	2,110	2,498
Computer upgrades	2,046	2,046	-	-
Leasehold improvements	2,616	2,333	283	354
	\$ 478,079	\$ 320,834	\$ 157,245	\$ 119,399

7. DEFERRED CONTRIBUTIONS

	2007	2006
Balance, beginning of the year	\$ 32,204	\$ 16,085
Amounts restricted for expenses not yet incurred	59,969	49,589
Amount transferred in (out)	(31,977)	-
Amount recognized as revenue	(40,761)	(33,470)
	\$ 19,435	\$ 32,204

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, 2007

8. DEFERRED CAPITAL CONTRIBUTIONS

	2007	2006
Balance, beginning of the year	\$ 144,771	\$ 146,597
Restricted contributions	87,000	20,000
Amount transferred to deferred capital contributions	31,978	-
Amount recognized as revenue	(20,934)	(21,826)
	<hr/> \$ 242,815	<hr/> \$ 144,771

Deferred capital contributions represent contributed property and equipment 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 58% of its revenue (2006 66%).

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 previous year. There were no assets specifically identified as relating to this operation, nor were specific expenses eliminated.