

# **Regina Cat Rescue**

**Audited Financial Statements**

**For the Year Ended December 31, 2018**

# Regina Cat Rescue

For the Year Ended December 31, 2018

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## **Independent Auditors' Report**

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To the Board of Directors of Regina Cat Rescue

### **Opinion**

We have audited the financial statements of Regina Cat Rescue, which comprise the statement of financial position as at December 31, 2018, and the statement of income, statement of changes in equity and statement of 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 of Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Regina Cat Rescue as at December 31, 2018 and its financial performance and cash flows for the year then ended December 31, 2018 in accordance with Canadian Accounting Standards for NotforProfit 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, 2018.

### **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.

Priority Accounting Services CPA Prof. Corp.

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## Independent Auditors' Report

### A further description of the auditor's responsibilities:

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 12, 2019



# Regina Cat Rescue

## Statement of Financial Position

As At December 31, 2018

	2018	2017
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 37,407	\$ 14,908
Accounts receivable (See Note 3.)	15,036	3,874
Prepaid expense	-	62
<b>Total Current Assets</b>	<b>52,443</b>	<b>18,844</b>
<b>Total Assets</b>	<b>\$ 52,443</b>	<b>\$ 18,844</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities (See note 4.)	\$ 17,563	\$ 22,148
<b>Net Assets</b>		
Net assets (deficit)	34,880	(3,304)
<b>Total Liabilities and Net Assets</b>	<b>\$ 52,443</b>	<b>\$ 18,844</b>

Approved on Behalf of the Board:

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

# Regina Cat Rescue

## Statement of Operations

For the Year Ended December 31, 2018

	2018	2017
<b>Revenue</b>		
Donations	\$ 77,149	\$ 52,086
Non-receiptable donations	8,575	7,935
Mosaic Games Revenue	28,446	18,162
Bingo revenue	13,337	18,027
Gift-in-kind	57,130	50,265
Membership revenue	1,310	870
Interest income	-	73
Fundraising	79,784	65,667
Adoption fees	45,506	38,694
Grants	15,416	12,178
<b>Total revenue</b>	<b>326,653</b>	<b>263,957</b>
<b>Operating expenses</b>		
Advertising and promotion	280	-
Boarding costs	28,122	16,572
Insurance	2,317	2,186
Interest and bank charges	1,510	1,182
Memberships and licenses	415	475
Office expenses	1,284	961
Fundraising expenses	20,808	8,472
Gift-in-kind	57,130	50,263
Vet services	165,824	164,809
Accounting fees	2,933	3,255
Supplies	7,046	6,774
Rent	800	782
<b>Total operating expenses</b>	<b>288,469</b>	<b>255,731</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 38,184</b>	<b>\$ 8,226</b>

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, 2018

	2018	2017
Net assets, beginning of the year	\$ (3,304)	\$ (11,530)
Excess (deficiency) of revenue over expenses	38,184	8,226
<b>Net assets, end of the year</b>	<b>\$ 34,880</b>	<b>\$ (3,304)</b>

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

# Regina Cat Rescue

## Statement of Cash Flows

For the Year Ended December 31, 2018

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Excess (deficiency) of revenue over expenses	\$ 36,052	\$ 8,226
Changes in non-cash working capital		
Accounts receivable	(11,170)	(1,558)
Accounts payable and accrued liabilities	(2,445)	(18,116)
Prepaid accounts	62	(62)
<b>TOTAL CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>22,499</b>	<b>(11,510)</b>
<b>Net cash increase (decreases) in cash and cash equivalents</b>	<b>22,499</b>	<b>(11,510)</b>
Cash and cash equivalents at beginning of period	14,908	26,418
<b>Cash and cash equivalents at end of period</b>	<b>\$ 37,407</b>	<b>\$ 14,908</b>

Cash and cash equivalents consist of the following:

Cash	\$ 37,407	\$ 14,908
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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, 2018

### 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

#### a. Cash and cash equivalents

The organization considers all highly liquid investments with a remaining maturity of three months or less at the time of purchase to be cash equivalents. Cash equivalents and short-term investments are stated at cost which approximates market value.

#### b. Receivables

The organization considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. The accounts receivable consists of grant and GST.

#### c. Property, plant and equipment

Property, plant, and equipment are expensed in the year of purchase. Proceeds of subsequent dispositions are included in income in the year they occur. To this date, RCR has not owned any property, plant and equipment.

#### d. 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.

# Regina Cat Rescue

## Notes to the Financial Statements

For the Year Ended December 31, 2018

### 2. Significant Accounting Policies

#### e. 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 a business in a foreign country. At December 31, 2018 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.

#### f. Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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.

# Regina Cat Rescue

## Notes to the Financial Statements

For the Year Ended December 31, 2018

### 3. Receivables

	2018	2017
Grant receivable	\$ 10,000	\$ -
Adoption fee receivable	-	984
GST receivable	5,036	2,890
<b>Total</b>	<b>\$ 15,036</b>	<b>\$ 3,874</b>

### 4. Accounts payable and accrued expenses

	2018	2017
Animal clinics (several)	\$ 14,563	\$ 15,626
Other trade payable	-	3,192
Audit fee accrued	3,000	3,330
<b>Total</b>	<b>\$ 17,563</b>	<b>\$ 22,148</b>