

Financial Statements of

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

December 31, 2010

The Bow Valley Society For The Prevention Of Cruelty To Animals

123 Bow Meadows Crescent, Canmore, Alberta, T1W 2T9 T 403-609-2022 F 403-609-2110

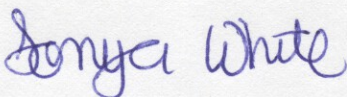
Management's Report

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

April 12, 2011

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, 2010 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, 2010 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

April 12, 2011

**THE BOW VALLEY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
(OPERATING AS "THE BOW VALLEY SPCA")
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2010**

	<u>2010</u>	<u>2009</u>
ASSETS		
Current		
Cash and Short term investments (note 3)	\$ 132,201	\$ 136,692
Cash and Short term investments - restricted (note 4)	60,920	37,793
Accrued receivables	7,394	5,564
Prepaid expenses	6,136	1,033
	<u>206,651</u>	<u>181,082</u>
Property, Plant & Equipment (note 5)	<u>880,400</u>	<u>919,144</u>
Other		
Investments (note 6)	79,892	144,495
	<u>\$ 1,166,943</u>	<u>\$ 1,244,721</u>
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	\$ 11,313	\$ 9,910
Deferred contributions (note 7)	10,920	10,168
	<u>22,233</u>	<u>20,078</u>
NET ASSETS		
Invested in capital assets	880,400	919,144
Endowments (note 8)	127,571	127,571
Unrestricted net assets	136,739	177,928
	<u>1,144,710</u>	<u>1,224,643</u>
	<u>\$ 1,166,943</u>	<u>\$ 1,244,721</u>

Approved on behalf of the Board:

Hanning

Meghan, TREASURER

**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 YEAR ENDED DECEMBER 31, 2010**

	Invested in capital assets	Endowments	Unrestricted net assets	2010	2009
Balance, beginning of year	\$ 919,144	\$ 127,571	\$ 177,928	\$ 1,224,643	\$ 1,258,133
Excess of revenues over expenditures (expenditures over revenues)	(38,744)	-	(41,189)	(79,933)	(33,490)
Balance, end of year	880,400	127,571	136,739	1,144,710	\$ 1,224,643

**THE BOW VALLEY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
(OPERATING AS "THE BOW VALLEY SPCA")
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>2010</u>	<u>2009</u>
Revenues		
Donations	\$ 72,484	\$ 65,402
Fundraising events	24,827	98,212
Grants	26,564	45,886
Membership fees	-	25
Adoption fees	28,270	24,555
Re-homing fees	5,600	6,351
Investment income	6,046	5,034
	<u>163,791</u>	<u>245,465</u>
Expenditures		
Administration	8,128	12,739
Advertising	2,020	6,983
Amortization	38,744	40,242
Automotive	2,339	1,553
Contract services	34,512	41,183
Facilities	20,355	25,113
Fundraising events	4,496	14,600
Supplies	5,643	9,039
Wages and benefits	127,487	127,503
	<u>243,724</u>	<u>278,955</u>
Excess of revenues over expenditures (expenditures over revenues)	\$ (79,933)	\$ (33,490)

**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, 2010**

	<u>2010</u>	<u>2009</u>
Operating activities		
Excess of revenues over expenditures (expenditures over revenues) for the year	\$ (79,933)	\$ (33,490)
Items not affecting cash:		
Amortization of capital assets	38,744	40,242
	<u>(41,189)</u>	<u>6,752</u>
Changes in non-cash working capital		
Decrease in accrued receivables	(1,831)	673
Decrease in deposits	-	1,500
Increase in prepaid expenses	(5,103)	(58)
Increase in accounts payable and accrued liabilities	1,402	4,075
Increase (decrease) in deferred contributions	752	(55,007)
Cash provided by (used for) operating activities	<u>(45,967)</u>	<u>(42,065)</u>
Investing activities		
Redemption of guaranteed investment certificates	64,603	(12,680)
Additions to capital assets	-	(8,110)
Cash used for investing activities	<u>64,603</u>	<u>(20,790)</u>
Net change in cash and cash equivalents	18,636	(62,855)
Cash and cash equivalents, beginning of year	174,485	237,340
Cash and cash equivalents, end of year	\$ 193,121	\$ 174,485
 Cash and cash equivalents consists of:		
Cash - unrestricted	29,483	23,623
Short term investments	152,718	113,069
Cash - restricted	10,920	37,793
	<u>\$ 193,121</u>	<u>\$ 174,485</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 YEAR ENDED DECEMBER 31, 2010**

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.

