

Financial Statements of

**THE SOCIETY FOR THE PREVENTION OF CRUELTY TO  
ANIMALS (NEWFOUNDLAND AND LABRADOR –  
ST. JOHN'S BRANCH)**

Year ended December 31, 2024

# JORDAN CULL

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Chartered Professional Accountant  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors:

### Qualified Opinion

I have audited the accompanying financial statements of The Society for the Prevention of Cruelty to Animals (Newfoundland and Labrador – St. John's Branch) (the "Society"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, statement of net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of my report, including the corresponding figures, the financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2024, and the result of its operations 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 Society derives revenues from donations and other voluntary sources and fundraising campaigns, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues, including the comparative period, was limited to the amounts recorded in the records of the Society and I was not able to determine whether any adjustments might be necessary to recorded contributions, the excess of revenues over expenses, fund balances, and cash flows from operations for the years ended December 31, 2024 and 2023, current assets as at December 31, 2024 and 2023, and net assets as at January 1 and December 31 for both the 2024 and 2023 years. My audit opinion on the December 31, 2023 financial statements was modified accordingly because of the possible effects of this scope limitation.

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 the report. I am independent of the Organization in accordance with the ethical requirements that are relevant to the audit of the financial statements in Canada, and I have fulfilled the 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 the 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 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.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

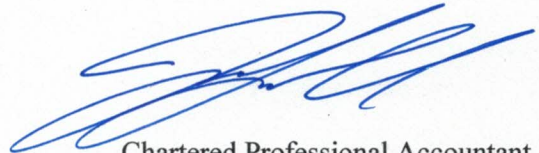
My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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 the 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 I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. My conclusions are based on the audit evidence obtained up to the date of the 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 the audit.

St. John's, Newfoundland  
June 16, 2025



Chartered Professional Accountant

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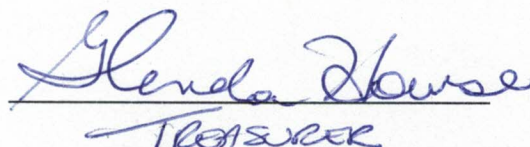
**STATEMENT OF FINANCIAL POSITION**

As at December 31, 2024

	<u>2024</u>	<u>2023</u>
<b><u>ASSETS</u></b>		
<b>CURRENT</b>		
Cash (note 2)	\$ 633,031	\$ 1,178,830
Accounts receivable	10,500	19,574
Temporary investments (note 3)	3,337,338	2,544,708
HST recoverable	68,168	70,066
Prepaid expenses	6,696	6,106
	<b>4,055,733</b>	<b>3,819,284</b>
 <b>CAPITAL ASSETS (note 4)</b>	 <b>467,344</b>	 <b>170,872</b>
	<b>\$ 4,523,077</b>	<b>\$ 3,990,156</b>
 <b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 50,537	\$ 33,125
Employee deductions payable	16,654	15,874
Deferred revenue	-	40,000
	<b>67,191</b>	<b>88,999</b>
 <b>NET ASSETS</b>	 <b>4,455,886</b>	 <b>3,901,157</b>
	<b>\$ 4,523,077</b>	<b>\$ 3,990,156</b>

On Behalf of the Board:

  
\_\_\_\_\_  
Chair

  
\_\_\_\_\_  
Treasurer

See Accompanying Notes to Financial Statements

**THE SOCIETY FOR THE PREVENTION OF CRUELTY TO  
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**STATEMENT OF OPERATIONS AND NET ASSETS**

For the Year Ended December 31, 2024

	<b>2024</b>	<b>2023</b>
<b>REVENUES</b>		
Donations and memberships	\$ 420,965	\$ 1,716,184
Ways and means - fundraising	1,138,886	1,158,265
Placement of animals	379,206	376,067
Grants	156,454	181,437
Interest income	132,159	79,884
Wage-related subsidies	44,519	39,336
	<b>2,272,189</b>	<b>3,551,173</b>
<b>EXPENSES</b>		
Salaries and benefits	841,993	792,930
Veterinarian fees	422,113	437,894
Rent	185,000	175,758
Ways and means - fundraising	39,075	59,456
Repairs and maintenance	32,909	35,461
Supplies	31,346	35,672
Professional fees	28,229	189,598
Utilities	23,258	22,407
Interest and bank charges	22,007	20,320
Miscellaneous	19,596	18,541
Office and administration	18,161	10,824
Amortization	16,404	21,283
Travel	13,873	14,667
Insurance	11,844	12,028
Telephone	11,652	11,760
	<b>1,717,460</b>	<b>1,858,599</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>554,729</b>	<b>1,692,574</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>3,901,157</b>	<b>2,208,583</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 4,455,886</b>	<b>\$ 3,901,157</b>

