

**PEOPLE FOR ANIMALS
OF SASKATCHEWAN INC.**

Financial Statements

Year Ended December 31, 2022

PEOPLE FOR ANIMALS OF SASKATCHEWAN INC.
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Year Ended December 31, 2022

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DUDLEY & COMPANY LLP

Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of People for Animals of Saskatchewan Inc.

Qualified Opinion

We have audited the financial statements of People for Animals of Saskatchewan Inc. (the organization), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from donation and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2022, current assets and net assets as at December 31, 2022.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Other Matter

The comparative financial statements were reported on by another auditor who issued a qualified opinion dated April 26, 2022.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

(continues)

Independent Auditor's Report to the Members of People for Animals of Saskatchewan Inc. *(continued)*

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report to the Members of People for Animals of Saskatchewan Inc. *(continued)*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Regina, Saskatchewan
May 24, 2023



Dudley & Company LLP
Chartered Professional Accountants

PEOPLE FOR ANIMALS OF SASKATCHEWAN INC.
Statement of Financial Position
December 31, 2022

| | 2022 | 2021 |
|---|-------------------|------------|
| ASSETS | | |
| CURRENT | | |
| Cash | \$ 143,243 | \$ 182,025 |
| Accounts receivable (Note 4) | 8,429 | 14,701 |
| Prepaid expenses | 1,615 | 255 |
| | 153,287 | 196,981 |
| TERM DEPOSITS (Note 3) | 82,675 | 57,500 |
| TOTAL ASSETS | \$ 235,962 | \$ 254,481 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT | | |
| Accounts payable (Note 5) | \$ 23,568 | \$ 48,044 |
| NET ASSETS | 212,394 | 206,437 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 235,962 | \$ 254,481 |

ON BEHALF OF THE BOARD

_____ Director

_____ Director

The accompanying notes form an integral part of these financial statements

PEOPLE FOR ANIMALS OF SASKATCHEWAN INC.
Statement of Operations
Year Ended December 31, 2022

| | 2022 | 2021 |
|---|-----------------|------------------|
| REVENUES | | |
| Adoption and surrender revenue | \$ 49,060 | \$ 58,260 |
| Bingo revenue | 2,835 | 5,114 |
| Donations | 123,199 | 108,218 |
| Fundraising | 56,640 | 143,809 |
| Gifts in kind | 41,173 | 47,357 |
| Grants | 2,100 | 10,575 |
| Membership revenue | 810 | 1,620 |
| Mosaic revenue | 25,566 | 18,506 |
| | <u>301,383</u> | <u>393,459</u> |
| EXPENSES | | |
| Advertising and promotion | 616 | 759 |
| Animal care expenses | 208,135 | 216,783 |
| Bank charges | 1,145 | 984 |
| Fundraising expenses | 24,485 | 71,682 |
| Insurance | 1,441 | 2,600 |
| Dues and memberships | 275 | 250 |
| Office | 8,096 | 4,733 |
| Gift in kind expenses | 41,173 | 47,357 |
| Professional fees | 11,680 | 19,384 |
| | <u>297,046</u> | <u>364,532</u> |
| EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS | 4,337 | 28,927 |
| OTHER INCOME (EXPENSES) | | |
| Interest income | 1,620 | 106 |
| EXCESS OF REVENUES OVER EXPENSES | \$ 5,957 | \$ 29,033 |

The accompanying notes form an integral part of these financial statements

PEOPLE FOR ANIMALS OF SASKATCHEWAN INC.
Statement of Changes in Net Assets
Year Ended December 31, 2022

| | 2022 | 2021 |
|---------------------------------------|--------------------------|--------------------------|
| NET ASSETS - BEGINNING OF YEAR | \$ 206,437 | \$ 177,404 |
| EXCESS OF REVENUES OVER EXPENSES | <u>5,957</u> | <u>29,033</u> |
| NET ASSETS - END OF YEAR | <u>\$ 212,394</u> | <u>\$ 206,437</u> |