Where donor has specified that a contribution is intended for a specific use in operations or on a future date, the donation is recorded as a deferred contribution and recorded as revenue when specified terms have been satisfied. Endowment contributions are recognized as direct increases to net assets.

(b) Cash and cash equivalents

Cash and cash equivalents consist of balances with financial institutions and short term investments comprised of investments in GICs and can be redeemed at any time at the discretion of the Society's management.

(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.

**THE BOW VALLEY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
(OPERATING AS "The BOW VALLEY SPCA")
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

(d) Investments

Investments are recorded at amortized cost. Interest income is recognized on an accrual basis.

(e) Capital disclosures

The Society adopted CICA Handbook Section 155 –Capital disclosures. This section requires discussion of the nature of any externally imposed restrictions on the Society’s capital, the Society’s compliance with these restrictions and the consequences of any non-compliance with restrictions.

The Society defines its capital as the amounts included in its net assets balances. The Society’s objective when managing its capital is to safeguard the Society’s ability to continue to provide the appropriate level of service to the community.

The Society sets the amount of net asset balances in proportion to risk, manages the asset structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

There is no change in the Society’s disclosures as a result of this adoption.

(f) Property Plant & Equipment

Property, plant and equipment are recorded at cost and are amortized over the estimated useful economic life using the declining balance method at the following annual rates:

Buildings	-	4%
Automotive equipment	-	30%
Furniture and Fixtures	-	20%

(g) 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.

(h) 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.

**THE BOW VALLEY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
(OPERATING AS "The BOW VALLEY SPCA")
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

3. CASH AND SHORT-TERM INVESTMENTS

	<u>2010</u>	<u>2009</u>
Cash	\$ 29,483	\$ 23,623
Short-term investments	102,718	113,069
	<u>\$ 132,201</u>	<u>\$ 136,692</u>

4. CASH AND SHORT-TERM INVESTMENTS – RESTRICTED

	<u>2010</u>	<u>2009</u>
Cash – restricted	\$ 10,920	\$ 10,168
Short-term investments – restricted	50,000	27,625
	<u>\$ 60,920</u>	<u>\$ 37,793</u>

5. PROPERTY, PLANT & EQUIPMENT

	<u>2010</u>			<u>2009</u>
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Building	\$ 1,006,641	\$ 133,757	\$ 872,884	\$ 909,254
Automotive Equipment	6,588	1,845	4,743	3,961
Furniture & Equipment	9,511	6,738	2,773	5,929
	<u>\$ 1,022,740</u>	<u>\$ 142,340</u>	<u>\$ 880,400</u>	<u>\$ 919,144</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 \$77,625 which is part of the endowment funds as per note 8.

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:

**THE BOW VALLEY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
(OPERATING AS "The BOW VALLEY SPCA")
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

	2010	2009
Beginning Balance	\$ 10,168	\$ 65,175
Add: Contributions received	13,355	11,396
Less: Amounts recognised as revenue in current year	(12,603)	(66,403)
	\$ 10,920	\$ 10,168

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.

Interest earned on the Tavi Mimi Rigby Spay & Neuter Endowment Fund and the Mimi Sojonky Memorial S&N Endowment Fund are to be used for the spay and neuter of the organization's dogs and cats. Interest earned on the Sommerville Family Endowment Fund and the Beverly Bendell Endowment Fund are to be used for operations.

Balances in specific endowment funds are as follows:

	2010	2009
Tavi Mimi Rigby Spay & Neuter Endowment Fund	\$ 25,152	\$ 25,152
Mimi Sojonky Memorial S&N Endowment Fund	24,794	24,794
Sommerville Family Endowment Fund	20,000	20,000
Beverly Bendell Endowment Fund	57,625	57,625
	\$ 127,571	\$ 127,571

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

	2010	2009
Included in cash and short term investments-restricted	\$ 49,946	\$ 27,625
Investments (note 6)	77,625	99,946
	\$ 127,571	\$ 127,571