

Cat Action Team Inc.
Financial Statements

For the Year Ended December 31, 2021



FITZPATRICK & CO.

Accountants • Advisors

Independent Auditor's Report

To the Board of Cat Action Team Inc.

Qualified Opinion

We have audited the accompanying financial statements of Cat Action Team Inc. which comprises the statement of financial position as at December 31, 2021, the statement of operations and surplus for the year then ended, the statement of changes in net assets, the statement of cash flows, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Cat Action Team Inc. as at December 31, 2021 and its financial performance for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Basis for Qualified Opinion

In common with many non-for-profit organizations, the organization derives revenue from fundraising and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to amounts recorded in the records of the organization. Therefore, we were unable to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenue over expenses, and cash flows from operations for the years ended December 31, 2021 and 2020, current assets as at December 31, 2021 and 2020 and net assets as at January 1, and December 31 for both the 2021 and 2020 years. The audit opinion on the financial statements for the year ended December 31, 2021 was modified accordingly because of the possible effects of the limitation of scope.

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 Cat Action Team Inc. 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, 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.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

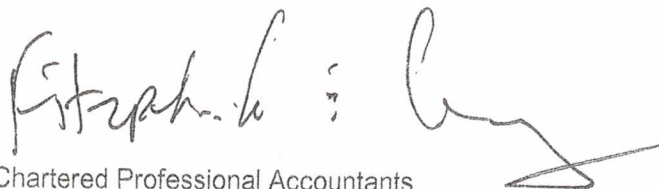
Auditor's Responsibilities for the Audit of the Financial Statements

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 auditor's 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 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 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.



Chartered Professional Accountants

Charlottetown, PE
September 20, 2022

Cat Action Team Inc.

Statement of Financial Position

As at December 31, 2021, with comparative figures for 2020

	2021	2020
Assets		
Current assets:		
Cash	\$ 4,693	\$ 10,324
Public service rebate receivable	2,385	1,205
Account receivable	5,630	383
Marketable securities (note 2)	123,329	139,488
	136,037	151,400
Property and equipment (note 3)	551	612
	\$ 136,588	\$ 152,012
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,547	\$ 3,000
Deferred capital contributions (note 4)	551	612
	5,098	3,612
Net assets	131,490	148,400
	\$ 136,588	\$ 152,012

Approved on Behalf of the Board;

_____, Director _____, Director

Cat Action Team Inc.

Statement of Operations and Surplus

For the Year Ended December 31, 2021, with comparative figures for 2020

	2021	2020
Revenue:		
Donations	\$ 14,917	\$ 25,009
Fundraising (note 5)	14,119	8,777
Interest revenue	2,098	1,310
Memberships	280	280
Amortization of deferred capital contributions	61	68
	31,475	35,444
Operating expenses:		
Advertising	22	600
Amortization of property and equipment	61	68
Directors insurance	927	927
Fundraising costs and supplies	270	-
Hand mice supplies	1,332	883
Health care	5,421	2,417
Interest and bank charges	196	292
Neuter day (note 6)	35,233	34,604
Office	401	478
Professional fees	2,635	2,539
Scholarship	500	-
Shelter supplies and food costs	1,387	1,447
	48,385	44,255
Excess of expenses over revenue	(16,910)	(8,811)
Surplus, beginning of year	148,400	157,211
Surplus, end of year	\$ 131,490	\$ 148,400

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, 2021, with comparative figures for 2020

	2021	2020
Surplus, beginning of the year	\$ 148,400	\$ 157,211
Deficiency of revenue over expenses	(16,910)	(8,811)
Surplus, end of the year	\$ 131,490	\$ 148,400

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, 2021, with comparative figures for 2020

	2021	2020
Cash flows from operating activities:		
Excess of expenditure over revenues	\$ (16,910)	\$ (8,811)
Amortization of property and equipment	61	68
Amortization of deferred capital contributions	(61)	(68)
Change in non-cash working capital	(4,880)	1,419
	(21,790)	(7,392)
Cash flows from investing activities:		
Proceeds from sale of marketable securities	16,159	6,512
Net decrease in cash	(5,631)	(880)
Cash, beginning of year	10,324	11,204
Cash, end of year	\$ 4,693	\$ 10,324

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, 2021, with comparative figures for 2020

Cat Action Team Inc is a not-for-profit organization. Its purpose is to reduce the at-large cat population; to stabilize feral cat populations; to promote responsible pet ownership and compassion for feral cats in the community; 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 to educate Prince Edward Island residents about the importance of neutering pets and controlling the population of cats. The Organization is a registered charity as defined under the Income Tax Act.

1. Significant accounting policies:

a) Basis of presentation:

The financial statements of the Organization are prepared, in all material respects, in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

b) Cash and bank:

Cash consists of bank balances.

c) Revenue recognition:

The Organization follows the deferral 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.

d) Capital asset:

Property and equipment are stated at cost. Amortization is provided using the declining balance basis at the following annual rates:

Asset	Rate
Signs	10%

e) Marketable securities:

This category consists of a one-year redeemable guaranteed investment certificate asset with interest paid at maturity. It is carried in the statement of financial position at cost, and transaction costs related to the instrument are expensed as incurred.

Cat Action Team Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2021, with comparative figures for 2020

1. Significant accounting policies: (continued)

f) 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.

The Organization's financial instrument consist of cash, marketable securities, account receivable, HST receivable, payables and accruals. The Organization is not exposed to any significant interest or liquidity risk.

g) Contributed services:

A number of volunteers contribute a significant amount of their time each year. As the fair value of these services cannot be reasonably estimated, these contributed services have not been recognized in the financial statements.

h) Gifts in kind:

Donated goods are recorded at their fair market value at their time of donation. During the year, \$ 1,533 (2020- \$ 1,527) in goods were donated which are included in general donations.

i) Use of 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 amounts of assets and liabilities and contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Significant estimates made by management in the preparation of these financial statements include the recognition of course development revenue on the percentage of completion basis.

Cat Action Team Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2021, with comparative figures for 2020

2. Marketable securities:

	2021	2020
0.4% Royal Bank of Canada Guaranteed Income Certificate, interest paid at maturity, matured in 2022.	\$ 123,329	\$ -
1.4% Royal Bank of Canada Guaranteed Income Certificate, redeemed during the year.	-	131,488
0% Royal Bank of Canada Guaranteed Income Certificate, redeemed during the year.	-	8,000
	\$ 123,329	\$ 139,488

3. Property and equipment:

	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book Value
Signs	\$ 1,035	\$ 484	\$ 551	\$ 612

4. Deferred capital contributions:

	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book Value
Signs	\$ 1,035	\$ 484	\$ 551	\$ 612

5. Fundraising revenue:

Fundraising revenue consists of the following:

	2021	2020
Catnip mice	\$ 13,493	\$ 8,777
Yard sales	626	-
	\$ 14,119	\$ 8,777

Cat Action Team Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2021, with comparative figures for 2020

6. Neuter day:

	2021	2020
O'Leary Vet Clinic	\$ 26,312	\$ 19,494
Montague Vet Clinic	6,492	10,808
Neuter day medications	1,508	1,760
Neuter day Souris	610	-
Kensington Animal Hospital	192	2,308
Summerside Vet Clinic	119	-
Neuter day Abegweit	-	234
	\$ 35,233	\$ 34,604

7. Comparative figures and notes:

Certain comparative figures and disclosures have been reclassified to conform with the current year's financial statements.