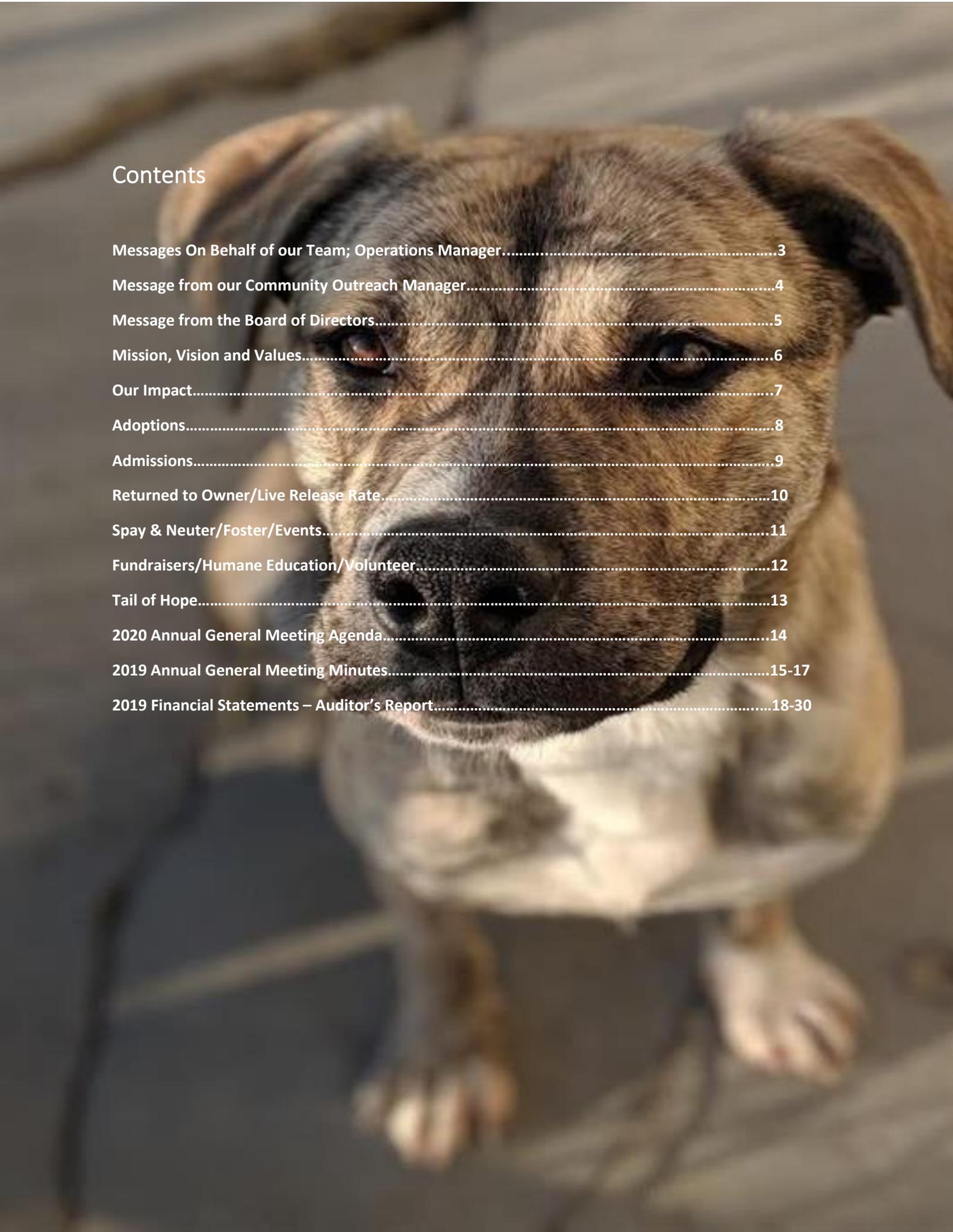




Annual Report 2019

'Building relationships that bring animals and people together'





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Messages on Behalf of Our Team

From our Operations Manager,

I am so thankful for the support from our community & members of the public as well as our partnered vet clinics, local businesses, and municipalities. We have strived for the best for our animals in our care and we work hard on a daily basis to ensure we meet and exceed shelter standards.

