

Financial Statements of

***THE BOW VALLEY SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS
(OPERATING AS "THE BOW VALLEY SPCA")***

December 31, 2009

The Bow Valley Society For The Prevention Of Cruelty To Animals

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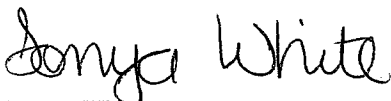
Management's Report

Management is responsible to the Board of Directors for the preparation of the financial statements of The Bow Valley Society For The Prevention Of Cruelty To Animals (Operating as "The Bow Valley SPCA") (the "Organization"). These statements have been prepared in accordance with Canadian generally accepted accounting principles for non-profit organizations and necessarily include some amounts based on estimates and judgements.

The Organization maintains a system of internal control, which provides management with reasonable assurance that assets are safeguarded and that reliable financial records are maintained. This system includes written policies and procedures and an organizational structure that segregates duties to the extent possible. The Organization has also instituted policies and guidelines, which require employees to maintain the highest ethical standards.

The external auditors of the Organization, Chengkalath Van Eyck Chartered Accountants, have been appointed by the board to express an opinion as to whether the financial statements present fairly the Organization's financial position and operating results in accordance with Canadian generally accepted accounting principles for non-profit organizations. Their report follows.

The Board of Directors has reviewed and approved these financial statements. The Board meets periodically with management and the external auditors to review internal controls, audit results and accounting principles and practices.



Sonya White
Manager

The Bow Valley Society For The Prevention Of Cruelty To Animals

May 10, 2010

Auditors' Report

To the Members of The Bow Valley Society For The Prevention Of Cruelty To Animals:

We have audited the statement of financial position of The Bow Valley Society For The Prevention Of Cruelty To Animals (Operating as "The Bow Valley SPCA") (the "Organization") as at December 31, 2009 and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 common with many non-profit organizations, the Organization derives revenue from fund raising activities, donations and memberships, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to the statement of operations and the statement of financial position.

In our opinion, except for the effect of the adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects the financial position of the Organization as at December 31, 2009 and the results of its financial activities and the changes in its cash position for the year then ended in accordance with Canadian generally accepted accounting principles.

Chengkalath Van Eyck
Chartered Accountants

May 10, 2010

**THE BOW VALLEY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
(OPERATING AS "THE BOW VALLEY SPCA")
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	Invested in capital assets	Endowments	Unrestricted net assets	2009	2008
Balance, beginning of year	\$ 951,276	\$ 127,571	\$ 179,286	\$ 1,258,133	\$ 1,364,528
Excess of revenues over expenditures (expenditures over revenues)	(40,242)	-	6,752	(33,490)	(106,395)
Additions to capital assets	8,110	-	(8,110)	-	-
Endowment contributions	-	-	-	-	-
Balance, end of year	\$ 919,144	\$ 127,571	\$ 177,928	\$ 1,224,643	\$ 1,258,133

**THE BOW VALLEY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
(OPERATING AS "THE BOW VALLEY SPCA")
STATEMENT OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
Revenues		
Donations	\$ 65,402	\$ 64,197
Fundraising events	98,212	19,291
Grants	45,886	6,386
Membership fees	25	1,095
Adoption fees	24,555	22,670
Re-homing fees	6,351	7,785
Investment income	5,034	9,404
	<u>245,465</u>	<u>130,828</u>
Expenditures		
Administration	12,739	12,535
Advertising	6,983	5,572
Amortization	40,242	41,825
Automotive	1,553	1,521
Contract services	41,183	31,060
Facilities	25,113	22,098
Fundraising events	14,600	2,398
Supplies	9,039	5,464
Wages and benefits	127,503	114,750
	<u>278,955</u>	<u>237,223</u>
Excess of revenues over expenditures (expenditures over revenues)	\$ (33,490)	\$ (106,395)

**THE BOW VALLEY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
(OPERATING AS "THE BOW VALLEY SPCA")
STATEMENT OF CASH FLOWS
AS AT DECEMBER 31, 2009 AND 2008**

	<u>2009</u>	<u>2008</u>
Operating activities		
Excess of revenues over expenditures (expenditures over revenues) for the year	\$ (33,490)	\$ (106,395)
Items not affecting cash:		
Amortization of capital assets	40,242	41,825
	<u>6,752</u>	<u>(64,570)</u>
Changes in non-cash working capital		
Decrease in accrued receivables	673	77
Decrease in deposits	1,500	9,500
Increase in prepaid expenses	(58)	1,035
Increase in accounts payable and accrued liabilities	4,075	(7,287)
Increase (decrease) in deferred contributions	(55,007)	65,175
Cash provided by (used for) operating activities	<u>(42,065)</u>	<u>3,930</u>
Investing activities		
Purchase of guaranteed investment certificates	(12,680)	(3,455)
Additions to capital assets	(8,110)	-
Cash used for investing activities	<u>(20,790)</u>	<u>(3,455)</u>
Net change in cash and cash equivalents	(62,855)	475
Cash and cash equivalents, beginning of year	237,340	236,865
Cash and cash equivalents, end of year	\$ 174,485	\$ 237,340

