

THE BOW RIVER BASIN COUNCIL SOCIETY
AUDITOR'S REPORT AND FINANCIAL STATEMENTS
MARCH 31, 2010

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MICHAEL L. DOYLE

CHARTERED ACCOUNTANT

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AUDITOR'S REPORT

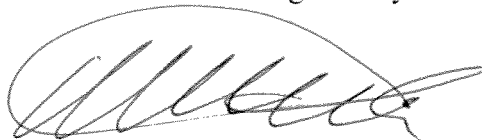
To: The Board of Directors and Members:
The Bow River Basin Council Society:

I have audited the statement of financial position of The Bow River Basin Council Society as at March 31, 2010 and the statements of general fund operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Society's Board of Directors. 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. These standards require that I plan and perform an audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts 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 similar organizations, The Bow River Basin Council Society derives revenue from donations, fund raising and other activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the Society. I was not able to determine whether any adjustments might be necessary to donation and other revenues, excess of revenue over expense, assets and surplus

In my opinion, except for the effect of any adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of donation and other income referred to in the previous paragraph, these financial statements present fairly, in all material respects, the financial position of The Bow River Basin Council Society as at March 31, 2010 and the results of its general fund operations, changes in its net assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



CHARTERED ACCOUNTANT

Calgary,
May 11, 2010

THE BOW RIVER BASIN COUNCIL SOCIETY
(Incorporated Under The Societies Act of Alberta)

STATEMENT OF FINANCIAL POSITION

March 31, 2010

ASSETS

	<u>2010</u>	<u>2009</u>
Current		
Cash	\$ 527,546	\$ 159,002
Investments, Note 9	639,487	737,251
Accounts receivable, Notes 6,10	<u>6,608</u>	<u>3,414</u>
	<u>1,173,641</u>	<u>899,667</u>

LIABILITIES AND NET ASSETS


LIABILITIES

Current		
Accounts payable and accrued liabilities	3,900	12,921
Deferred provincial government grant revenue, Note 8	500,000	--
Directed donations payable, Note 7	<u>--</u>	<u>212,000</u>
	<u>503,900</u>	<u>224,921</u>

NET ASSETS

GENERAL FUND BALANCE, Note 11	<u>669,741</u>	<u>674,746</u>
	<u>\$ 1,173,641</u>	<u>\$ 899,667</u>

Approved By The Board:


Director


Director

THE BOW RIVER BASIN COUNCIL SOCIETY
(Incorporated Under The Societies Act of Alberta)

STATEMENT OF GENERAL FUND OPERATIONS

For The Year Ended March 31, 2010

	<u>2010</u>	<u>2009</u>
REVENUES		
Province of Alberta grant, Note 8	\$ 250,000	\$ 359,000
Municipal Grants	57,725	43,000
Directed donations, Note 7	212,000	200,000
Corporate donations	17,955	2,652
Individual donations	2,995	1,380
In-Kind donations, Note 5	19,000	19,000
Interest income	<u>2,236</u>	<u>16,446</u>
	<u>561,911</u>	<u>641,478</u>
 EXPENDITURE		
Audit fee	2,200	1,800
Contract service	93,725	49,136
Directed donations expense, Note 7	212,000	200,000
Legal fees	300	4,466
Meetings and seminars expense	18,137	29,172
Membership fees	455	732
Office and administrative expenses, Note 4	9,716	6,665
Office rent, Notes 4,5	19,000	19,000
Project expense	24,091	36,722
Staff salaries	172,761	155,006
Travel and accomodation expense	7,923	7,664
GST expense, Note 6	<u>6,608</u>	<u>3,414</u>
	<u>566,916</u>	<u>513,777</u>
 (DEFICIENCY)EXCESS OF		
REVENUE OVER EXPENDITURE	 <u>\$ (5,005)</u>	 <u>\$ 127,701</u>

THE BOW RIVER BASIN COUNCIL SOCIETY

STATEMENT OF CHANGES IN NET ASSETS

For The Year Ended March 31, 2010

	<u>2010</u>	<u>2009</u>
Net Assets, beginning of year	\$ 674,746	\$ 547,045
(Deficiency) excess of revenue over expenditure	<u>(5,005)</u>	<u>127,701</u>
Net Assets, end of year	<u>\$ 669,741</u>	<u>\$ 674,746</u>

THE BOW RIVER BASIN COUNCIL SOCIETY

STATEMENT OF CASH FLOWS

For The Year Ended March 31, 2010

	<u>2010</u>	<u>2009</u>
CASH (USED) PROVIDED BY OPERATIONS		
(Deficiency) Excess of Revenue over expenditure	\$ (5,005)	\$ 127,701
Less: Interest earned on investments	<u>(2,236)</u>	<u>(16,446)</u>
	<u>(7,241)</u>	<u>111,255</u>
Net changes in the following Non-cash working capital items:		
Accounts receivable	(3,194)	2,619
Accounts payable and other liabilities	<u>278,979</u>	<u>79,007</u>
	<u>275,785</u>	<u>81,626</u>
CASH PROVIDED BY OPERATIONS	<u>268,544</u>	<u>192,881</u>
CASH PROVIDED (USED) BY INVESTING ACTIVITIES		
Net Withdrawal (investment) in money market funds	97,764	(348,004)
Interest earned on investments	<u>2,236</u>	<u>16,446</u>
	<u>100,000</u>	<u>(331,558)</u>
NET CHANGE IN CASH	<u>368,544</u>	<u>(138,677)</u>
CASH, at beginning of year	<u>159,002</u>	<u>297,679</u>
CASH, at end of year	<u>\$ 527,546</u>	<u>\$ 159,002</u>

THE BOW RIVER BASIN COUNCIL SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2010

1. GENERAL

The Bow River Basin Council Society was incorporated under the Societies Act of the Province of Alberta on May 18, 2000. Its first year of operations commenced on April 1, 2001 with the assumption of the operations of its predecessor organizations, the Bow River Basin Water Quality Foundation and the Bow River Basin Water Council. The Society's purpose is to conduct fundraising activities to finance ecological, educational, recreational, cultural and benevolent initiatives for the betterment of the Bow River watershed.

