

Regina Cat Rescue

Audited Financial Statements

For the Year Ended December 31, 2020

Regina Cat Rescue

For the Year Ended December 31, 2020

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Independent Auditors' Report

To the Board of Directors of Regina Cat Rescue

We have audited the financial statements of Regina Cat Rescue, which comprise the statement of financial position as at December 31, 2020, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Opinion

In our opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Regina Cat Rescue as at December 31, 2020 and its financial performance and cash flows for the year then ended December 31, 2020 in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Basis for Qualified Opinion

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 Company in accordance with the 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 opinion.

In common with many Non-for-Profit Organizations, Regina Cat Rescue derives revenue from donations and other fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts records of Regina Cat Rescue. Therefore, we were unable to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenses reported in the statement of operations and changes in net asset, excess of revenues over expenses reported in the statement of cash flows and current assets and net assets reported in the statement of financial position. This caused us to qualify our audit opinion on the financial statements as at and for the year ended December 31, 2020.

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.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 Company'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 Company'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 Company 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.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Priority Accountants CPA

Priority Accounting Services CPA Prof. Corp.
Chartered Professional Accountants

Regina, SK
March 9, 2021


Regina Cat Rescue

Statement of Financial Position

As At December 31, 2020

	Note	2020	2019
Assets			
Current Assets			
Cash		\$ 181,156	\$ 85,211
Short term investments		5,000	-
Accounts receivable, net of allowances	3.	14,761	10,656
Prepaid		870	-
Total Current Assets		201,787	95,867
Total Assets			
		\$ 201,787	\$ 95,867
Liabilities and Net Assets			
Current Liabilities			
Accounts payable and accrued liabilities	4.	\$ 24,382	\$ 20,949
Net Assets			
Net assets		177,405	74,918
Total Liabilities and Net Assets		\$ 201,787	\$ 95,867

Approved on Behalf of the Board:



The accompanying notes are an integral part of these financial statements.

Regina Cat Rescue

Statement of Operations

For the Year Ended December 31, 2020

	2020	2019
Revenue		
Adoption fees	\$ 76,366	\$ 56,984
Bingo revenue	14,988	22,604
Donations	99,155	74,576
Fundraising revenue	205,332	113,722
Gift in Kind	50,467	58,077
Grants	7,360	3,459
Investment income	39	17
Membership revenue	1,710	1,110
Mosaic revenue	350	35,681
Non-receiptable donations	15,075	11,081
Surrender fees	390	-
Total revenue	471,232	377,311
Operating expenses		
Accounting fees	3,255	3,000
Advertising and promotion	1,010	-
Bank charges	1,131	1,055
Cat care (Schedule 1)	221,025	224,616
Fundraising expense	87,472	46,105
Gift in Kind	50,467	58,077
Insurance	2,363	2,351
Memberships	250	265
Office and administration	1,772	1,804
Total operating expenses	368,745	337,273
Excess (deficiency) of revenue over expenses	\$ 102,487	\$ 40,038

The accompanying notes are an integral part of these financial statements.

Regina Cat Rescue

Statement of Changes in Net Assets

For the Year Ended December 31, 2020

	2020	2019
Net assets, beginning of the year	\$ 74,918	\$ 34,880
Excess (deficiency) of revenue over expenses	102,487	40,038
Net assets, end of the year	\$ 177,405	\$ 74,918

The accompanying notes are an integral part of these financial statements.

Regina Cat Rescue

Statement of Cash Flows

For the Year Ended December 31, 2020

	Note	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss) for the period	\$	102,487	\$ 40,038
Increase (decrease) in receivables		(4,105)	4,380
Increase (decrease) in prepaid expense and other assets		(870)	-
Increase (decrease) in accounts payable and accrued expenses		3,433	3,386
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		100,945	47,804
CASH FLOWS FROM INVESTING ACTIVITIES:			
CASH FLOWS FROM FINANCING ACTIVITIES:			
OTHER ACTIVITIES:			
Net cash increase (decreases) in cash and cash equivalents		100,945	47,804
Cash and cash equivalents at beginning of period		85,211	37,407
Cash and cash equivalents at end of period	\$	186,156	\$ 85,211
Cash and cash equivalents consist of the following:			
Cash	\$	181,156	\$ 85,211
Short term investments		5,000	-
	\$	186,156	\$ 85,211

The accompanying notes are an integral part of these financial statements.