We did hit some hurdles early in the year which ended up with the SPCA closing its doors to the public to better control an infection of ringworm. We worked hard to make sure all the animals here were safe and I am so proud of our team. We implemented many new procedures to ensure the safety of our staff, animals, and members of the public that we continue to this day.

I am immensely proud to be a part of the SPCA. All the work we do is possible thanks to the support from our community, volunteers, fosters and board members. I look forward to the years to come in partnership with Lloydminster and the surrounding areas of our community. We always have work to do but I am confident in our future as the Lloydminster and District SPCA.



Zoe Gray

Operations Manager



From our Community Outreach Manager,

2019 was another great year! Another year of figuring out what works and what does not and trying new things and continuing to build new relationships with our Community.

Our partnerships have stayed strong with PetSmart, Pet Valu and Puppy Luv. We continued to adopt out animals through their facilities and they are solely responsible for over 150 of our animals finding their new Forever Homes this past year. They are constantly collecting food and litter for us and are still a huge reason as to why we always have cat and dog wet and dry food!

Our monthly educational visits with Big Brothers Big Sisters and the Lloydminster Youth Centre carry on as well, with the Youth Centre still coming to the shelter once a month to visit with the animals in the Shelter. We have had 2 different 4-H Clubs come and do tours and who collected donations of money, blankets, and food. We also did a couple more school tours as well. College Park school even posted photos of all our available animals in hopes of getting them adopted.

For our Volunteer Program, we always seem to get in quite a few Applications through out the year. We had just over 180 applications come in in 2019, unfortunately we cannot say they all continue attending, but we do get the few that are in the Shelter nearly 3 times a week.

This continually stays possible due to our dedicated Team (Staff and Board Members), tremendous support from our Community and current Volunteers. We are so happy to continue our growing partnerships between the City of Lloydminster and Surrounding Areas.

Becca Lawrence

Becca Lawrence

Community Outreach Manager



Message from our Board of Directors

The Lloydminster and District SPCA underwent some major changes in 2019. With our Executive Director leaving late in 2018, the Board of Directors decided to not hire a new E.D right away and become a hands-on Board. One of the major factors that lead us to this decision was The House of Paws Dinner Theater moving the funds raised at the dinner theater from operations to a building fund. This made us take a close look at our expenditures and day to day operations making us more efficient and reducing the operating budget.

If it were not for the hard-working staff, none of this would have been possible! They stepped up and accepted every challenge we gave them, exceeding our expectations. Working at a shelter is rewarding but challenging at the same time! I would like to thank the staff for everything they do.

The Lloydminster area is well known for its generosity, and if it were not for this generosity organizations like us would struggle to exist. With all the donations of food, bedding, kitty litter and the list goes on, we have not only been able to care for the animals in the shelter but help families keep their pets during trying times.

On behalf of the Board of Directors I would like to thank the City of Lloydminster, our Rural Municipalities, volunteers, and donors for your ongoing support.

Thank you,



Cameron Anderson

Board President



About Us



Our Mission

- Building relationships that bring animals and people together



Our Vision

- Compassion and respect for all animals



Our Values

- **COMPASSION** - We inspire care, empathy and understanding
- **PROFESSIONALISM** - We are a team of dedicated individuals who are proud to be of service
- **TEAMWORK** - We foster a network of trust within the community through collaboration and cooperation
- **INTEGRITY AND HONESTY** - We are accountable, responsible and respectful