2. ACCOUNTING PRINCIPLES

These financial statements are prepared under Canadian generally accepted accounting principles for not-for-profit organizations, the more significant of which are as follows:

Accrual Basis of Accounting

The financial statements include all revenues and expenses of the Foundation regardless of whether they have been received or paid.

Fund Accounting

The Society follows the deferral method of accounting for contributions.

The General Fund accounts for the Society's programme delivery and administration. No funds subject to restriction are included herein. At present the Society operates only a general fund.

Capital Assets

Capital assets are expensed in the years acquired.

Revenue Recognition

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

In future any funds received whose purpose is restricted to a specific use will be recognized as the revenue of a different fund. No such funds were received during the Foundation's 2010 or 2009 years. Excluded from this category are directed donations which remain the revenue of the general fund.

Contributed Services

The value of contributed goods and specific professional services is recognized as in-kind donation revenue and offsetting expense at the fair market value of the goods or services contributed. Volunteer time including that of Board members and others is not recognized.

THE BOW RIVER BASIN COUNCIL SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2010

3. STAFF SALARIES

Staff salaries consist of the salaries of the executive director, program manager and the member service officer.

4. OFFICE RENT AND SERVICES

On January 2, 2008 the Society moved to new premises provided gratis by the City of Calgary. The value of the office space and services provided by the City are estimated to be \$18,000 annually.

5. DONATIONS IN KIND

The Society received the following donations-in-kind during the 2010 and 2009 years.

	<u>2010</u>	<u>2009</u>
Office space	\$ 18,000	\$ 18,000
Meeting room space	<u>1,000</u>	<u>1,000</u>
	<u>\$ 19,000</u>	<u>\$ 19,000</u>

6. GOODS AND SERVICES TAX EXPENSE (GST)

GST paid by not-for profit organizations is recoverable, under certain circumstances, at the rate of 50% of amounts paid upon making the appropriate filings with the Canada Revenue Agency. At March 31, 2010 the Foundation was entitled to receive \$ 6,608 (2009 - \$3,414). The amount of GST expense reported in the statement of general fund operations of \$6,608 (2009 - \$ 3,414) represents 50% of the amount of GST paid out during the year which the Society must absorb.

7. DIRECTED DONATIONS

The Society acted as an intermediary between certain government and private organizations and received donations from these organizations for transmission to other environmental groups. At the 2009 year end an amount of \$152,000 had been received from various donors but has not yet been disbursed. These funds were disbursed during the 2010 year. No fees were charged by the Society for performing this service.

THE BOW RIVER BASIN COUNCIL SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2010

8. GRANTS RECEIVED

During the 2008 year the Society became entitled to receive a base grant from Alberta Environment in the amount of \$250,000 (2009 - 359,000). The provincial government has pre-paid funding grants of \$250,000 for each of the 2011 and 2012 years for a total of \$500,000 which has been reported as deferred revenue. It is expected that provincial government support will be maintained into the future

9. INVESTMENTS

During the 2010 and 2009 years the Society invested its surplus operating funds in a money market fund. At year end the Society had investments with its bank as follows:

	<u>2010</u>	<u>2009</u>
Money market fund - variable interest rates	\$ <u>639,487</u>	\$ <u>737,251</u>

Additionally, the Society is the beneficiary of an endowment fund held by the Calgary Foundation for its benefit. The Society receives half of the earnings of the endowment fund annually while the other half is retained to its credit in the fund. The Society is not entitled to receive the capital of the fund however it may designate a successor organization in the event it is dissolved. During the 2010 year the Society received \$251 in income from the fund and contributed \$1,101 to it.

10. ACCOUNTS RECEIVABLE

The year end accounts receivable consists of the following:

	<u>2010</u>	<u>2009</u>
GST receivable	\$ <u>6,608</u>	\$ <u>3,414</u>
	\$ <u>6,608</u>	\$ <u>3,414</u>

THE BOW RIVER BASIN COUNCIL SOCIETY

NOTES TO FINANCIAL STATEMENTS

March 31, 2010

11. COMMITMENTS

The Society has undertaken a commitment to prepare a Watershed Management Plan in accordance with its delegated authority by Alberta Environment. The Watershed Management Plan is a multi-year project with an annual budget of \$100,000. The balance in the Society's General Fund of \$674,746 will be used to finance, in part, the future expenses associated with the completion of the Watershed Management Plan.

The Society has committed itself to the preparation of an online continuously updated report on the status of the Bow River which is expected to cost in the neighbourhood of \$150,000. As of March 31, 2010 \$48,334 has been spent on this project. This amount has been charged to contract services.