Regina Cat Rescue

Notes to the Financial Statements

For the Year Ended December 31, 2020

1. Nature of entity

Regina Cat Rescue (RCR), also known as "People for Animals of Saskatchewan Inc." is an organization that was formed to provide sustenance, shelter, sterilization and veterinary care for Regina's abandoned and community cats, and facilitate adoption when appropriate. Regina Cat Rescue is the new operating name that was registered during 2014 by RCR since it only deals with cats, currently. RCR is incorporated and is continued under the Non-Profit Corporations Act of Saskatchewan (1982) and is a registered charity under the Income Tax Act under the name of "People for Animals of Saskatchewan Inc."

2. Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations (ASNPO) applied within the framework of accounting policies summarized below.

a. Cash and cash equivalents

Cash and cash equivalents include short-term investments and highly liquid investments in money market instruments which are carried at the lower of cost and market value with a maturity date of three months or less from the acquisition date. These are valued at cost which approximates market value.

b. Short-term Investments

Short-term investments are recorded at cost with interest income recorded in the statement of operations and changes in net assets in period in which it arises. Short-term investments are comprised of a GIC investment (\$5,000) managed by RBC.

c. Receivables

The organization considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. Accounts receivable are comprised of contributions, proceeds from fundraising events, and GST rebates.

d. Property, plant and equipment

The organization directly expenses the cost of tangible capital assets in the year of purchase as its average annual revenues for the current and preceding year is less than \$500,000. To this date, the organization has not purchased any property, plant and equipment.

e. Revenue recognition

The organization 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. Endowment contributions are recognized as direct increases in net assets. Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned. Pledges are recognized as revenue when the amount to be received can be reasonably estimated and ultimate collection is reasonably

assured. Donations in-kind are recorded at fair value where fair value can be reasonably determined.

f. Financial instruments

i. Fair values not materially different from book values

The organization has determined that the estimated fair value of the financial assets and liabilities do not differ considerably from their book value.

ii. Not subject to interest, currency, or credit risk

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest rate, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values.

iii. No significant exposure to foreign currency exchange risk

The organization does not have operations in a foreign country. At December 31, 2020 the organization did not have significant exposure to foreign currency exchange risk.

iv. No significant risk due to short-term maturity

The organization is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and current liabilities.

g. Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have impact on future periods.

3. Receivables

Accounts receivable consist of the following:

	2020	2019
Accounts receivable	\$ 11,605	\$ 7,704
GST receivable	3,156	2,952
Total	\$ 14,761	\$ 10,656

Regina Cat Rescue

Notes to the Financial Statements

For the Year Ended December 31, 2020

4. Accounts payable and accrued expenses

Accounts payable consist of the following:

	2020	2019
Animal clinics	\$ 15,819	\$ 15,257
Reimbursements	4,905	2,692
Accrued audit fee	3,330	3,000
Deferred membership	270	-
Credit card(visa)	58	-
Total	\$ 24,382	\$ 20,949

5. Significant event

In March 2020, there was a global outbreak of COVID-19, which has had a significant impact on organizations through the restrictions put in place by the Canadian, provincial, and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Regina Cat Rescue

For the Year Ended December 31, 2020

Schedule of Expenses

Schedule 1 - Cat care expenses

	2020	2019
Vet treatment	\$ 50,153	\$ 60,874
Spay/neuter tatto microchip	72,550	53,051
Medication	34,610	29,041
Vaccines	15,192	24,416
Special food	12,440	12,343
Boarding	5,718	20,435
Extra surgery	21,859	13,463
Animal supplies	8,503	10,993
Total expenses	\$ 221,025	\$ 224,616

The accompanying notes are an integral part of these financial statements.