

**Animal Protection Services
of Saskatchewan Inc.**

FINANCIAL STATEMENTS

Year Ended March 31, 2018

Animal Protection Services of Saskatchewan Inc.

Saskatoon, Saskatchewan

March 31, 2018

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Independent Auditors' Report

To the Board of Directors
Animal Protection Services of Saskatchewan Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Animal Protection Services of Saskatchewan Inc., which comprise the Statement of Financial Position as at March 31, 2018, and the Statements of Operations, Changes in Net Assets and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Animal Protection Services of Saskatchewan Inc. as at March 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Collins Barrow PQ LLP

Collins Barrow PQ LLP

Saskatoon, SK
August 14, 2018

Animal Protection Services of Saskatchewan Inc.

Saskatoon, Saskatchewan

Statement of Financial Position as at March 31, 2018

	Operating Fund	Restricted Net Assets	2018 Total	2017 Total
Assets				
Current Assets				
Cash and cash equivalents	97,981	178,682	276,663	223,092
Accounts receivable - note 3	10,582		10,582	4,902
Prepaid expenses	3,147		3,147	2,969
	<u>111,710</u>	<u>178,682</u>	<u>290,392</u>	<u>230,963</u>
Other Assets	<u>1,389</u>	<u>0</u>	<u>1,389</u>	<u>1,639</u>
	<u>\$ 113,099</u>	<u>\$ 178,682</u>	<u>\$ 291,781</u>	<u>\$ 232,602</u>
Liabilities and Net Assets				
Current Liabilities				
Accounts payable and accrued liabilities - note 4	36,842		36,842	21,151
Deferred revenue - note 5	11,599		11,599	14,919
	<u>48,441</u>	<u>0</u>	<u>48,441</u>	<u>36,070</u>
Net Assets				
Externally-restricted net assets	0	178,682	178,682	176,651
Unrestricted net assets	64,658	0	64,658	19,881
	<u>64,658</u>	<u>178,682</u>	<u>243,340</u>	<u>196,532</u>
	<u>\$ 113,099</u>	<u>\$ 178,682</u>	<u>\$ 291,781</u>	<u>\$ 232,602</u>

Approved on behalf of the board:

Animal Protection Services of Saskatchewan Inc.

Statement of Changes in Net Assets
For the year ended March 31, 2018

	Externally- Restricted Net Assets	Unrestricted Net Assets	2018 Total	2017 Total
Balance, beginning of year	176,651	19,881	196,532	8,678
Excess of revenue over expenses for the year	<u>2,031</u>	<u>44,777</u>	<u>46,808</u>	<u>187,854</u>
Balance, end of year	<u>\$ 178,682</u>	<u>\$ 64,658</u>	<u>\$ 243,340</u>	<u>\$ 196,532</u>

*The notes to financial statements are an integral
part of these financial statements.*

Animal Protection Services of Saskatchewan Inc.

Statement of Operations
For the year ended March 31, 2018

	Operating Fund	Restricted Net Assets	2018 Total	2017 Total
Revenue				
Government contract	607,969	2,031	610,000	609,600
Seizure revenue	39,679		39,679	3,294
Bison code income				6,020
Drive by income	3,320		3,320	2,030
Deferred revenue recognition				138,005
Interest				7
Other	5,098		5,098	2,800
	<u>656,066</u>	<u>2,031</u>	<u>658,097</u>	<u>761,756</u>
Expenses				
Animal protection officers' materials and supplies	9,032		9,032	6,902
Animal protection officers' training	1,800		1,800	1,051
Animal services expenses	69,245		69,245	53,290
Bank charges	329		329	309
Board expenses	1,329		1,329	1,960
Drive by expenses	3,320		3,320	2,030
Insurance	2,726		2,726	2,720
Licenses and memberships	666		666	672
Meals	8,011		8,011	9,083
Occupancy costs	586		586	580
Office	3,699		3,699	3,840
Professional fees	6,968		6,968	6,064
Rent - building	16,666		16,666	16,666
Rent - equipment	1,863		1,863	1,953
Seizure cost				918
Telephone	10,125		10,125	8,930
Travel	105,385		105,385	105,680
Wages - employees	344,966		344,966	325,949
Wage benefits	24,573		24,573	25,305
	<u>611,289</u>	<u>0</u>	<u>611,289</u>	<u>573,902</u>
Excess of Revenue Over Expenses for the Year	<u>\$ 44,777</u>	<u>\$ 2,031</u>	<u>\$ 46,808</u>	<u>\$ 187,854</u>

*The notes to financial statements are an integral
part of these financial statements.*

Animal Protection Services of Saskatchewan Inc.