880

Animals
Admitted

571

Spay & Neuter Surgeries
Completed

135

Pets Returned To
Their Families



OUR
IMPACT



43

Animals Adopted During The
Clear Our Shelter Event

202

Animals Were Placed
In Temporary Foster Homes

606

Animals Found Their
Forever Homes

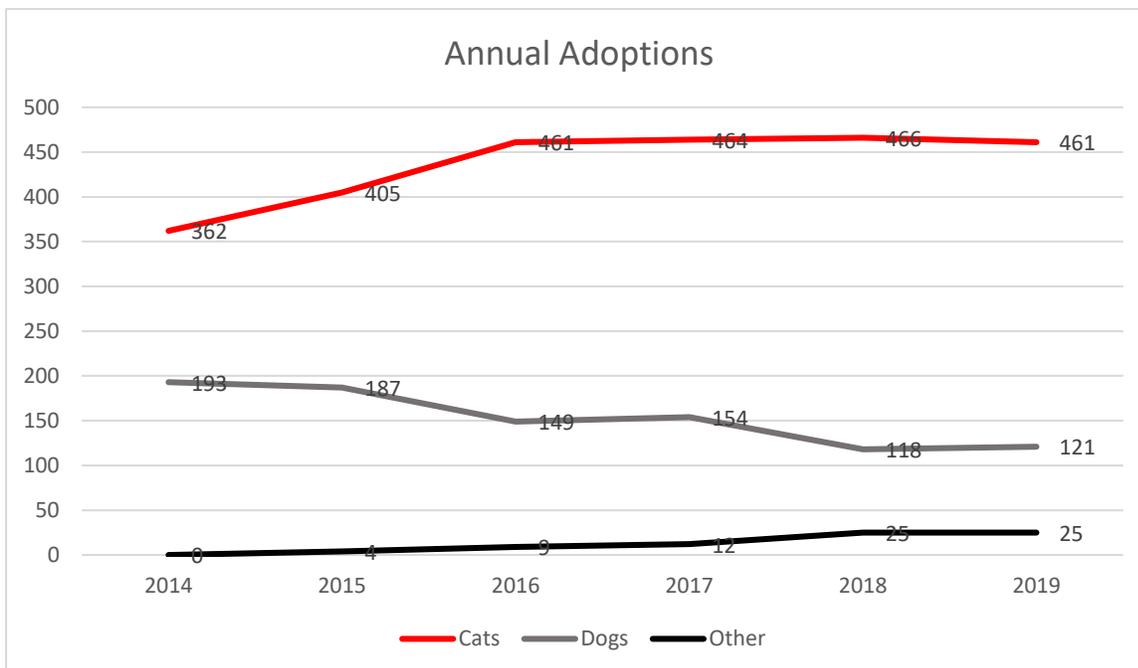
Adoptions

Throughout 2019, our SPCA housed and provided care to **880** companion animals, coming to our organization as strays, surrendered by owners, abandoned, or transferred from another animal welfare agency. **606** of these animals were successfully adopted during the past year. We hosted four adoption events in 2019; Colonial Days, Empty our Shelter, Fall Feline Frenzy and Home for the Holidays were each a success!

By the Numbers:

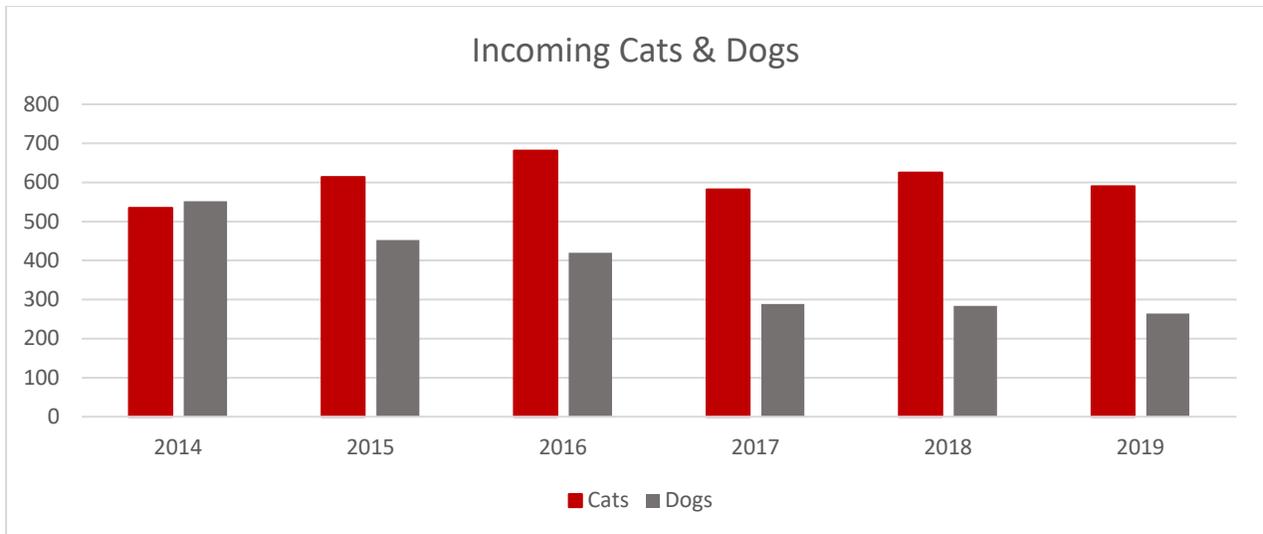
- 212** Cats
- 249** Kittens
- 90** Dogs
- 31** Puppies
- 13** Rabbits
- 5** Rodents (Hamsters, Gerbils)
- 2** Reptiles (Bearded Dragon, Leopard Gecko)
- 1** Duck
- 1** Rooster

