

**Animal Protection Services
of Saskatchewan Inc.**

FINANCIAL STATEMENTS

Year Ended March 31, 2022

Animal Protection Services of Saskatchewan Inc.

Saskatoon, Saskatchewan

March 31, 2022

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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 organization), which comprise the Statement of Financial Position as at March 31, 2022 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 organization as at March 31, 2022, 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 Auditors' Responsibilities for the Audit of the financial statements section of our report. We are independent of the organization 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 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.

The Board of Directors is responsible for overseeing the organization'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 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 auditors' 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 auditors' 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.

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 20, 2022

Animal Protection Services of Saskatchewan Inc.

Saskatoon, Saskatchewan

Statement of Financial Position as at March 31, 2022

| | Operating Fund | Restricted Net Assets | 2022 Total | 2021 Total |
|--|-------------------|--------------------------|-------------------|-------------------|
| Assets | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | 330,054 | 77,401 | 407,455 | 280,098 |
| Accounts receivable - note 3 | 10,851 | | 10,851 | 12,478 |
| Prepaid expenses | 5,823 | | 5,823 | 4,574 |
| | <u>346,728</u> | <u>77,401</u> | <u>424,129</u> | <u>297,150</u> |
| Capital Assets - note 4 | 0 | 50,204 | 50,204 | 50,833 |
| Other Assets | <u>2,600</u> | <u>0</u> | <u>2,600</u> | <u>2,600</u> |
| | <u>\$ 349,328</u> | <u>\$ 127,605</u> | <u>\$ 476,933</u> | <u>\$ 350,583</u> |
| Liabilities and Net Assets | | | | |
| Current Liabilities | | | | |
| Accounts payable and accrued liabilities - note 5 | 111,599 | | 111,599 | 96,626 |
| Deferred revenue - note 6 | 11,599 | | 11,599 | 11,599 |
| | <u>123,198</u> | <u>0</u> | <u>123,198</u> | <u>108,225</u> |
| Net Assets | | | | |
| Invested in capital assets | | 50,204 | 50,204 | 50,833 |
| Externally-restricted net assets | | 77,401 | 77,401 | |
| Unrestricted net assets | 226,130 | | 226,130 | 191,525 |
| | <u>226,130</u> | <u>127,605</u> | <u>353,735</u> | <u>242,358</u> |
| | <u>\$ 349,328</u> | <u>\$ 127,605</u> | <u>\$ 476,933</u> | <u>\$ 350,583</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, 2022

| | Invested in Capital Assets | Externally- Restricted Net Assets | Unrestricted Net Assets | 2022 Total | 2021 Total |
|---|---|--|------------------------------------|-----------------------|-----------------------|
| Balance, beginning of year | 50,833 | 0 | 191,525 | 242,358 | 273,816 |
| Excess (deficiency) of revenue over expenses for the year | (7,361) | | 118,738 | 111,377 | (31,458) |
| Interfund transfer - note 7 | | 77,401 | (77,401) | | |
| Interfund transfer - note 7 | <u>6,732</u> | <u> </u> | <u>(6,732)</u> | <u> </u> | <u> </u> |
| Balance, end of year | <u>\$ 50,204</u> | <u>\$ 77,401</u> | <u>\$ 226,130</u> | <u>\$ 353,735</u> | <u>\$ 242,358</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, 2022

| | Operating Fund | Restricted Net Assets | 2022 Total | 2021 Total |
|--|-------------------|--------------------------|-------------------|---------------------|
| Revenue | | | | |
| Government contract | 1,100,000 | | 1,100,000 | 1,000,000 |
| Seizure revenue | 29,497 | | 29,497 | 113,867 |
| Other government revenue | 9,500 | | 9,500 | |
| Interest | 257 | | 257 | |
| Other | 11,583 | | 11,583 | 1,752 |
| | <u>1,150,837</u> | <u>0</u> | <u>1,150,837</u> | <u>1,115,619</u> |
| Expenses | | | | |
| Amortization | 7,361 | | 7,361 | 6,166 |
| Animal protection officers' materials and supplies | 32,848 | | 32,848 | 40,255 |
| Animal protection officers' training | 10,409 | | 10,409 | |
| Animal services expenses | 14,775 | | 14,775 | 39,196 |
| Board expenses | 3,573 | | 3,573 | 2,739 |
| Insurance | 4,218 | | 4,218 | 3,900 |
| Interest and bank charges | 925 | | 925 | 549 |
| Licenses and memberships | 627 | | 627 | 1,267 |
| Meals | 22,066 | | 22,066 | 19,720 |
| Occupancy costs | 1,150 | | 1,150 | 1,175 |
| Office | 4,256 | | 4,256 | 6,848 |
| Professional fees | 7,905 | | 7,905 | 10,336 |
| Rent - building | 36,715 | | 36,715 | 36,098 |
| Rent - equipment | 3,248 | | 3,248 | 3,220 |
| Seizure cost | 161,847 | | 161,847 | 224,623 |
| Telephone | 16,996 | | 16,996 | 17,527 |
| Travel | 16,161 | | 16,161 | 19,531 |
| Vehicle rental | 157,099 | | 157,099 | 126,430 |
| Wages - employees | 499,848 | | 499,848 | 547,784 |
| Wage benefits | 37,433 | | 37,433 | 39,713 |
| | <u>1,039,460</u> | <u>0</u> | <u>1,039,460</u> | <u>1,147,077</u> |
| Excess (Deficiency) of Revenue Over Expenses for the Year | <u>\$ 111,377</u> | <u>\$ 0</u> | <u>\$ 111,377</u> | <u>\$ (31,458)</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, 2022

