

WOODSTOCK KITTEN NURSERY & RESCUE

**2023 Financial Statements
(Unaudited)**



Independent Practitioner's Review Engagement Report

**To the members of
Woodstock Kitten Nursery & Rescue**

I have reviewed the accompanying financial statements of Woodstock Kitten Nursery & Rescue that comprise the statement of financial position as at December 15, 2023, and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's 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.

Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.

In common with many charities and non-for profit organizations, the Organization derives revenue from donations and fundraising, the completeness of which is not susceptible to us obtaining evidence we consider necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were unable to determine whether any adjustments might have been found necessary with respect to donations and fundraising, deficiency of revenue over expenses, and cash flow from operations for the years ended December 15, 2023 and December 15, 2022.

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Independent Practitioner's Review Engagement Report — continued

Qualified Conclusion

Based on my review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of Woodstock Kitten Nursery & Rescue as at December 15, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Emphasis of Matter

Without modifying my opinion, I draw attention to note 3 to the financial statements which describes that Woodstock Kitten Nursery & Rescue adopted Canadian accounting standards for not-for-profit organizations on December 16, 2022 with a transition date of December 16, 2021. These standards were applied retrospectively by management to the comparative information in these financial statements, including the balance sheets as at December 15, 2022 and December 16, 2021, and the statements of operations and changes in net assets and cash flows for the year ended December 15, 2022 and related disclosures. I was not engaged to report on the restated comparative information, and as such, it is unaudited.

Other Matter

The financial statements of Woodstock Kitten Nursery & Rescue for the year ended December 15, 2022 were neither audited nor reviewed. Prior year figures have been included with these financial statements for comparative purposes only.

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Ark Accounting & Tax Professional Corporation
Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario
Kitchener, Ontario
December 17, 2024

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WOODSTOCK KITTEN NURSERY & RESCUE
Statement of Operations and Changes in Net Assets
Year ended December 15, 2023
(Unaudited)

	2023	2022 (note 11)
Revenue		
Donations - receipted	\$ 52,247	\$ 46,826
Government grants (note 2)	47,201	-
Adoption fees	25,377	17,670
Fundraising revenue	19,165	8,726
Other grants (note 2)	12,000	-
Interest and other income	457	-
	156,447	73,222
Expenses		
Charitable expenditures		
Program expenses	79,681	40,496
Wages and benefits	46,295	-
	125,976	40,496
Administrative expenses		
Advertising and promotion	2,274	2,785
Furniture and equipment	-	1,609
Fundraising expense	3,344	1,573
Insurance	1,998	647
Interest and bank charges	1,775	1,285
Office and general	16,572	16,413
Professional fees	2,800	2,599
Repairs and maintenance	2,463	800
Travel and automotive	-	46
	31,226	27,757
	157,202	68,253
Excess (deficiency) of revenue over expenses	(755)	4,969
Net deficiency, beginning of year	(22,546)	(27,515)
Net deficiency, end of year	\$ (23,301)	\$ (22,546)

See accompanying notes

WOODSTOCK KITTEN NURSERY & RESCUE**Statement of Financial Position****As at December 15, 2023****(Unaudited)**

	December 15, 2023	December 15, 2022	December 16, 2021
		(note 11)	(notes 3 and 11)

ASSETS

Current assets
Cash \$ 13,999 \$ 18,254 \$ 9,273
Short term investment (note 5) 3,091 1,500 1,500
Accounts receivable (note 6) 14,265 10,782 4,981

	\$ 31,355	\$ 30,536	\$ 15,754
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LIABILITIES AND FUND BALANCES

Current liabilities			
Accounts payable and accrued liabilities (note 7)	\$ 9,995	\$ 1,694	\$ 7,547
Loan payable (note 8)	44,661	51,388	35,722
	54,656	53,082	43,269
Contingent liabilities (note 9)			
Subsequent events (note 10)			
Net deficiency	(23,301)	(22,546)	(27,515)
	\$ 31,355	\$ 30,536	\$ 15,754

See accompanying notes

WOODSTOCK KITTEN NURSERY & RESCUE

Statement of Cash Flows

Year ended December 15, 2023

(Unaudited)

	2023	2022
		(note 11)
Operating activities		
Excess (deficiency) of revenue over expenses	\$ (755)	\$ 4,969
Net change in non-cash working capital items		
Accounts receivable	(3,483)	(5,801)
Accounts payable and accrued liabilities	8,301	(5,854)
Loan payable	(6,727)	15,667
	(1,909)	4,012
Net change in cash during the year	(2,664)	8,981
Cash, beginning of year	19,754	10,773
Cash, end of year	\$ 17,090	\$ 19,754
Cash consists of:		
Cash	\$ 13,999	\$ 18,254
Short term investment	3,091	1,500
	\$ 17,090	\$ 19,754

See accompanying notes

WOODSTOCK KITTEN NURSERY & RESCUE

Notes to Financial Statements

Year ended December 15, 2023

(Unaudited)

Nature of operations

Woodstock Kitten Nursery & Rescue was incorporated under the Ontario Not-for-profit Corporations Act on September 18, 2020.