We are fortunate to have continued our valued partnerships through 2019 with several local businesses, including Petsmart, Puppy Luv Paradise and Pet Valu. These partnerships supported our SPCA by adopting out **157** of our animals, which accounted for **26%** of our adoptions this year.



Admissions

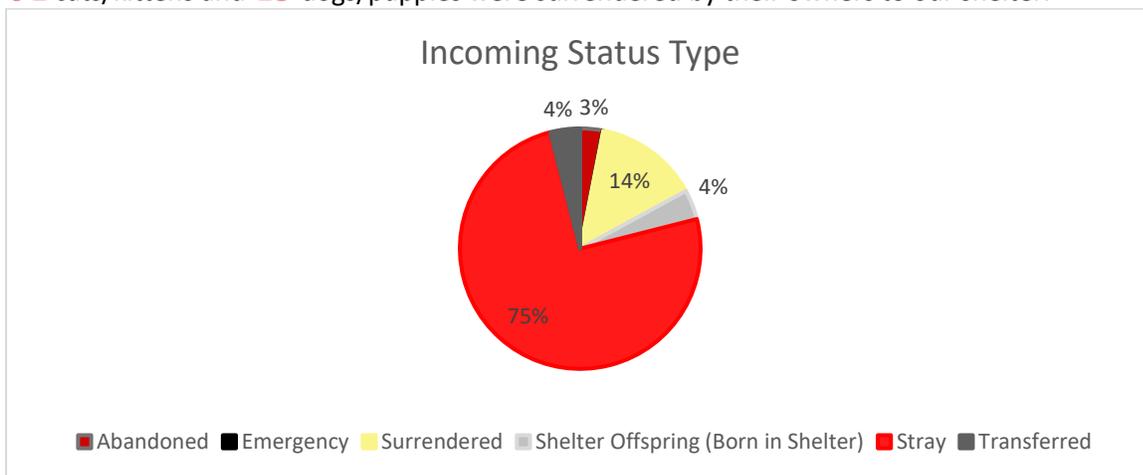
In 2019, **880** animals were admitted to the SPCA, **590** of which were cats, **264** dogs and **26** other species, including rabbits, rodents, reptiles, and birds. As demonstrated below, our cat intake numbers have remained relatively consistent for the past few years, while we saw a slight decrease in the number of dogs admitted in 2019, in comparison to 2018.



The overwhelming majority of animals who entered our care did so as they were strays, followed by owner surrendered pets as the second highest intake reason.

