
CAT ACTION TEAM INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2018



Sharon R. O'Halloran, C.P.A. Inc.
"Empowering Our Clients' Success"



Sharon R. O'Halloran, C.P.A., Inc.
"Empowering Our Clients' Success"

Independent Auditors' Report

To the Board of Cat Action Team Inc.

I have audited the accompanying financial statements of **Cat Action Team Inc.**, which comprise the statement of financial position as at December 31, 2018 and the statements of operations, net assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Managements' 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Bases for Qualified Opinion

In common with many not-for-profit organizations, **Cat Action Team Inc.** derives revenue from fundraising activities and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the **Cat Action Teams Inc.** Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, donation revenue, excess of revenues over expenditures and cash flows from operations for the period January 1 to December 31, 2018.



Sharon R. O'Halloran, C.P.A., Inc.

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Independent Auditors' Report

Qualified Opinion

In my opinion, except for the possible effects of the matters described in the Bases for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of **Cat Action Team Inc.** as at December 31, 2018 and its financial performance and its cash flows for the year then ended are in accordance with Canadian Accounting Standards for Not-For-Profit Organizations.

Sharon O'Halloran

Sharon R. O'Halloran, C.P.A., Inc.


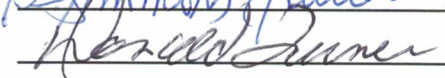
Chartered Professional Accountants

April 05, 2019
Summerside, PE

**CAT ACTION TEAM INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018**

	2018 \$	2017 \$
ASSETS		
CURRENT ASSETS		
Cash and bank	28,578	20,045
Receivables	4,781	948
Inventory	112	112
HST receivable	2,958	1,713
	36,429	22,818
CAPITAL ASSETS (Note 4.)		
	755	839
	37,184	23,657
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Payables and accruals	5,705	4,281
DEFERRED CAPITAL CONTRIBUTIONS (Note 5.)		
	755	839
	6,460	5,120
NET ASSETS		
Unrestricted net assets	30,724	18,537
	37,184	23,657

Approved on Behalf of the Board:

 Director
 Director

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

CAT ACTION TEAM INC.
STATEMENT OF OPERATIONS AND NET ASSETS
DECEMBER 31, 2018

	2018 \$	2017 \$
Revenue		
Fundraising (Note 6.)	29,337	25,135
Grant revenue	9,989	20,500
Donations	39,689	17,120
Memberships	200	250
	<u>79,215</u>	<u>63,005</u>
Operating expenses		
Advertising and promotion	-	45
Directors' insurance	927	-
Fundraising costs and supplies	14,135	973
Hand mice supplies	2,132	2,141
Interest and bank charges	236	229
Health care	3,522	2,672
Neuter day (Note 7.)	41,189	51,461
Office	742	676
Professional fees	1,161	4,004
Shelter supplies and food costs	2,984	2,952
	<u>67,028</u>	<u>65,153</u>
Excess (deficiency) of revenues over expenditures	12,187	(2,148)
Unrestricted net assets, beginning of year	18,537	20,685
Unrestricted net assets, end of year	<u>30,724</u>	<u>18,537</u>
Net Assets		
Unrestricted net assets, end of year	<u>30,724</u>	<u>18,537</u>

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

**CAT ACTION TEAM INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	2018	2017
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess (deficiency) of revenue over expenditures	12,187	(2,147)
Changes in non cash working capital		
Receivables	(3,833)	(136)
HST receivable	(1,245)	789
Payables and accruals	1,423	1,715
	8,532	221
INCREASE IN CASH	8,532	221
CASH, BEGINNING OF YEAR	20,046	19,824
CASH, END OF YEAR	28,578	20,045
As represented by:		
Cash and cash equivalents	28,578	20,045

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

**CAT ACTION TEAM INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

1. Purpose of the organization

Cat Action Team Inc. is a not-for-profit organization which incorporated under Part II of the Companies Act of Prince Edward Island. The organization is a registered charity and is exempt from the payment of income taxes under the Income Tax Act.

The organization operates to provide spay/neuter activities and medical attention to homeless cats on Prince Edward Island.

