

PET ACCESS LEAGUE SOCIETY

Financial Statements

For the Year Ended December 31, 2013

Pet Access League Society
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For the Year Ended December 31, 2013

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INDEPENDENT AUDITOR'S REPORT

To the Members of Pet Access League Society:

Report on the financial statements

We have audited the accompanying financial statements of Pet Access League Society, which comprise the statement of financial position as at December 31, 2013, and the statements of operations, changes in net assets and cash flows for the year then ended December 31, 2013, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for 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

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 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 performing procedures to obtain audit 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 statements 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Pet Access League Society as at December 31, 2013, and the results of its operations and its cash flows for the year then ended December 31, 2013 and in accordance with Canadian accounting standards for not-for-profit organizations.



Professional Accountants

March 28, 2014
Calgary, Alberta, Canada

Pet Access League Society
Statement of Financial Position
As at December 31, 2013

	2013	2012
ASSETS		
Current assets		
Cash	\$ 59,460	\$ 111,562
Accounts receivable	785	666
Good and services tax receivable	1,063	230
Prepaid expenses	679	679
	<u>61,987</u>	113,137
Property and equipment (note 3)	<u>1,729</u>	3,700
	<u>\$ 63,716</u>	\$ 116,837
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 6,636	\$ 3,979
Wages payable	1,997	6,516
	<u>8,633</u>	10,495
Deferred contributions (note 4)		
Related to operations	-	59,400
Related to property and equipment	500	700
	<u>9,133</u>	70,595
Net assets		
Invested in property and equipment	1,229	3,000
Unrestricted	53,354	43,242
	<u>54,583</u>	46,242
	<u>\$ 63,716</u>	\$ 116,837

Approved on behalf of the Board:

Director: _____

Director: _____

Pet Access League Society
Statement of Operations
For the Year Ended December 31, 2013

	2013	2012
Revenue		
Casino	\$ 59,400	\$ 51,089
Donations	33,283	31,095
Grants	30,623	9,437
Fundraising	26,346	11,366
Memberships	2,725	4,438
Interest income	-	641
	<u>152,377</u>	<u>108,066</u>
Expenses		
Salaries and wages	92,827	80,404
Rental	15,600	15,836
Professional fees	11,815	4,989
Fundraising	7,108	3,007
Office expenses	5,430	2,840
Insurance	2,370	1,895
Repairs and maintenance	2,118	387
Telephone	2,107	1,973
Amortization	1,971	1,731
Interest and bank charges	1,211	648
Travel	868	500
Volunteer	452	2,805
Training	159	185
	<u>144,036</u>	<u>117,200</u>
Excess (deficiency) of revenue over expenses	<u>\$ 8,341</u>	<u>\$ (9,134)</u>

Pet Access League Society
Statement of Changes in Net Assets
For the Year Ended December 31, 2013

	Invested in property and equipment	Unrestricted	2013	2012
Net assets, beginning of year	\$ 3,000	\$ 43,242	\$ 46,242	\$ 55,376
Excess (deficiency) of revenue over expenses	(1,771)	10,112	8,341	(9,134)
Net assets, end of year	\$ 1,229	\$ 53,354	\$ 54,583	\$ 46,242

Pet Access League Society
Statement of Cash Flows
For the Year Ended December 31, 2013

	2013	2012
OPERATING ACTIVITIES		
Cash receipts from donations, grants and fundraising	\$ 92,658	\$ 127,160
Cash paid to suppliers and employees	<u>(144,760)</u>	<u>(112,963)</u>
	(52,102)	14,197
INVESTING ACTIVITIES		
Purchase of property and equipment	<u>-</u>	<u>(1,502)</u>
INCREASE IN CASH	(52,102)	12,695
Cash, beginning of year	<u>111,562</u>	<u>98,867</u>
Cash, end of year	\$ 59,460	\$ 111,562

Pet Access League Society
Notes to the Audited Financial Statements
For the Year Ended December 31, 2013

1. PURPOSE OF THE ORGANIZATION

Pet Access League Society (the "Society") is incorporated under the Societies Act of Alberta. The purpose of the Society is to enhance, through pet visitation therapy, the quality of life of individuals in need who can benefit from the known value of the human companion animal bond. It is a registered charity and is therefore exempt from income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the *CPA Handbook*, and in management's opinion, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Revenue recognition

The Society follows the deferral method of accounting for contributions.

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.

Contributions received related to property and equipment are deferred and amortized over the useful life of the asset.

b) Property and equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization is provided for on a straight line basis over five years, commencing in the year following the year of acquisition.

c) Goods and services tax

Goods and services tax is recoverable at 50% as a rebate to the Society. The unrecoverable portion is recorded as an expenditure with the rebate treated as a receivable.

d) Contributed services

Volunteers contribute a significant number of hours each year to assist the Society in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

e) Contributed materials

Contributed materials are recognized in the financial statements when their fair value can be reasonably estimated and when the Society would have otherwise purchased them.

(Continued...)

Pet Access League Society
Notes to the Audited Financial Statements
For the Year Ended December 31, 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (...Continued)

f) Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value. It subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which would be measured at fair value if held. Changes in fair value are recognized as unrealized gains or losses in the statement of operations.

The financial assets measured at amortized cost include cash and accounts receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities. The Society holds no financial assets measured at fair value.

3. PROPERTY AND EQUIPMENT

	Cost		Accumulated Amortization		Net Book Value	
	2013	2012	2013	2012	2013	2012
Computer equipment	\$ 38,933	\$ 38,933	\$ 37,389	\$ 36,304	\$ 1,544	\$ 2,629
Computer software	2,258	2,258	2,214	2,166	44	92
Furniture and fixtures	22,055	22,055	21,914	21,076	141	979
	\$ 63,246	\$ 63,246	\$ 61,517	\$ 59,546	\$ 1,729	\$ 3,700

4. DEFERRED CONTRIBUTIONS

Deferred contributions related to operations is funding received in the current year for future period operations.

	Contributions			
	Beginning	received	Utilizations	Ending
Related to operations	\$ 59,400	\$ -	\$ (59,400)	\$ -
Related to property and equipment	700	-	(200)	500
	\$ 60,100	\$ -	\$ (59,600)	\$ 500

5. COMMITMENTS

The Society has entered into a three years lease agreement for its premises until June 30, 2015. The minimum annual lease payments, excluding operating costs, for the next two years under the lease agreement are as follows:

2014	\$ 15,750
2015	7,950

Pet Access League Society
Notes to the Audited Financial Statements
For the Year Ended December 31, 2013

6. ENDOWMENT FUND

The Society established a memorial fund in November 2006 with funds received from an individual for that purpose. The fund is being held and managed by The Calgary Foundation. The Society receives interest on the fund each year to be used to cover expenses of pets in need of humanitarian treatment. The Society surrendered ownership of the funds to The Calgary Foundation, therefore, the amount is not reported as assets or as net assets in these financial statements.

	<u>2013</u>	<u>2012</u>
Held by The Calgary Foundation	<u>\$ 14,382</u>	<u>\$ 12,704</u>

7. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value approximates their carrying value, unless otherwise noted.

8. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform with the current year's presentation.
