

PET ACCESS LEAGUE SOCIETY
FINANCIAL STATEMENTS
December 31, 2007



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AUDITOR'S REPORT

To the Members of Pet Access League Society

We have audited the statement of financial position of Pet Access League Society as at December 31, 2007, the statement of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Society'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 our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Partners

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March 25, 2008

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PET ACCESS LEAGUE SOCIETY
Statement of Financial Position
As At December 31, 2007

	2007	2006
ASSETS		
CURRENT		
Cash	\$ 39,348	\$ 20,485
Short term investments <i>(note 3)</i>	40,000	118,036
Accounts receivable	1,588	3,040
	<u>80,936</u>	<u>141,561</u>
PROPERTY AND EQUIPMENT <i>(note 4)</i>	<u>4,490</u>	<u>4,906</u>
	<u>\$ 85,426</u>	<u>\$ 146,467</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 5,512	\$ 4,974
NET ASSETS		
Invested in property and equipment	4,490	4,906
Externally restricted <i>(note 5)</i>	25,024	76,288
Unrestricted	50,400	60,299
	<u>79,914</u>	<u>141,493</u>
	<u>\$ 85,426</u>	<u>\$ 146,467</u>

APPROVED ON BEHALF OF THE BOARD:

 Director

 Director



PET ACCESS LEAGUE SOCIETY
Statement of Operations
For The Year Ended December 31, 2007

	2007	2006
REVENUES		
Donations	\$ 27,102	\$ 34,746
Fundraising	13,386	8,934
Donations: in kind	4,210	1,735
Memberships	3,772	3,555
Interest income	2,319	2,700
Bingo revenue	43	816
Casino revenue	-	83,834
	<u>50,832</u>	<u>136,320</u>
EXPENSES		
Salaries and benefits	71,546	66,903
Rent	14,214	13,628
Office supplies	5,375	4,360
Donations: in kind	4,210	1,735
Professional fees	3,900	3,461
Telephone	3,593	3,583
Volunteer	3,455	1,559
Insurance	2,050	2,557
Amortization	1,768	1,571
Repairs and maintenance	1,093	947
Interest and bank charges	391	370
Fundraising expense	360	1,460
Travel	274	442
Training	182	428
Donations	-	14,149
	<u>112,411</u>	<u>117,153</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	<u>\$ (61,579)</u>	<u>\$ 19,167</u>



PET ACCESS LEAGUE SOCIETY
Statement of Changes in Net Assets
As At December 31, 2007

	Invested in property and equipment	Externally restricted	Unrestricted	2007	2006
Balance, beginning of year	\$ 4,906	\$ 76,288	\$ 60,299	\$ 141,493	\$ 122,326
Excess (deficiency) of revenues over expenses	(1,768)	(51,264)	(8,547)	(61,579)	19,167
Inter Fund Transfers	1,352	-	(1,352)	-	-
Balance, end of year	\$ 4,490	\$ 25,024	\$ 50,400	\$ 79,914	\$ 141,493



PET ACCESS LEAGUE SOCIETY
Statement of Cash Flows
For The Year Ended December 31, 2007

	2007	2006
Cash provided by (used for) the following activities:		
OPERATING		
Cash receipts from donations, gaming and fundraising	\$ 49,966	\$ 133,097
Cash paid to suppliers and employees	(110,105)	(114,758)
Interest received	2,319	2,700
	<u>(57,820)</u>	<u>21,039</u>
INVESTING		
Purchase of property and equipment	(1,353)	(1,212)
Decrease (Increase) in short term investments	78,036	(28,036)
	<u>76,683</u>	<u>(29,248)</u>
NET INCREASE (DECREASE) IN CASH	18,863	(8,209)
CASH, BEGINNING OF YEAR	20,485	28,694
CASH, END OF YEAR	\$ 39,348	\$ 20,485



1. PURPOSE OF THE ORGANIZATION

Pet Access League Society (the "Society") is incorporated under the Societies Act of Alberta and is a registered charity under Section 149(1) of the Income Tax Act and therefore is exempt from tax. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles 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.

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.

Property and equipment

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

Short term investments

Short term investments are recorded at the lower of cost or market value.

Goods and services tax

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

Contributed services

Volunteers contributed about 19,000 hours per year to assist the Society in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Continued from page 6

Financial Instruments

Effective January 1, 2007, the Society adopted new accounting standards related to financial instruments that were issued by the Accounting Standards Board in 2005. These standards were adopted prospectively with no restatement. The accounting policies adopted as a result of these new standards are as follows:

The Society classifies all financial instruments as trading and, they are therefore carried at their fair value. Unrealized gains and losses on trading assets are recognized as part of the excess of revenue over expenses.

The fair value of financial instruments reported at fair value is based on current interest rates, market values, and pricing of financial instruments with comparative terms. Because the fair value of financial instruments held by the Society approximates their carrying value, the adoption of this new accounting standard did not have a significant effect on the Society's financial statements.

3. SHORT TERM INVESTMENTS

The investments represent externally restricted gaming funds that have been designated for specific purposes. They are invested in Guaranteed Investment Certificates with maturity date of November 24, 2008.

4. PROPERTY AND EQUIPMENT

	Cost		Accumulated Amortization		Net Book Value	
	2007	2006	2007	2006	2007	2006
Computer equipment	\$ 34,941	\$ 34,941	\$ 32,349	\$ 31,866	\$ 2,592	\$ 3,075
Computer software	1,505	1,141	857	766	648	375
Office furniture and equipment	13,917	12,928	12,667	11,472	1,250	1,456
	\$ 50,363	\$ 49,010	\$ 45,873	\$ 44,104	\$ 4,490	\$ 4,906

5. EXTERNALLY RESTRICTED FUNDS

Externally restricted funds represent gaming funds that have been designated for specific purposes.

6. COMMITMENTS

The Society occupies leased premises subject to minimum monthly rent of \$1,150 until June 30, 2008. The future minimum annual lease payments are as follows:

2008	\$ 7,200
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PET ACCESS LEAGUE SOCIETY
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December 31, 2007

7. ENDOWMENT FUND

The Organization established an 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 Pet Access League Society receives interest on the fund each year to be used to cover expenses of pets in need of humanitarian treatment. This interest is reported in the operating fund. The Society surrenders ownership of the funds to the Calgary Foundation; therefore, the amount held by the Foundation is not reported as assets in these financial statements nor as fund balances.

	<u>2007</u>	<u>2006</u>
Held by the Calgary Foundation	<u>\$ 14,536</u>	<u>\$ 14,149</u>

8. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash, short term investments, accounts receivable, accounts payable and accrual 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 of these financial instruments approximate their carrying values, unless otherwise noted.