2. Basis of presentation

The financial statement were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

Fund Accounting

Cat Action Team Inc., follows the restricted fund method of account for contributions.

The **General Fund** accounts for the Organization's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The **Capital Asset Fund** reports the assets, liabilities, revenues, and expenditures related to the Organization's capital assets.

The **Externally Restricted Fund**, reports the revenues and corresponding expenditures as set up by the donor of a donation received for a specific purpose.

3. Significant Accounting Policies

a. Cash

Cash is comprised of cash on hand and cash in banks.

b. Receivables

Receivables arise from fundraising receivable and recovery of funds. All funds have been deemed collectable and were recovered subsequent to the year end.

c. Inventory

Inventory is valued at the lower cost and net realizable value with the cost being determined on a first-in, first-out basis.

d. Capital assets

Capital assets are recorded at cost and are amortized using the declining balance method at the annual rates as shown in Note 4.

**CAT ACTION TEAM INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

3. Significant Accounting Policies

e. Revenue recognition

The organization follows the deferral methods of accounting for revenues. Restricted contributions are recognized as revenue in the year in which the related expenditures 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.

f. Contributed services

Volunteers contribute significant hours each year to assist the organization in carrying out its service delivery activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

g. Gifts in kind

Donated goods are recorded at their fair market value at their time of donation. During the year, \$11,277 in goods were donated which are included in general donations. (2017 - \$2,238).

h. Deferred capital contributions

Grants and donations received for the acquisition of capital assets are recorded as deferred capital contributions and are amortized at the same rate as the related capital asset. (Note 5)

i. Financial instruments

The organization initially measures its financial assets and financial liabilities at fair market value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The organization subsequently measures all of its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quotes in an active market, which are measured at fair value. Changes in fair value of these financial instruments are recognized in net income.

Financial assets measured at amortized cost on straight-line basis include cash and accounts receivable.

Financial liabilities measured at amortized cost on straight-line basis include accounts payable and accrued liabilities.

Transaction costs on the question, sale or issue of financial instruments that are subsequently measured at amortized cost are shown as an adjustment to the carrying value of the related financial instrument.

**CAT ACTION TEAM INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

3. Significant Accounting Policies

j. Measurement uncertainty

When preparing financial statements according to Canadian ASNPO, management makes estimates and assumptions relating to:

- ◆ reported amounts of revenues and expenditures
- ◆ reported amounts of assets and liabilities
- ◆ disclosure of contingent assets and liabilities.

Estimates are based on a number of factors including historical experience, current events and actions that the organization may undertake in the future, and other assumptions that management believes are reasonable under the circumstances. By their nature, these estimates are subject to measurement uncertainty and actual results could differ. In particular, estimates are used in accounting for certain items such as revenues and legal contingencies.

4. Capital assets

	Rate %	Cost \$	Accumulated Amortization \$	2018 Net Book Value \$	2017 Net Book Value \$
Signs	10	1,035	280	755	839

5. Deferred Capital Contributions

	Rate %	Cost \$	Accumulated Amortization \$	2018 Net Book Value \$	2017 Net Book Value \$
Signs	10	1,035	280	755	839

**CAT ACTION TEAM INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

6. Fundraising revenue

	2018 \$	2017 \$
Dinner and silent auction	13,328	-
Catnip Mice	13,193	12,152
Yard Sales	1,532	1,995
Auctions and flea markets	1,044	1,314
Special Promotions	240	272
Christmas cheer basket	-	7,522
Raffles	-	1,580
Liquor store jars	-	300
	29,337	25,135

7. Neuter day

	2018 \$	2017 \$
O'Leary Vet Clinic	23,547	29,349
Summerside Vet Clinic	7,121	8,778
Montague Vet Clinic	4,380	4,668
Kensington Animal Hospital	3,853	7,061
Neuter day medications	2,288	1,605
	41,189	51,461

8. Financial instruments

The organization's financial instruments consist of cash, accounts receivable and payables and accruals.

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following provides information about the organization's risk exposure and concentration as of December 31, 2018.

Liquidity risk

Liquidity risk is risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of revenues and disbursement of payables and accruals.