
CAT ACTION TEAM INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2020



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

**CAT ACTION TEAM INC.
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DECEMBER 31, 2020**

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Independent Auditors' Report

**To the Board of
Cat Action Team Inc.**

Qualified Opinion

I have audited the accompanying financial statements of **Cat Action Team Inc.** (the Organization) which comprise the statement of financial position as at December 31, 2020, and the statement of operations, statement of net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information (together "the financial statements").

In my opinion, except for the possible effects of the matter described in the basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Cat Action Team Inc. as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from fundraising and donation activities 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 organization. Therefore, I was not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenues over expenditures, and cash flows from operations for the year ended December 31, 2020 and 2019, and net assets as at January 1 and December 31 for both the 2020 and 2019 year. My audit opinion of the financial statements for the year ended December 31, 2019 was modified accordingly because of the possible effects of this limitation of scope.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of **Cat Action Team Inc.** in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Responsibilities of Management and Those Charged with Governance 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 the financial statements that are free from material misstatement whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing **Cat Action Team Inc.'s** ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate **Cat Action Team Inc.** or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing **Cat Action Team Inc.** financial reporting process.



Independent Auditors' Report

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 Cat Action Team Inc.'s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My 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 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.

I 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 I identify during my audit.

Sharon O'Halloran
Sharon R. O'Halloran, C.P.A., Inc.
Chartered Professional Accountants

May 07, 2021
Summerside, PE

**CAT ACTION TEAM INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020**

	2020	2019
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents, beginning of year	10,324	11,204
Public service rebate receivable	1,205	2,416
Interest receivable	383	575
Investments (Note 4)	139,488	146,000
	151,400	160,195
CAPITAL ASSETS (Note 5)	612	680
	152,012	160,875
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Payables and accruals	3,000	2,984
DEFERRED CAPITAL CONTRIBUTIONS (Note 6)	612	680
	3,612	3,664
NET ASSETS		
Unrestricted net assets	148,400	157,211
	152,012	160,875

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 CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Unrestricted	Invested in Capital Assets	2020	2019
	\$	\$	\$	\$
NET ASSETS, BEGINNING OF THE YEAR	157,211	-	157,211	30,724
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(8,811)	-	(8,811)	126,487
NET ASSETS, END OF YEAR	148,400	-	148,400	157,211

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

**CAT ACTION TEAM INC.
STATEMENT OF OPERATIONS AND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020	2019
	\$	\$
REVENUE		
Amortization of deferred capital contributions	68	75
Donations	25,009	152,760
Fundraising (Note 7)	8,777	17,011
Grant revenue	-	5,000
Interest revenue	1,310	602
Memberships	280	290
	35,444	175,738
OPERATING EXPENSES		
Advertising and promotion	600	112
Amortization of capital assets	68	75
Directors' insurance	927	889
Fundraising costs and supplies	-	2,434
Hand mice supplies	883	737
Interest and bank charges	292	216
Health care	2,417	3,241
Neuter day (Note 8)	34,604	37,770
Office	478	293
Professional fees	2,539	2,468
Shelter supplies and food costs	1,447	1,016
	44,255	49,251
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,811)	126,487

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, 2020**

	2020	2019
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess (deficiency) of revenue over expenditures	(8,811)	126,487
Amortization of capital assets	68	75
Amortization of deferred capital contributions	(68)	(75)
	(8,811)	126,487
Changes in non cash working capital		
(Increase) decrease in receivables	192	(575)
Decrease in inventory	-	112
Decrease in Public Service Rebate receivable	1,211	542
Increase (decrease) in payables and accruals	16	(2,721)
	(7,392)	123,845
CASH FLOWS FROM INVESTING ACTIVITIES:		
Decrease (increase) in investments	6,512	(146,000)
INCREASE (DECREASE) IN CASH	(880)	(22,155)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	11,204	33,359
CASH AND CASH EQUIVALENTS, END OF YEAR	10,324	11,204
As represented by:		
Cash and bank	10,324	11,204

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, 2020**

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 **Cat Action Team Inc.** is an organization with the following objects and purposes:

- a) to reduce the at-large cat population;
- b) to stabilize feral cat populations;
- c) to promote responsible pet ownership and compassion for feral cats in the community;
- d) to remove lost or abandoned cats from the street with the purpose of returning them to owners or of adopting them to a suitable home; and
- e) to educate Prince Edward Island residents about the importance of neutering pets and controlling the population of cats.

2. Basis of presentation

The financial statement were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO). Significant accounting policies are included in Note 3.

3. Significant Accounting Policies

a. Fund accounting

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

The **General Fund** accounts for the Organization's program delivery and administrative activities. This fund reports unrestricted resources and 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. There are no externally restricted funds at December 31, 2020.

b. Cash and bank

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

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.

**CAT ACTION TEAM INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

3. Significant Accounting Policies

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 5.

e. Financial instruments

The non-profit recognizes all transaction costs related to financial assets and liabilities as a reduction to net earnings in the period in which the costs were incurred.

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. To manage this risk, the non-profit maintains a portion of its invested assets in liquid securities

f. 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 6)

g. Revenue recognition

The organization follows the restricted fund method 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.

Interest revenue is recognized as earned and accrued.

h. 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.

i. Gifts in kind

Donated goods are recorded at their fair market value at their time of donation. During the year, \$1,527 in goods were donated which are included in general donations. (2019- \$3,073)

CAT ACTION TEAM INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

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.

4. Investments

	2020	2019
	\$	\$
1.4% Royal Bank of Canada Guaranteed Income Certificate. interest paid at maturity. Matures April 16, 2021	131,488	-
2.1% Royal Bank of Canada Guaranteed Income Certificate. Matured during year.	-	130,000
0% Royal Bank of Canada Guaranteed Income Certificate. Cashable.	8,000	-
1% Royal Bank of Canada Guaranteed Income Certificates. Matured during year.	-	16,000
	<u>139,488</u>	<u>146,000</u>

5. Capital assets

	Rate	Cost	Accumulated	2020	2019
	%	\$	Amortization	Net Book	Net Book
			\$	Value	Value
				\$	\$
Signs	10	1,035	423	612	680

6. Deferred Capital Contributions

	Rate	Cost	Accumulated	2020	2019
	%	\$	Amortization	Net Book	Net Book
			\$	Value	Value
				\$	\$
Signs	10	1,035	423	612	680

CAT ACTION TEAM INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

7. Fundraising revenue

	2020 \$	2019 \$
Catnip mice	8,777	13,460
Auctions and flea markets	-	1,269
Yard sales	-	1,222
Special promotions	-	1,060
	<u>8,777</u>	<u>17,011</u>

8. Neuter day

	2020 \$	2019 \$
O'Leary Vet Clinic	19,494	21,866
Montague Vet Clinic	10,808	5,988
Kensington Animal Hospital	2,308	2,172
Neuter day medications	1,760	1,873
Neuter Day Abeqweit	234	-
Summerside Vet Clinic	-	5,871
	<u>34,604</u>	<u>37,770</u>

9. Financial instruments

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

* The organization is not exposed to any significant interest or liquidity risk.

10. Covid-19

During the year, a pandemic event (Covid-19) occurred that caused widespread economic uncertainty and volatility in financial markets. This event has not had a material effect on the organization's operation and we feel we are still a going concern.

No amounts have been received by the organization related to Covid-19 during or subsequent to the year ending December 31, 2020, at the date of the release of these financial statements.