Cash and cash equivalents consists of:

Cash - unrestricted	23,623	(13)
Cash - restricted	37,793	65,175
Short term investments	113,069	172,178
	<u>\$ 174,485</u>	<u>\$ 237,340</u>

**THE BOW VALLEY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
(OPERATING AS "The BOW VALLEY SPCA")
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

1. INCORPORATION AND PURPOSE OF THE ORGANIZATION

The Bow Valley Society For The Prevention Of Cruelty To Animals (Operating as "The Bow Valley SPCA") (the "Organization") has created the Carla Cumming Sojonky Adoption Centre for abandoned dogs and cats in the Bow Valley region of Alberta in the heart of the Canadian Rocky Mountains, which is a NO-KILL, NO-CAGE facility.

The Organization was incorporated under the Alberta Societies Act as a registered charity on April 10, 2000. The Organization is a non-profit organization and, under present legislation, is not subject to income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles generally accepted in Canada for non-profit organizations and include the following significant accounting policies:

(a) Revenue recognition

The Organization follows the deferral method of accounting for contributions. Externally restricted contributions are recognized 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. Endowment contributions are recognized as direct increases to net assets.

(b) Capital assets

Capital assets are recorded at cost. Amortization is calculated at rates designed to charge operations with the cost of capital assets, over their estimated useful lives, as follows:

Buildings	-	declining balance, 4% per annum
Automotive equipment	-	declining balance, 30% per annum
Furniture and Fixtures	-	declining balance, 20% per annum

(c) Financial instruments

The carrying value of cash, marketable securities, accrued receivables, deposits, prepaid expenses and accounts payable and accrued liabilities approximate their fair values due to their short term nature.

Unless otherwise noted, it is the board's opinion that the Organization is not exposed to significant interest rate, currency or credit risks arising from its financial instruments.

(d) Use of estimates

The preparation of financial statements in accordance with generally accepted 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 amount of revenues and expenses during the reporting period. Actual results could differ from the estimates made by the Organization as additional information becomes available in the future.

**THE BOW VALLEY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Investments

Investments are recorded at amortized cost.

(f) Contributed services

The work of the Organization is dependant on and thankful for the voluntary services of many individuals and organizations. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

3. CASH AND SHORT-TERM INVESTMENTS

	<u>2009</u>	<u>2008</u>
Cash	\$ 23,623	\$ 17,908
Short-term investments	113,069	154,207
	<u>\$ 136,692</u>	<u>\$ 172,165</u>

4. CASH AND SHORT-TERM INVESTMENTS – RESTRICTED

	<u>2009</u>	<u>2008</u>
Cash – restricted	\$ 10,168	\$ 65,175
Short-term investments – restricted	27,625	-
	<u>\$ 37,793</u>	<u>\$ 65,175</u>

5. CAPITAL ASSETS

	<u>2009</u>			<u>2008</u>
	<u>Cost</u>	<u>Accumulated Amorization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Building	\$ 1,006,641	\$ 97,387	\$ 909,254	\$ 945,617
Automotive equipment	9,511	5,550	3,961	5,659
Furniture and equipment	6,588	659	5,929	-
	<u>\$ 1,022,740</u>	<u>\$ 103,596</u>	<u>\$ 919,144</u>	<u>\$ 951,276</u>

6. INVESTMENTS

These investments consist of guaranteed investment certificates. Interest rates on these investments vary from 1% to 4% and maturity dates range from March 2011 to July 2014. These investments include a restricted amount of \$99,946 which is part of the endowment funds as per note 8.

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FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

7. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent resources externally restricted for operating funding received in the current period that is related to the subsequent period. Changes in the deferred contribution balances are as follows:

	<u>2009</u>	<u>2008</u>
Beginning balance	\$ 65,175	\$ -
Add: contributions received	11,396	73,453
Less: amounts recognized as revenue in the year	(66,403)	(8,278)
Ending balance	<u>\$ 10,168</u>	<u>\$ 65,175</u>

8. ENDOWMENTS

The Organization has established several endowment funds. Contributions to these funds are to be maintained for at least a 10-year period, unless otherwise specified by the donor, during which time any investment income earned on the funds are to be used for purposes specified by the donor. Balances in specific endowment funds are as follows:

	<u>2009</u>	<u>2008</u>
Tavi-Mimi-Rigby Spay & Neuter Endowment Fund	\$ 25,152	\$ 25,152
Mimi Sojonky Memorial Spay & Neuter Endowment Fund	24,794	24,794
Somerville Family Endowment Fund	20,000	20,000
Beverly Bendell Endowment Fund	57,625	57,625
	<u>\$ 127,571</u>	<u>\$ 127,571</u>

These funds have been invested in various guaranteed investment certificates as follows:

	<u>2009</u>	<u>2008</u>
Included in cash and short term investments-restricted	\$ 27,625	\$ 27,625
Investments (note 6)	99,946	99,946
	<u>\$ 127,571</u>	<u>\$ 127,571</u>