

**Animal Protection Services  
of Saskatchewan Inc.**

**FINANCIAL STATEMENTS**

**Year Ended March 31, 2019**

# **Animal Protection Services of Saskatchewan Inc.**

Saskatoon, Saskatchewan

March 31, 2019

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## Independent Auditors' Report

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

### *Opinion*

We have audited the financial statements of Animal Protection Services of Saskatchewan Inc., (the non-profit), which comprise the Statement of Financial Position as at March 31, 2019 and the Statements of Operations, Changes in Net Assets and Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the non-profit as at March 31, 2019, and results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Basis for 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 non-profit 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.

### *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 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.

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

The Board of Directors is responsible for overseeing the non-profit's financial reporting process.



*Auditors' 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 auditors' 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 non-profit'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 non-profit'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 non-profit 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.

**Baker Tilly SK LLP**

*Baker Tilly SK LLP*

Saskatoon, SK  
August 25, 2019

# Animal Protection Services of Saskatchewan Inc.

Saskatoon, Saskatchewan

Statement of Financial Position as at March 31, 2019

	Operating Fund	Restricted Net Assets	2019 Total	2018 Total
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	13,104	139,402	152,506	276,663
Accounts receivable - note 3	236,391		236,391	10,582
Prepaid expenses	256		256	3,147
	<u>249,751</u>	<u>139,402</u>	<u>389,153</u>	<u>290,392</u>
<b>Other Assets</b>	<u>11,989</u>	<u>0</u>	<u>11,989</u>	<u>1,389</u>
	<u>\$ 261,740</u>	<u>\$ 139,402</u>	<u>\$ 401,142</u>	<u>\$ 291,781</u>
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued liabilities - note 4	112,819		112,819	36,842
Deferred revenue - note 5	11,599		11,599	11,599
	<u>124,418</u>	<u>0</u>	<u>124,418</u>	<u>48,441</u>
<b>Net Assets</b>				
Externally-restricted net assets		139,402	139,402	178,682
Unrestricted net assets	<u>137,322</u>	<u>139,402</u>	<u>276,724</u>	<u>64,658</u>
	<u>\$ 261,740</u>	<u>\$ 139,402</u>	<u>\$ 401,142</u>	<u>\$ 291,781</u>

Approved on behalf of the board:

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## Animal Protection Services of Saskatchewan Inc.

Statement of Changes in Net Assets  
For the year ended March 31, 2019

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	<b>Externally- Restricted Net Assets</b>	<b>Unrestricted Net Assets</b>	<b>2019 Total</b>	<b>2018 Total</b>
Balance, beginning of year	178,682	64,658	243,340	196,532
Excess of revenue over expenses for the year		33,384	33,384	46,808
Interfund transfer - note 6	<u>( 39,280)</u>	<u>39,280</u>	<u>                    </u>	<u>                    </u>
Balance, end of year	<u>\$ 139,402</u>	<u>\$ 137,322</u>	<u>\$ 276,724</u>	<u>\$ 243,340</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, 2019

	Operating Fund	Restricted Net Assets	2019 Total	2018 Total
<b>Revenue</b>				
Government contract	1,000,000		1,000,000	610,000
Seizure revenue	71,264		71,264	39,679
Drive by income				3,320
Other	1,400		1,400	5,098
	<u>1,072,664</u>	<u>0</u>	<u>1,072,664</u>	<u>658,097</u>
<b>Expenses</b>				
Animal protection officers' materials and supplies	21,498		21,498	9,032
Animal protection officers' training	2,819		2,819	1,800
Animal services expenses	152,198		152,198	69,245
Bank charges	355		355	329
Board expenses	3,308		3,308	1,329
Drive by expenses				3,320
Insurance	2,959		2,959	2,726
Licenses and memberships	787		787	666
Meals	11,628		11,628	8,011
Occupancy costs	977		977	586
Office	13,435		13,435	3,699
Professional fees	7,141		7,141	6,968
Rent - building	24,062		24,062	16,666
Rent - equipment	2,037		2,037	1,863
Seizure cost	242,348		242,348	
Telephone	12,020		12,020	10,125
Travel	123,948		123,948	105,385
Wages - employees	388,313		388,313	344,966
Wage benefits	29,447		29,447	24,573
	<u>1,039,280</u>	<u>0</u>	<u>1,039,280</u>	<u>611,289</u>
<b>Excess of Revenue Over Expenses for the Year</b>	<u>\$ 33,384</u>	<u>\$ 0</u>	<u>\$ 33,384</u>	<u>\$ 46,808</u>

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

## Animal Protection Services of Saskatchewan Inc.

Statement of Cash Flow  
For the year ended March 31, 2019

	2019	2018
<b>Cash Provided By (Used In):</b>		
Operations		
Excess of revenue over expenses for the year	33,384	46,808
Net change in working capital	<u>( 146,941)</u>	<u>6,513</u>
	<u>( 113,557)</u>	<u>53,321</u>
Investing activities		
Additions to other assets	( 10,600)	
Disposals of other assets		250
	<u>( 10,600)</u>	<u>250</u>
<b>Net Cash Increase (Decrease) for the Year</b>	( 124,157)	53,571
Cash position, beginning of year	<u>276,663</u>	<u>223,092</u>
<b>Cash Position, End of Year</b>	<u>\$ 152,506</u>	<u>\$ 276,663</u>
<b>Represented By:</b>		
Cash and cash equivalents	<u>\$ 152,506</u>	<u>\$ 276,663</u>
Net change in working capital consists of:		
Decrease (increase) - accounts receivable	( 225,809)	( 5,680)
- prepaid expenses	2,891	( 178)
Increase (decrease) - accounts payable and accrued liabilities	75,977	15,691
- other current liabilities		<u>( 3,320)</u>
	<u>\$( 146,941)</u>	<u>\$ 6,513</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, 2019

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## 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, 2018. 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, 2019

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### 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.

	2019	2018
<b>3. Accounts Receivable</b>		
Accounts receivable are comprised of the following items:		
Accounts receivable	222,873	
Accounts receivable from employees	474	589
Taxes receivable	<u>13,044</u>	<u>9,993</u>
	<u>\$ 236,391</u>	<u>\$ 10,582</u>

### 4. Accounts Payable and Accrued Liabilities

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

Accounts payable	74,987	3,250
Government remittances	12,415	8,915
Accrued liabilities	<u>25,417</u>	<u>24,677</u>
	<u>\$ 112,819</u>	<u>\$ 36,842</u>

## Animal Protection Services of Saskatchewan Inc.

Notes to Financial Statements  
For the year ended March 31, 2019

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### 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	\$ 11,599	\$ 0	\$ 0	\$ 11,599

### 6. Interfund Transfers

During the year, the organization transferred \$39,280 from the externally-restricted fund to the operating fund to cover the net operating loss for the year as calculated under the funding agreement.

### 7. Commitments

The organization leases office space under a lease agreement expiring September 30, 2019. Future lease payments total \$11,730 plus GST.

### 8. Economic Dependence

The organization is economically dependent on continued funding from the Saskatchewan Ministry of Agriculture. The current funding agreement covers the term April 1, 2018 to March 31, 2021.