Statement of Cash Flows
For the year ended March 31, 2018

	2018	2017
Cash Provided By (Used In):		
Operations		
Excess of revenue over expenses for the year	46,808	187,854
Net change in working capital	<u>6,513</u>	<u>(139,655)</u>
	53,321	48,199
Investing activities		
Disposals of other assets	<u>250</u>	<u>0</u>
Net Cash Increase for the Year	53,571	48,199
Cash position, beginning of year	<u>223,092</u>	<u>174,893</u>
Cash Position, End of Year	<u>\$ 276,663</u>	<u>\$ 223,092</u>
Represented By:		
Cash and cash equivalents	<u>\$ 276,663</u>	<u>\$ 223,092</u>
Net change in working capital consists of:		
Decrease (increase) - accounts receivable	(5,680)	(49)
- prepaid expenses	(178)	801
Increase (decrease) - accounts payable and accrued liabilities	15,691	5,628
- other current liabilities	<u>(3,320)</u>	<u>(146,035)</u>
	<u>\$ 6,513</u>	<u>\$ (139,655)</u>

*The notes to financial statements are an integral
part of these financial statements.*

Animal Protection Services of Saskatchewan Inc.

Notes to Financial Statements
For the year ended March 31, 2018

1. Nature of Operations

The organization was incorporated on March 5, 2015 under the Non-Profit Corporations Act of Saskatchewan. The Animal Protection Services of Saskatchewan Inc. performs activities relating to the improvement of animal welfare and the enforcement of Saskatchewan's Animal Protection Act, 1999. The organization, as a non-profit, is not subject to income tax.

2. Significant Accounting Policies

These financial statements are the responsibility of management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) using the accounting policies as summarized below:

(a) Cash and cash equivalents

Cash and cash equivalents represents cash on hand and cash held in banks, net of bank overdrafts.

(b) Fund accounting

The accounts of the organization are maintained in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

(i) Operating fund

The operating fund reflects the primary operations of the organization.

(ii) Externally-Restricted fund

The externally-restricted fund is a restricted fund that reflects assets which are subject to external restrictions. These assets are to be used as a contingency fund to offset any future shortfalls when performing duties in accordance with the original funding agreement.

(c) Revenue

The organization follows the deferral method of accounting for contributions. Restricted contributions, subject to external stipulations, are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions for which the related restrictions remain unfulfilled are accumulated as deferred contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Government contract revenues are recognized in the period to which the funding relates in accordance with the agreement. Surplus revenues are deferred to offset against future shortfalls due to significant variances in expenses. At the end of the agreement these deferred revenues could become repayable to the government based on the agreement.

Other revenues are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Animal Protection Services of Saskatchewan Inc.

Notes to Financial Statements
For the year ended March 31, 2018

2. Significant Accounting Policies - continued

(d) Financial instruments

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value. The organization subsequently measures all its financial assets and liabilities at amortized cost.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenue over expenses.

(e) 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the statement of operations in the period in which they became known.

	2018	2017
3. Accounts Receivable		
Accounts receivable are comprised of the following items:		
Trade accounts receivable		44
Accounts receivable from employees	589	
Taxes receivable	<u>9,993</u>	<u>4,858</u>
	<u>\$ 10,582</u>	<u>\$ 4,902</u>

4. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are comprised of the following items:

Accounts payable	3,250	7,055
Government remittances	8,915	8,596
Accrued liabilities	<u>24,677</u>	<u>5,500</u>
	<u>\$ 36,842</u>	<u>\$ 21,151</u>

Animal Protection Services of Saskatchewan Inc.

Notes to Financial Statements
For the year ended March 31, 2018

5. Deferred Revenue

Deferred revenues relate to contract revenues that are restricted but are not yet spent. Amounts deferred are in accordance with contract agreements.

	Balance, Beginning of Year	Less Amount Recognized	Plus Current Year Deferral	Balance, End of Year
Ministry of Agriculture - Drive By	\$ 14,919	\$ 3,320	\$ 0	\$ 11,599

6. Commitments

The organization leases office space under a lease agreement expiring January 31, 2019. Future lease payments total \$19,550 plus GST.

7. Subsequent Events

Subsequent to year end the organization signed an agreement with the Saskatchewan Ministry of Agriculture to continue operations for the term of April 1, 2018 to March 31, 2021.