See Accompanying Notes to Financial Statements

**THE SOCIETY FOR THE PREVENTION OF CRUELTY TO  
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**STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 2024

	<b>2024</b>	<b>2023</b>
<b>OPERATING</b>		
Excess of revenue over expenses	\$ 554,729	\$ 1,692,574
Items not requiring an outlay of cash:		
Amortization	16,404	21,283
Net change in non-cash working capital items	<u>(11,426)</u>	<u>648</u>
	<u>559,707</u>	<u>1,714,505</u>
<b>INVESTING</b>		
Purchase of capital assets	(312,876)	(21,717)
(Increase) decrease in term deposits	<u>(792,630)</u>	<u>(2,322,158)</u>
	<u>(1,105,506)</u>	<u>(2,343,875)</u>
Increase in cash and cash equivalents	(545,799)	(629,370)
CASH BALANCE, BEGINNING OF YEAR	1,178,830	1,808,200
CASH BALANCE, END OF YEAR	<u>\$ 633,031</u>	<u>\$ 1,178,830</u>

See Accompanying Notes to Financial Statements

**THE SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS  
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**NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2024**

**General**

The Society for the Prevention of Cruelty to Animals (Newfoundland and Labrador – St. John’s Branch) (the “Society”) is a not-for-profit organization dedicated to the welfare and humane treatment of animals with particular emphasis on care and sheltering of stray, abandoned and abused animals. These financial statements present only the financial position of the Society for the Prevention of Cruelty to Animals (Newfoundland and Labrador – St. John’s Branch). The organization is a not-for-profit organization under the “Income Tax Act” of Canada and is not subject to income taxes.

**1. Summary of Significant Accounting Policies:**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, the more significant of which are as follows:

Basis of Accounting

The financial statements report only the operations of the St. John’s Branch which includes the general administration of the Society.

Cash and Cash Equivalents

Cash and cash equivalents are defined as cash on hand, bank balances held with Chartered Canadian banks and highly liquid short-term investments with a maturity of three months or less.

Investments

Investments are recorded at fair value with any adjustments to fair value being reflected in excess of revenue over expenses in the statement of operations each year.

Capital Assets and Amortization

Capital assets are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated lives as follows:

Furniture and equipment	-	20% declining balance
Building	-	4% declining balance
Vehicle	-	30% declining balance
Leasehold improvements	-	Straight line

Impairment of Long-Lived Assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The amount of any impairment loss is determined as the excess of the carrying value of the asset over its fair value.

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**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended December 31, 2024

**1. Summary of Significant Accounting Policies (Continued):**

Donated Goods and Services

Due to the difficulty of determining their fair value, the Society does not record in its accounts the value of donated goods and services it receives in relation to fundraising activities or operations.

Revenue Recognition

The Society follows the deferral method of accounting for contributions. 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. All other revenues are recognized when they are earned.

Accounting Estimates

The preparation of financial statements in conformity 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 disclosure of 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 those estimates. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

**2. Cash:**

	<u>2024</u>	<u>2023</u>
Bank of Montreal – operating account	\$ 50,056	\$ 88,992
Bank of Montreal – ways & means accounts	5,316	5,181
Newfoundland & Labrador Credit Union – operating accounts	452,885	1,081,457
Newfoundland & Labrador Credit Union – savings accounts	122,980	1,606
Cash float	1,794	1,594
	<u>\$ 633,031</u>	<u>\$ 1,178,830</u>

**3. Temporary Investments:**

Temporary investments are comprised of guaranteed investment certificates on deposit at two Canadian financial institutions. Interest rates vary from 2.50 to 4.65% with interest being paid annually or upon maturity.

	<u>2024</u>	<u>2023</u>
Guaranteed Investment Certificate – NL Credit Union	\$ 3,337,204	\$ 2,544,574
Equity Shares – NL Credit Union	134	134
	<u>\$ 3,337,338</u>	<u>\$ 2,544,708</u>

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**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended December 31, 2024

**4. Capital Assets:**

	2024			2023
	Cost	Accumulated amortization	Net	Net
Furniture and Equipment	\$ 43,718	\$ 35,668	\$ 8,050	\$ 10,063
Land	1	-	1	1
Building	368,874	-	368,874	56,885
Building Upgrades	130,277	44,689	85,588	89,154
Leasehold Improvements	82,726	82,726	-	7,247
Computer Equipment	6,465	5,726	739	1,676
Vehicles	25,628	21,536	4,092	5,846
	\$ 344,811	\$ 190,345	\$ 467,344	\$ 170,872

**5. Deferred Revenue:**

Deferred revenue consists of grant revenue received during the year but which had not been used by year end or the grant was issued for a stated period and had not expired by year end.