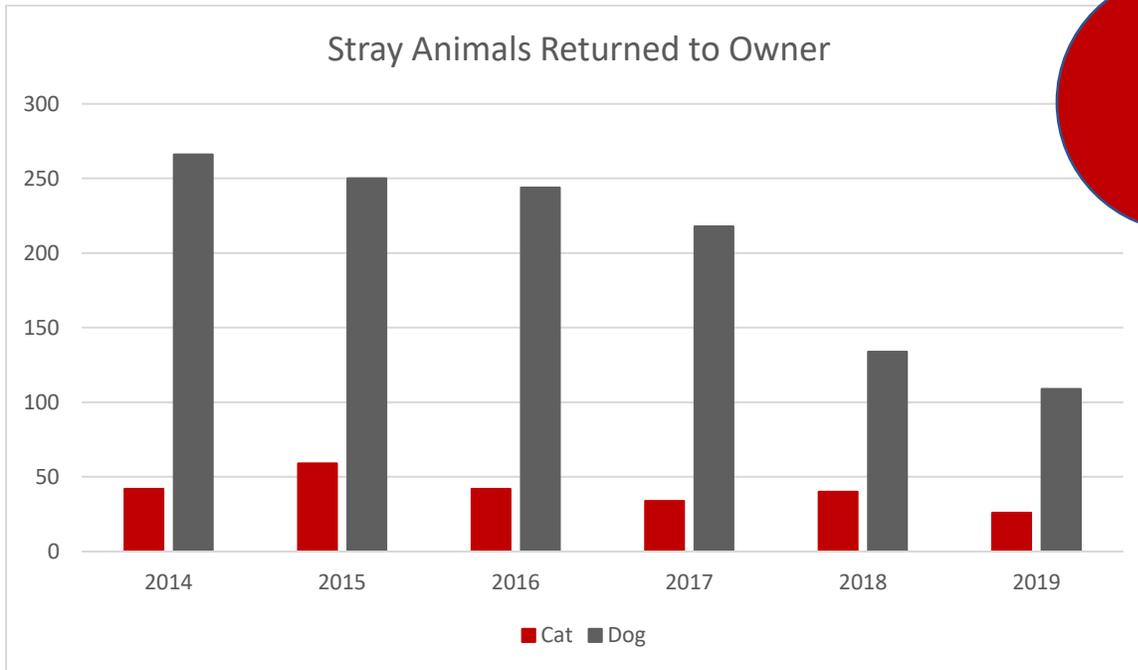
76% of the cats and kittens admitted in 2019 came into our facility strays, as were **74%** of the dogs and puppies in care.

64 cats/kittens and **43** dogs/puppies were surrendered by their owners to our shelter.



Reclaimed

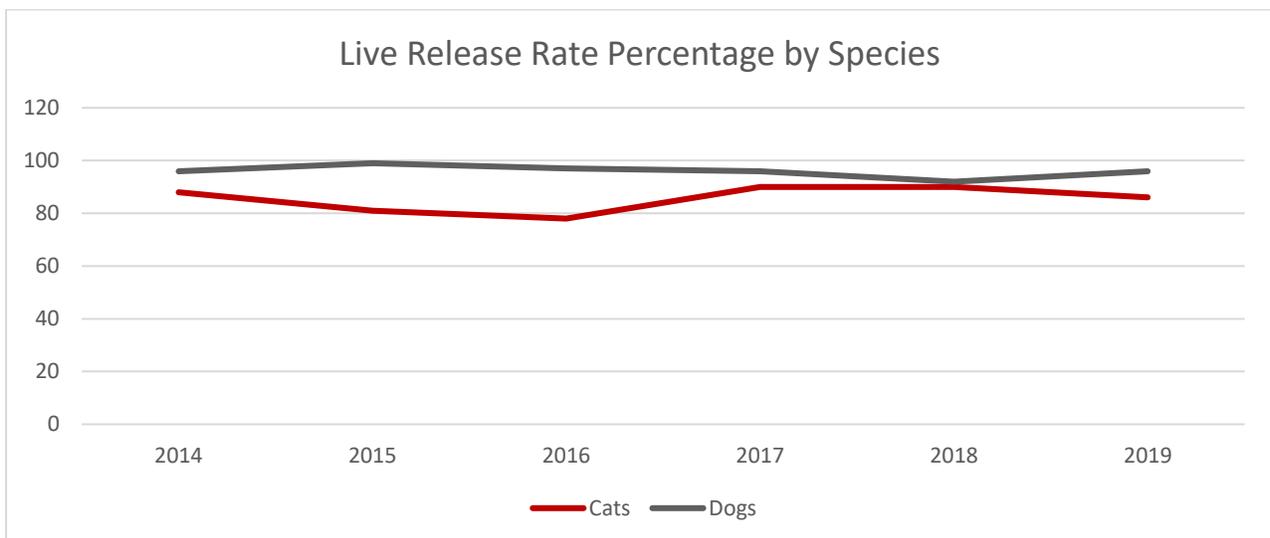
55.9% of dogs that entered our facility as strays were returned to their owners, for a total of **109** who were reclaimed in 2019. Of the **441** cats who came to the SPCA as strays, **26** cats (**5.9%**) were reclaimed by their owners.