The accompanying notes form an integral part of these financial statements

PEOPLE FOR ANIMALS OF SASKATCHEWAN INC.
Statement of Cash Flows
Year Ended December 31, 2022

| | 2022 | 2021 |
|---|--------------------------|--------------------------|
| CASH FLOWS FROM (FOR) OPERATING ACTIVITIES | | |
| Cash receipts from donors and members | \$ 267,447 | \$ 346,161 |
| Cash paid to suppliers | (281,710) | (292,898) |
| Interest received | 656 | 106 |
| | <u>(13,607)</u> | <u>53,369</u> |
| CASH FLOWS FROM (FOR) INVESTING ACTIVITIES | | |
| Purchase of GIC investments | <u>(25,175)</u> | <u>(52,500)</u> |
| INCREASE (DECREASE) IN CASH FLOWS | (38,782) | 869 |
| Cash - beginning of year | <u>182,025</u> | <u>181,156</u> |
| CASH - END OF YEAR | <u>\$ 143,243</u> | <u>\$ 182,025</u> |

The accompanying notes form an integral part of these financial statements

PEOPLE FOR ANIMALS OF SASKATCHEWAN INC.
Notes to Financial Statements
Year Ended December 31, 2022

1. PURPOSE OF THE ORGANIZATION

People for Animals in Saskatchewan Inc. (the "organization") is a not-for-profit organization of Saskatchewan and operates as Regina Cat Rescue. The organization was formed to provide sustenance, shelter, sterilization and veterinary care for Regina's abandoned and community cats, and facilitate adoption when appropriate.

The organization is a registered charity and is exempt from the payment of income taxes under the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Cash

Cash includes deposits in chequing and savings accounts, as well as undeposited funds.

Term deposits

Term deposits include investments in guaranteed investment certificates.

Tangible capital assets

The organization expenses the cost of tangible assets in the year of purchase as its average annual revenues is less than \$500,000. The organization has not purchased any tangible capital assets during the year.

Revenue recognition

People for Animals of Saskatchewan Inc. follows the deferral method of accounting for contributions. Restricted contributions are recognized 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.

Adoption fees, surrender fees, and membership fees, are recognized as revenue in the year to which they relate

Donation and fundraising revenues are recognized when they are received.

Grant revenues are recognized when received or receivable .

Gifts in kind as recognized as revenue when received and are recorded at fair value when fair value can be reasonably determined.

PEOPLE FOR ANIMALS OF SASKATCHEWAN INC.
Notes to Financial Statements
Year Ended December 31, 2022

3. TERM DEPOSITS

Long term investments consists of four guaranteed investment certificates with interest ranging from 0.70% and 4.25% and mature between August 2023 and August 2025.

4. ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following:

| | 2022 | 2021 |
|-----------------------------|-----------------|------------------|
| Trade accounts receivable | \$ 1,775 | \$ 8,238 |
| GST rebate receivable | 5,690 | 6,463 |
| Accrued interest receivable | 964 | - |
| | \$ 8,429 | \$ 14,701 |

5. ACCOUNTS PAYABLE

Accounts receivable is comprised of the following:

| | 2022 | 2021 |
|------------------------|------------------|------------------|
| Trade accounts payable | \$ 15,697 | \$ 40,905 |
| Visa payable | 2,991 | 3,242 |
| Accrued liabilities | 4,880 | 3,897 |
| | \$ 23,568 | \$ 48,044 |

6. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2022.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk on the accounts receivable. In order to reduce its credit risk, the organization conducts regular reviews of its receivable balances. The organization has a significant number of members which minimizes concentration of credit risk.

Liquidity risk

(continues)

PEOPLE FOR ANIMALS OF SASKATCHEWAN INC.
Notes to Financial Statements
Year Ended December 31, 2022

6. FINANCIAL INSTRUMENTS (*continued*)

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization's exposure to liquidity risk is dependent on the receipt of funds from its operations and other related sources. Funds from these sources are primarily used to finance working capital requirements, and are considered adequate to meet the organization's financial obligations.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its guaranteed investment certificates. These investments have fixed interest rates and therefore, do not expose the organization to additional risk.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

7. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

The comparative financial statements were reported on by another auditor who issued a modified report dated April 26, 2022.

8. COVID-19 PANDEMIC

The COVID-19 pandemic is complex and rapidly evolving. It has caused material disruption to businesses and has resulted in an economic slowdown. The organization continues to assess and monitor the impact of COVID-19 on its financial condition. The magnitude and duration of COVID-19 is uncertain and, accordingly, it is difficult to reliably measure the potential future impact on the club's financial position and operations.