**6. Financial Risk Management Objectives and Policies:**

The Society's risk management policies are part of the overall management of the entity's operations. Management's direct involvement in day-to-day operations identifies risk and variations from expectations leading to changes in risk management activities, requirements and actions. Management has not entered into hedging transactions to manage risk. As part of the overall management of the Society's operations, management considers avoidance of undue concentrations of risk, and employs appropriate investment and credit management policies to manage the Society's exposure.

**7. Capital Management:**

The capital structure of the Society consists of net assets. The Organization's objective when managing capital is to ensure it maintains adequate capital to support its continued operations. The Society is not subject to externally imposed capital requirements.

**8. Financial Instruments:**

Financial Risk Factors

The Society has exposure to credit risk, liquidity risk and market risk. The Society's Board of Directors has overall responsibility for the oversight of these risks and reviews the Society's policies on an ongoing basis to ensure that these risks are appropriately managed. The source of risk exposure and how each is managed is outlined as follows:

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**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended December 31, 2024

**8. Financial Instruments (Continued):**

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligation. The Society's credit risk is primarily attributable to accounts receivable, cash and cash equivalents and investments. Management believes that the credit risk with respect to accounts receivable is not significant. As at December 31, 2024 the allowance for doubtful accounts is nil (nil in 2023). The Society's cash and cash equivalents and investments are distributed among bank and investment accounts held in Canadian chartered banks. The Society's credit risk on cash and cash equivalents and investment balances is mitigated by the Society's investment policy and the minimum risk of its portfolio. Management believes that the credit risk with respect to cash and cash equivalents and investments is not significant.

Liquidity Risk

Liquidity risk is the risk that the Society will not be able to meet its financial obligations as they become due. As at December 31, 2024 the Society had cash and cash equivalents of \$633,031 (\$1,178,830 in 2023) and investments of \$3,337,338 (\$2,544,708 in 2023). To the extent that the Society does not believe it has sufficient liquidity to meet current obligations, consideration will be given to obtaining additional funds through third party funding, assuming these could be obtained. All of the Society's financial liabilities are short-term in nature and are subject to normal trade terms.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and price risk will affect the Society's excess of revenues over expenses or the value of its financial instruments. The Society is not subject to foreign exchange risk.

(i) Interest Rate Risk

The Society's excess cash balances are invested in short-term deposit certificates or fixed income securities issued by Canadian chartered banks. The Society has no long-term debt. The Society has limited interest rate risk exposure due to fixed rate investments and believes this risk is not material.

**9. Comparative Figures:**

Certain figures of the 2023 comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.

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**NOTES TO FINANCIAL STATEMENTS**

For the Year Ended December 31, 2024

**10. In-Kind Contributions:**

During the year, the Society received contributed goods in the form of animal supplies and contributed services in the form of volunteer time to help with fundraising, shelter activities, administration and planning activities. These contributed services are not recognized in these statements due to the difficulties of determining their fair values.

**11. Commitment:**

A seven (7) year lease commitment, with a five (5) year renewal option, for the St. John's Animal Shelter at the St. John's International Airport Authority was entered into on December 1, 2012. The terms of the lease require the Society to pay the Airport Authority an amount of one dollar per annum for the land lease, and an amount of \$523.50 plus HST per annum for airport maintenance. The renewal option was exercised by the Society. When the renewal option expired on November 30, 2024, the Society continued with the same commitment on a year by year basis.

A five (5) year lease commitment, with a five (5) year renewal option, for the property located at 1062 Topsail Road, Mount Pearl, NL was entered into on January 1, 2024. The terms of the lease require the Society to pay Automotive Supplies Holdings a minimum lease payment of \$5,683.67 plus HST per month for all five years, for the property lease.

A five (5) year lease commitment for the property located at 27 Elizabeth Avenue, St. John's, NL was entered into on May 1, 2023. The terms of the lease require the Society to pay Baine Johnston Properties Limited a minimum lease payment of \$5,845.67 plus HST per month for the first three (3) years, and \$6,295.33 plus HST for the following two (2) years, for property lease.