

ROCKY VIEW REGIONAL HANDIBUS SOCIETY

FINANCIAL STATEMENTS

DECEMBER 31, 2013

ANDA FRUSescu CGA, PROFESSIONAL CORPORATION

Certified General Accountant

INDEPENDENT AUDITOR'S REPORT

To the Members of Rocky View Regional Handibus Society

I have audited the accompanying financial statements of Rocky View Regional Handibus Society which comprise the Statement of Financial Position as at December 31, 2013, the statement of operations, the statement of changes in net assets, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion .

Opinion

In my opinion, these financial statements present fairly, in all material respects, the financial position of Rocky View Regional Handibus Society as at December 31, 2013, and the results of its operations and its cash flows for the year then ended, in accordance with Canadian Accounting standards for not-for-profit organizations.

These financial statements, which have not been, and were not intended to be, prepared in accordance with Canadian Accounting standards for not-for-profit organizations, are solely for the information and use of the Directors of Rocky View Regional Handibus Society. These financial statements are not intended to be and should not be used by anyone other than specified users or for any other purpose.

Calgary, Alberta
March 27, 2014

CERTIFIED GENERAL ACCOUNTANT



Original Signed

ROCKY VIEW REGIONAL HANDIBUS SOCIETY

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013

	2013	2012
ASSETS		
CURRENT		
Cash	\$ 16,929	\$ 25,239
Restricted cash (Note 3)	1,563	4,986
Accounts receivable	8,725	8,123
GST receivable	6,917	8,363
Prepaid expenses	27,138	28,478
	61,272	75,189
TANGIBLE CAPITAL ASSETS (Note 4)	373,629	394,535
	\$ 434,901	\$ 469,724
LIABILITIES		
CURRENT		
Accounts payable	\$ 31,216	\$ 81,180
Deferred contributions (Note 5)	1,563	4,986
	32,779	86,166
DEFERRED CAPITAL CONTRIBUTIONS (Note 6)	309,195	330,101
NET ASSETS		
UNRESTRICTED NET ASSETS	92,927	53,457
	92,927	53,457
	\$ 434,901	\$ 469,724

APPROVED BY THE BOARD:

Original Signed Director

Original Signed Director

ROCKY VIEW REGIONAL HANDIBUS SOCIETY

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2013

	2013	2012
RECEIPTS		
Deferred capital contributions	\$ 20,906	\$ 51,954
Deferred contributions	-	21,000
Casino revenues	3,423	47,016
Fee for service	352,388	342,707
Grants	335,741	291,669
Other income	7,663	3,409
Unrestricted contributions	5,709	4,292
User fees	51,488	50,967
	777,318	813,014
DISBURSEMENTS		
Advertising and promotion	980	1,100
Amortization	20,906	51,942
Bad debts	-	(4,664)
Dues and memberships	3,102	3,464
Fuel	90,483	97,007
Insurance	30,495	27,088
Interest and bank charges	3,613	4,214
Office	18,433	13,171
Professional fees	7,200	7,200
Rent	22,200	22,200
Repairs and maintenance	97,156	99,503
Salaries and benefits	424,539	449,322
Telephone	11,634	10,363
Uniforms	-	4,272
Utilities	7,112	6,390
	737,853	792,572
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS		
Continuing operations	39,465	20,442
OTHER ITEMS		
Gain on disposal of assets	-	(890)
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	\$ 39,465	\$ 19,552

ROCKY VIEW REGIONAL HANDIBUS SOCIETY

STATEMENT CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Total</u> <u>2013</u>	<u>Total</u> <u>2012</u>
BALANCE, beginning of year	\$ 53,457	\$ 33,905
Excess of revenues over expenditures	39,465	19,552
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BALANCE, end of year	\$ 92,922	53,457

ROCKY VIEW REGIONAL HANDIBUS SOCIETY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2013