349
Licenses
Sold in
2019

Live Release Rate

89% of all animals that were admitted to the SPCA in 2019 were either adopted, reclaimed, or transferred to another organization – this applies to **96%** of dogs and **86%** of cats who were in care last year.



Spay & Neuter Surgeries

Lloydminster Animal Hospital and Southside Veterinary Clinic generously donated their time, supplies and talents and performed spay/neuter surgeries on **24** of our shelter cats, which were then successfully adopted out through our Barn Buddy Program.

274 spay surgeries and **243** neuter surgeries were performed at our partnering veterinary clinics in 2019 – totalling **517** animals that will not be contributing to unwanted litters in our community in future.

Foster Program

Our dedicated base of volunteer foster parents provided homes to **202** shelter animals throughout 2019. Orphaned litters of kittens, young puppies, cats with behaviour concerns who would benefit from additional attention and space, and sick/injured animals were all given the chance to thrive in one of our foster homes over the course of the last year.

Events

In both March and October, local business **4th Meridian Brewing Company** opened their doors to host a Cat Brewery fundraiser, where guests came to enjoy a drink and mingle with felines from the shelter.

PetSmart in Lloydminster hosted our Valentine's Day Pet Photos, as well as our annual Paws & Claus photo event in December. We were so grateful that the **Paws & Claus** photos with Santa raised over \$1220 for our organization!

Summer was a busy season for events this year! We started June off with our attendance at **Optimist Kids' Day** at Bud Miller All Seasons Park, followed by the first **Lloydminster Pet Expo** a week later. Our team was thrilled to have those opportunities to interact with members of our community and provide education about our SPCA. We ended the month by attending the **Lloydminster Streetfest**, where our team provided glitter tattoos by donation – which were a huge hit!

In July, **Westridge GMC** kindly put on a BBQ fundraiser for us that SPCA staff and some of our four-legged friends attended – two dogs found their forever homes during that event! September came and our team volunteered at the **Battle of Alberta** hockey game providing glitter tattoos to patrons – and were grateful to receive a donation to our shelter.

With excitement, we held our annual **Jail & Bail** fundraising event in December, garnering the support of multiple community members and businesses in our district. This event raised \$13,153.30 towards our shelter, helping us continue to improve the lives of homeless and neglected animals in the Lloydminster area. Cobs Bread Bakery, the Canadian Brewhouse, Sobey's, TJ's Pizza and Tim Horton's kindly donated refreshments for the event.

Fundraisers on Our Behalf – Thank You

We would like to take a moment to sincerely thank every person, family, organization, and business that raised funds for our organization in 2019. A special thank you to the following:

4-H Club of Lloydminster
100+ Youth Who Care
Assure Occupational Testing
Beaver Scouts of Lloydminster
COBS Bread Bakery
David's Tea
Lloydminster Animal Hospital
Quark's
SmileWorks Dental Group

Humane Education

We had the pleasure of hosting several groups this year who came to interact with the animals, tour the shelter and learn from our team. **Big Brothers Big Sisters**, the **Lloydminster Youth Centre**, students of **Mother Teresa Early Childhood Education Centre**, **4-H Club members** and **Scout groups** were a few of our visitors throughout the year.

Volunteer Program

Volunteers are invaluable to our organization, they provide hours of enrichment, socialization, and exercise to our shelter residents each week. In 2019, we received **182** applications from community members interested in joining our team as volunteers and facilitated **5** volunteer orientations throughout the year to welcome them.



Tail of Hope - Huxton



Huxton entered our care in May 2019, significantly underweight at only 0.39kg and was given a Body Condition Score of 1/9, classifying him as emaciated. Huxton had feces matted into his fur, and his eyes were red, swollen, and irritated. Our team found that Huxton was severely lacking in muscle tone, to the point where his wrists turned inwards which resulted in an awkward gait. This sweet boy was estimated to only be six weeks of age and was found as a stray, with no owner coming forward to claim him during his stray hold period.