The organization operates in Southwestern Ontario with the following mission::

1. To save as many orphaned, abandoned, injured and surrendered kittens as we can from the dangers of living on the street.
 2. To provide initial triage and immediate treatment for all kittens on intake.
 3. To educate the public on the benefits of spaying or neutering and identifying and registering their pets.
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1. Summary of significant accounting policies

The organization applies the Canadian accounting standards for not-for-profit organizations.

Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses 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, fees and other income are recognized as revenue when earned.

Donated materials

Donated capital investments are recorded in the financial statements at fair value on the date of the donation. Donated materials are not recorded because the fair market value is not readily determinable.

Cash and cash equivalents

Cash and cash equivalents are defined as cash and highly liquid investments, consisting primarily of term deposits, with terms to maturity of three months or less at the date of purchase.

Short-term investments

Short-term investments are recorded at cost.

WOODSTOCK KITTEN NURSERY & RESCUE

Notes to Financial Statements

Year ended December 15, 2023

(Unaudited)

1. Summary of significant accounting policies — continued

Financial instruments

(i) Measurement of financial instruments

The organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

The organization subsequently measures its financial assets and financial liabilities at amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Forward exchange contracts and interest rate swaps that are not hedging items are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write down reflects the difference between the carrying amount and the higher of:

Use of 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 balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

Capital assets

Capital assets are recorded as expenses in the year they are acquired. During the year, capital expenditures included furniture and equipment of \$nil (2022 - \$1,609).

WOODSTOCK KITTEN NURSERY & RESCUE

Notes to Financial Statements

Year ended December 15, 2023

(Unaudited)

2. Grants

	2023	2022
Canada Summer Jobs	\$ 44,501	\$ -
United Way Grant	12,000	-
City of Woodstock	2,700	-
	\$ 59,201	\$ -

3. Impact of the change in the basis of accounting

The organization has elected to apply the standards in Part III of the CPA Canada Handbook for not-for-profit organizations in accordance with Canadian Accounting Standards for Not-for-profit organizations.

These financial statements are the first financial statements for which the entity has applied Canadian Accounting Standards for Not-for-profit organizations hereafter referred to as "ASNPO".

The financial statements for the year ended December 15, 2023 were prepared in accordance with the accounting principles and provisions set out in FIRST-TIME ADOPTION, Section 1500, for first-time adopters of this basis of accounting.

The adoption of these new standards, effective December 16, 2021, did not impact retained earnings.

4. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

Credit risk

The organization does have credit risk in accounts receivable \$14,265 (2022-\$10,782). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The organization maintains strict credit policies and limits in respect to counterparties. In the opinion of management the credit risk exposure to the organization is low.

WOODSTOCK KITTEN NURSERY & RESCUE

Notes to Financial Statements

Year ended December 15, 2023

(Unaudited)

4. Financial instruments — continued

Liquidity risk

The organization does have a liquidity risk in the accounts payable and accrued liabilities of \$9,995 (2022-\$1,694). Liquidity risk is the risk that the organization cannot repay its obligations when they become due to its creditors. The organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and ensuring cash is adequate to pay trade creditors as they become due. In the opinion of management the liquidity risk exposure to the organization low and is not material.

5. Short term investment

Term deposits mature between January 13, 2024 and June 29, 2024. The interest rates vary from 3.10% to 4.25%.

6. Accounts receivable

	December 15, 2023	December 15, 2022	December 16, 2021
		(note 11)	(notes 3 and 11)
Accounts receivable	\$ -	\$ 494	\$ -
PSB rebate receivable	14,265	10,288	4,981
	<u>\$ 14,265</u>	<u>\$ 10,782</u>	<u>\$ 4,981</u>

7. Accounts payable and accrued liabilities

	2023	2022
		(note 11)
Accounts payable and accrued liabilities	\$ 8,573	\$ 1,694
Payroll remittances payable	1,422	-
	<u>\$ 9,995</u>	<u>\$ 1,694</u>

The Organization has 2 Visa credit facility with Scotiabank with a credit limit of \$3,000 and \$500. At year end \$1,583 (2022 - \$6,127) and \$184 (2022 - \$nil) was available for use, respectively..

WOODSTOCK KITTEN NURSERY & RESCUE

Notes to Financial Statements

Year ended December 15, 2023

(Unaudited)

8. Loan payable

	2023	2022
		(note 11)
		(note 11)
Demand loan payable to a director	\$ 44,661	\$ 51,388

The loan is non-interest bearing, unsecured and with no set terms of repayment.

9. Contingent liabilities

For the purpose of the accompanying financial statements, contingent liabilities have been evaluated by management. There were no contingent liabilities that would have a material impact on these financial statements.

10. Subsequent events

For the purpose of the accompanying financial statements, subsequent events have been evaluated by management through to the date of the report, with is the date these financial statements were available to be issued.

11. Comparative figures

Financial statements for the year ended December 15, 2022 were compiled by management and are presented for comparative purposes only.