	2013	2012
CASH FLOWS FROM/(TO) OPERATING ACTIVITIES		
Excess (Deficiency) of receipts over disbursements, continuing operations	\$ 39,465	\$ 20,442
Items not affecting cash		
Amortization	20,906	51,942
Amortization of deferred contributions	(20,906)	(51,954)
	39,465	20,430
Change in non-cash working capital items		
Accounts receivable	849	(6,336)
Prepaid expenses	1,340	(5,156)
Accounts payable and accrued liabilities	(49,964)	21,024
Deferred contributions	(3,423)	(17,124)
NET CASH GENERATED THROUGH OPERATING ACTIVITIES	(11,733)	12,838
CASH FLOWS FROM FINANCING ACTIVITIES		
NET CASH GENERATED THROUGH FINANCING ACTIVITIES	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(50,636)
Proceeds of disposal of property and equipment	-	1,002
NET CASH GENERATED THROUGH INVESTING ACTIVITIES	-	(49,634)
NET INCREASE (DECREASE) IN CASH	(11,733)	(36,796)
BALANCE, Beginning of year	30,225	67,021
BALANCE, End of year	\$ 18,492	\$ 30,225
CASH CONSISTS OF:		
Cash	16,929	25,239
Restricted cash	1,563	4,986
	18,492	30,225

ROCKY VIEW REGIONAL HANDIBUS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

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. ACCOUNTING POLICIES

The society's accounting policies and the standards of its disclosure are in accordance with the Canadian accounting standards for not-for-profit organizations.

Cash and restricted cash

Consist of cash on hand and funds on deposit.

Tangible Capital assets

Tangible 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%
Leasehold improvements	20%
Scheduling software	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

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.

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.

ROCKY VIEW REGIONAL HANDIBUS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

Management estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the current period. All estimates are reviewed periodically and adjustments are made to the statement of operations as appropriate in the year they become known.

Risk management policies

Rocky View Regional Handibus Society is exposed to various risks through its financial instruments. The exposure to the risks associated with financial instruments that have the potential to affect its operating and financial performance are managed in accordance with the Risk Management Policy. The objective of the policy is to reduce volatility in cash flow and earnings. The Board of Directors monitors compliance with risk management policies and reviews risk management policies on an annual basis.

a) Credit risk

Rocky View Regional Handibus Society is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried on with the same party. Management follows a program of credit evaluation of customers and a limit of the amount of credit extended.

b) Liquidity risk

Liquidity risk is the risk that Rocky View Regional Handibus Society will not be able to meet a demand for cash or fund its obligations as they come due. Liquidity requirements are met by preparing and monitoring forecasts of cash flows from operations and maintaining a line of credit.

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

d) Currency risk

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. Rocky View Regional Handibus Society does not deal in foreign currency.

e) Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

f) Changes in risk

There have been no changes in the Rocky View Regional Handibus Society's risk exposure from the prior year.

3. RESTRICTED CASH

Restricted cash-Casino is comprised of casino funds contributed for the specific purposes of acquiring and maintaining capital assets. Restricted contributions are funds received for specific purposes that have not yet been spent.

	2013	2012
Cash - Casino	\$ 1,563	\$ 4,986

ROCKY VIEW REGIONAL HANDIBUS SOCIETY

\$ 1,563 \$ 4,986

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2013	Net 2012
Automotive	\$ 628,834	\$ 303,264	\$ 325,570	\$ 343,376
Office furniture & equipment	9,680	8,784	896	971
Computer equipment	5,678	4,193	1,485	1,528
Scheduling software	67,503	21,899	45,604	48,568
Leasehold improvements	2,616	2,542	74	92
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 714,311	\$ 340,682	\$ 373,629	\$ 394,535

5. DEFERRED CONTRIBUTIONS

	2013	2012
Balance, beginning of the year	\$ 4,986	\$ 1,110
Amount transferred in (out)	-	52,982
Amount recognized as revenue	(3,423)	(49,106)
	<hr/>	<hr/>
	\$ 1,563	\$ 4,986

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 expenditure.

6. DEFERRED CAPITAL CONTRIBUTIONS

	2013	2012
Balance, beginning of the year	\$ 330,102	\$ 382,056
Restricted contributions	-	-
Amount recognized as revenue	(20,906)	(51,954)
	<hr/>	<hr/>
	\$ 309,196	\$ 330,102

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

7. ECONOMIC DEPENDENCE

The society relies on funds from Rocky View Schools.

8. 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.

ROCKY VIEW REGIONAL HANDIBUS SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

9. FINANCIAL INSTRUMENTS

1) Measurement of financial instruments

Financial assets measured at amortized cost include cash, accounts receivable and fixed income investments. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

2) Impairment

The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of reduction is recognized as an impairment loss in the statement of operations.

3) Transaction costs

Transactions costs are recognized in the statement of operations in the period incurred, except for financial instruments that will be subsequently measured at amortized cost.