Huxton was extremely fortunate to be placed with one of our incredible foster families, where he was given care, medication, attention, and love in a home environment in hopes that Huxton's overall health would begin to improve.

His transition within a two-week period was astounding, he put on some needed weight and increased his Body Condition Score from being emaciated on incoming at 1/9 to a healthy 4/9.

Huxton appeared to have abnormal bone development as he continued to maintain his unique walking style, however this did not seem to have a significant impact on his quality of life or health – he was still determined to go wherever he pleased! With his eyes and nose discharges improved, weight recovered and health better than ever, Huxton was adopted and is now in his forever home.



2020 AGM Agenda

1. Call to Order
2. Introduction of the Board of Directors
3. Amendments to the Agenda
4. Approval of the Agenda
5. Amendments to the Minutes
6. Approval of the Minutes
7. Acceptance of the Annual Report
8. Auditors Report
9. Appointment of the Auditor
10. Nominations to the Board of Directors for 2021
11. Adjournment

2019 AGM Minutes
May 28, 2019
Lloydminster Golf & Curling Club

In Attendance: Glenda Elkow, Jamie Faas, Cam Anderson, Dan Hobson, Andrew Basaraba, Harpreet Christie

Minutes

1. Call to Order at: 7:06 pm
2. Introduction of the Board of Directors.
3. Amendments to the Agenda: The Society By-Law's to be included as an item to the agenda.

Motion: Daniel Hobson
Seconded: Andrew Basaraba
CARRIED

4. Approval of the Agenda: Accepted as presented

Motion: Jamie Faas
Seconded: Andrew Basaraba
CARRIED

5. Amendments to the Minutes: None
6. Approval of the Minutes: Accepted as presented

Motion: Glenda Elkow
Seconded: Dan Hobson
CARRIED

7. Acceptance of Annual Report: Accepted as presented

Motion: Glenda Elkow
Seconded: Harpreet Christie
CARRIED

New Business

8. Auditor's Report: The report was presented by Michael Freeman of MNP and accepted by the membership.

Motion: Jamie Faas

Seconded: Andrew Basaraba

CARRIED

9. Appointment of the Auditor: An RFQ will be issued to identify an auditor.

Motion: Jamie Faas

Seconded: Dan Hobson

CARRIED

10. Shelter Reports: The shelter reports were accepted as presented.

Motion: Dan

Seconded: Jamie

CARRIED

11. Approval of Draft Budget: A budget will be prepared and presented at a later meeting

Motion: Jamie Faas

Seconded: Andrew Basaraba

CARRIED

12. 2018 Volunteer Recognition Award – Shane McNalley was presented with the Volunteer Award. Shelley and Keith Heck were presented with the Fostering Award.

13. 2018 Business Recognition Award: Pet Valu was presented with the Business Recognition Award.

14. Nominations to the Board of Directors: Not applicable as there were no current nominations.

15. Society Bylaws: Special Resolution to rescind the current Bylaws and adopt the new Bylaws as presented.

Motion: Jamie Faas

Seconded: Glenda Elkow

CARRIED

16. Adjournment: Meeting adjourned at 8:08 pm

Motion: Andrew Basaraba

Seconded: Glenda Elkow

CARRIED

LLOYDMINSTER & DISTRICT SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

LLOYDMINSTER & DISTRICT SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

**FINANCIAL STATEMENTS
DECEMBER 31, 2019**

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Statement of financial position		4
Statement of operations and changes in net assets		5
Statement of cash flows		6
Notes to the financial statements		7 - 12

INDEPENDENT AUDITOR'S REPORT

TO THE DIRECTORS

LLOYDMINSTER & DISTRICT SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS LLOYDMINSTER, SASKATCHEWAN

Qualified Opinion

We have audited the financial statements of Lloydminster & District Society for the Prevention of Cruelty to Animals (the "Society"), which comprise the statement of financial position as at December 31, 2019 and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the statement of financial position of the Society as at December 31, 2019 and the statement of operations and changes in net assets and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Society derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to revenues, excess (deficiency) of revenue over expenses, assets and net asset balances.