| | 2022 | 2021 |
|--|-------------------|-------------------|
| Cash Provided By (Used In): | | |
| Operations | | |
| Excess (deficiency) of revenue over expenses for the year | 111,377 | (31,458) |
| Add items not requiring cash resources | | |
| Amortization | 7,361 | 6,166 |
| Net change in working capital | <u>15,351</u> | <u>48,902</u> |
| | 134,089 | 23,610 |
| Investing activities | | |
| Capital asset purchases | <u>(6,732)</u> | <u>(13,680)</u> |
| Net Cash Increase for the Year | 127,357 | 9,930 |
| Cash position, beginning of year | <u>280,098</u> | <u>270,168</u> |
| Cash Position, End of Year | <u>\$ 407,455</u> | <u>\$ 280,098</u> |
| Represented By: | | |
| Cash and cash equivalents | <u>\$ 407,455</u> | <u>\$ 280,098</u> |
| Net change in working capital consists of: | | |
| Decrease (increase) - accounts receivable | 1,627 | 9,487 |
| - prepaid expenses | (1,249) | 2,691 |
| Increase (decrease) - accounts payable and accrued liabilities | <u>14,973</u> | <u>36,724</u> |
| | <u>\$ 15,351</u> | <u>\$ 48,902</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, 2022

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) Capital fund

The capital fund is a restricted fund that reflects the equity of the organization in capital assets. The capital fund includes revenues received for the acquisition of capital assets. The capital fund also includes donations designated for capital purposes by the contributor. Expenses consist primarily of amortization of capital assets.

(iii) 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) Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated amortization.

The assets are amortized using the following methods and rates:

| | Method of Amortization | Rate of Amortization |
|-----------------------------------|-------------------------------|-----------------------------|
| Furniture, fixtures and equipment | straight-line | 5 - 10 years |

Property, plant and equipment are amortized at one-half the above rates in the year of purchase and are not amortized in the year of disposal.

Animal Protection Services of Saskatchewan Inc.

Notes to Financial Statements
For the year ended March 31, 2022

2. Significant Accounting Policies - continued

(d) 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.

(e) 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.

(f) 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.

3. Accounts Receivable

Accounts receivable are comprised of the following item:

| | 2022 | 2021 |
|------------------|------------------|------------------|
| Taxes receivable | \$ <u>10,851</u> | \$ <u>12,478</u> |

Animal Protection Services of Saskatchewan Inc.

Notes to Financial Statements
For the year ended March 31, 2022

| | 2022 | 2021 |
|-----------------------------------|-----------|-----------|
| 4. Capital Assets | | |
| Cost | | |
| Furniture, fixtures and equipment | 66,284 | 59,552 |
| Accumulated amortization | | |
| Furniture, fixtures and equipment | 16,080 | 8,719 |
| Net book value | \$ 50,204 | \$ 50,833 |

5. Accounts Payable and Accrued Liabilities

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

| | | |
|------------------------|------------|-----------|
| Accounts payable | 56,515 | 57,892 |
| Government remittances | 13,246 | 13,840 |
| Accrued liabilities | 41,838 | 24,894 |
| | \$ 111,599 | \$ 96,626 |

6. 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 |

7. Interfund Transfers

At the end of the year, the organization transferred \$77,401 from the operating fund to the externally-restricted fund to allocate surplus funding into a contingency fund in accordance with the funding agreement.

During the year, the organization also transferred \$6,732 from the operating fund to the capital fund to fund the purchase of protection vests.

Animal Protection Services of Saskatchewan Inc.

Notes to Financial Statements
For the year ended March 31, 2022

8. Commitments

The organization has multiple office lease agreements and an equipment lease for printers. One office lease agreement for \$775 per month has a term of month to month and is not included in the below. Minimum annual lease payments total:

| | |
|-------------------------------------|------------------|
| 2023 | 28,371 |
| 2024 | 1,851 |
| 2025 | <u>1,543</u> |
| Total future minimum lease payments | <u>\$ 31,765</u> |

9. 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, 2021 to March 31, 2022. A new agreement covering the term April 1, 2022 to March 31, 2025 was signed subsequent to year end.

10. Impact of COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The extent of this outbreak and related containment measures could have a material impact on the organization's operations, which cannot be reliably estimated at this time.