

**ROCKY VIEW REGIONAL HANDIBUS SOCIETY**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2005**

## 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 ultimate responsibility to members for the financial statements lies with the Board of Directors. The Board appoints an Audit Committee to review financial statements with management in detail and to report to the Board prior to its approval to publish the financial statements.

The Board appoints external auditors to audit the financial statements and to meet separately with both the Audit Committee and management to review their findings. The external auditors report directly to the members; their report follows. The external auditors have full and free access to the Audit Committee to discuss their audit, as well as their findings concerning the integrity of the Society's financial reporting and the adequacy of its system of internal controls.

Calgary, Alberta  
March 20, 2006

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, 2005, 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, 2005 and the results of operations for the year then ended, in accordance with Canadian generally accepted accounting principles.

Calgary, Alberta  
March 20, 2006

original signed P.F.Turner, Professional Corporation  
CHARTERED ACCOUNTANT

# ROCKY VIEW REGIONAL HANDIBUS SOCIETY

## BALANCE SHEET

AS AT DECEMBER 31, 2005

	2005	2004
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 5,295	\$ 27,822
Restricted cash (Note 4)	16,829	8,138
Accounts receivable	22,829	11,365
Prepaid expenses	13,898	14,912
	<b>58,851</b>	62,237
<b>CAPITAL (Note 6)</b>	<b>155,045</b>	42,430
	<b>\$ 213,896</b>	\$ 104,667
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	\$ 14,287	\$ 14,469
Deferred contributions (Note 7)	16,085	8,206
	<b>30,372</b>	22,675
<b>DEFERRED CAPITAL CONTRIBUTIONS (Note 8)</b>	<b>146,597</b>	55,987
<b>NET ASSETS</b>		
<b>NET ASSETS INVESTED IN CAPITAL</b>	<b>1,001</b>	1,444
<b>NET UNRESTRICTED ASSETS</b>	<b>35,926</b>	24,561
	<b>36,927</b>	26,005
	<b>\$ 213,896</b>	\$ 104,667

APPROVED BY THE BOARD:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# ROCKY VIEW REGIONAL HANDIBUS SOCIETY

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2005

	2005	2004
<b>REVENUE</b>		
Amortization of deferred capital contributions	\$ 34,390	\$ 17,802
Amortization of deferred contributions	-	4,823
Casino revenues (net of expenses)	18,722	-
Fee for service	264,910	245,473
Grants	74,141	41,250
Other income	15,077	14,115
Unrestricted contributions	7,519	33,572
User fees	27,696	25,607
	<b>442,455</b>	<b>382,642</b>
<b>EXPENSES</b>		
Advertising and promotion	1,534	1,810
Amortization	34,559	17,802
Bad debts	793	-
Dues and memberships	1,115	863
Fuel	49,587	47,486
Insurance	17,321	16,838
Interest and bank charges	434	689
Office	10,867	10,504
Professional fees	4,500	1,324
Rent	10,656	10,656
Repairs and maintenance	49,473	43,601
Salaries and benefits	243,561	230,470
Telephone	3,944	4,406
Utilities	3,189	2,857
	<b>431,533</b>	<b>389,306</b>
<b>EXCESS OF RECEIPTS OVER DISBURSEMENTS</b>	<b>\$ 10,922</b>	<b>\$ (6,664)</b>

# ROCKY VIEW REGIONAL HANDIBUS SOCIETY

## STATEMENT CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2005

	Invested in capital assets	Unrestricted	Total <u>2005</u>	Total <u>2004</u>
BALANCE, beginning of year	\$ 506	\$ 25,499	\$ 26,005	\$ 48,709
Deficiency of revenues over expenditures	(169)	11,091	10,922	(6,664)
Capital asset additions	664	(664)	-	-
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BALANCE, end of year	\$ 1,001	\$ 35,926	\$ 36,927	\$ 26,005

# ROCKY VIEW REGIONAL HANDIBUS SOCIETY

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2005

	2005	2004
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Deficiency of revenues over expenditures	\$ 10,922	\$ (6,664)
Items not affecting cash		
Amortization	34,559	17,802
Amortization of capital contributions	(34,390)	(17,802)
	<b>11,091</b>	<b>(6,664)</b>
Change in non-cash working capital items		
Accounts receivable	(11,464)	1,951
Prepaid expenses	1,014	(3,355)
Accounts payable and accrued liabilities	(182)	(5,572)
Deferred contributions	7,879	(19,823)
<b>NET CASH GENERATED THROUGH OPERATING ACTIVITIES</b>	<b>8,338</b>	<b>(33,463)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Deferred capital donation	125,000	15,000
<b>NET CASH GENERATED THROUGH FINANCING ACTIVITIES</b>	<b>125,000</b>	<b>15,000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of capital assets	(147,174)	-
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(13,836)</b>	<b>(18,463)</b>
BALANCE, Beginning of year	35,960	54,423
<b>BALANCE, End of year</b>	<b>\$ 22,124</b>	<b>\$ 35,960</b>
<b>CASH CONSISTS OF:</b>		
Cash	5,295	27,822
Restricted cash	16,829	8,138
	<b>22,124</b>	<b>35,960</b>

# ROCKY VIEW REGIONAL HANDIBUS SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

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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. 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, 2005

### 4. RESTRICTED CASH

Restricted cash is comprised of casino funds contributed for the specific purposes of acquiring and maintaining capital assets and a grant received from the Community Initiatives Program (CIP) restricted to assist in the development of a rural handibus service.

	2005	2004
Cash - Casino	\$ 16,085	\$ 115
Cash - Community Initiatives Program	743	8,023
	\$ 16,828	\$ 8,138

### 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>2005</u>	Net <u>2004</u>
Automotive	\$ 432,927	\$ 281,854	\$ 151,073	\$ 39,548
Office furniture & equipment	9,175	7,305	1,870	1,591
Computer equipment	4,344	2,684	1,660	738
Computer upgrades	2,046	2,046	-	-
Leasehold improvements	2,616	2,174	442	553
	\$ 451,108	\$ 296,063	\$ 155,045	\$ 42,430

### 7. DEFERRED CONTRIBUTIONS

	2005	2004
Balance, beginning of the year	\$ 8,206	\$ 28,029
Amounts restricted for expenses not yet incurred	17,879	-
Amount transferred out	(10,000)	(15,000)
Amount recognized as revenue	-	(4,823)
	\$ 16,085	\$ 8,206

Deferred contributions represent amounts received to pay for wages for a transportation survey 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, 2005

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### 8. DEFERRED CAPITAL CONTRIBUTIONS

	2005	2004
Balance, beginning of the year	\$ 55,987	\$ 58,789
Restricted contributions	115,000	15,000
Amount transferred to deferred capital contributions	10,000	-
Amount recognized as revenue	(34,390)	(17,802)
	<hr/> \$ 146,597	<hr/> \$ 55,987

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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 54% of its revenue (2004 48%).

### 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.