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 Society 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 statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

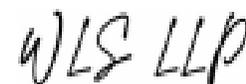
Auditor's Responsibility for the Audit of Financial Statements

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 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 judgement 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 Society'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 Society'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 Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including 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.

Lloydminster, Alberta
June 1, 2020



Chartered Professional Accountants

LLOYDMINSTER & DISTRICT SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019**

	2019	2018 Restated (Note 11)
ASSETS		
Current Assets		
Cash	164,701	46,566
Accounts receivable	7,314	12,524
GST receivable	<u>5,034</u>	<u>5,411</u>
	177,049	64,501
Investments (Note 4)	455,312	409,866
Capital assets (Note 5)	513,517	516,728
Restricted cash (Note 6)	<u>62,573</u>	<u>64,446</u>
	<u>\$ 1,208,451</u>	<u>\$ 1,055,541</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	<u>53,683</u>	<u>44,102</u>
	<u>53,683</u>	<u>44,102</u>
Non-current Liabilities		
Deferred contributions (Note 7)	12	12
Unamortized capital contributions (Note 8)	<u>36,747</u>	<u>38,895</u>
	<u>36,759</u>	<u>38,907</u>
Net Assets (Page 5)		
Net assets invested in capital assets	476,770	477,833
Net assets internally restricted (Note 10)	401,578	389,123
Unrestricted net assets	<u>239,661</u>	<u>105,576</u>
	<u>1,118,009</u>	<u>972,532</u>
	<u>\$ 1,208,451</u>	<u>\$ 1,055,541</u>
Commitments (Note 9)		
Subsequent event (Note 12)		

Approved On Behalf Of The Board

Director

Director

LLOYDMINSTER & DISTRICT SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2019**

	2019	2018
Revenues		
Donations	170,136	175,882
Adoptions	95,472	106,515
City contract	50,000	50,000
Bequest	102,706	38,500
Fundraising	14,206	37,253
Grant revenue	125,000	87,000
City fines and licenses	15,870	22,183
Piggy banks	-	2,071
Memberships	190	545
Merchandise sales and rentals	550	226
Interest	<u>2,263</u>	<u>127</u>
	<u>576,393</u>	<u>520,302</u>
Expenses		
Advertising	1,631	2,968
Amortization	5,098	5,576
Fundraising	355	3,456
GST expense	5,034	5,411
Insurance	6,022	5,882
Interest and bank charges	4,725	4,658
Licences and fees	-	1,506
Office supplies	3,545	4,409
Professional fees	32,976	33,828
Rent	7,500	7,500
Repairs and maintenance	3,839	5,691
Salaries and benefits	246,612	337,803
Security	359	370
Supplies	35,669	32,632
Telephone	2,295	2,625
Training and education	-	2,134
Travel	-	946
Utilities	9,660	10,311
Vehicle expenses	6,392	2,789
Veterinary fees - shelter treatment	26,781	47,623
Veterinary fees - spay and neuter program	<u>79,090</u>	<u>74,182</u>
	<u>477,583</u>	<u>592,300</u>
Excess (deficiency) of revenue over expenses before other items	98,810	(71,998)
Other Items		
Realized capital contributions (Note 8)	2,148	2,628
Unrealized gain (loss) on investments	<u>44,519</u>	<u>(36,438)</u>
Excess (deficiency) of revenue over expenses	145,477	(105,808)
Net assets, beginning of year	<u>972,532</u>	<u>1,078,340</u>
Net Assets, end of year	<u>\$ 1,118,009</u>	<u>\$ 972,532</u>

LLOYDMINSTER & DISTRICT SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

**STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2019**

	2019	2018
Operating Activities		
Cash received from donations and fundraising	287,048	251,632
Cash received from adoptions and merchandise sales	117,292	121,251
Cash received from grants	187,455	119,816
Cash paid to suppliers and organizations	(201,459)	(246,338)
Cash paid for salaries and benefits	(256,344)	(337,803)
Interest received	2,263	127
Interest paid	<u>(4,725)</u>	<u>(4,658)</u>
	<u>131,530</u>	<u>(95,973)</u>
Investing Activities		
Net (increase) decrease in investments	(13,382)	(11,816)
Additions to capital assets	<u>(1,886)</u>	<u>(11,350)</u>
	<u>(15,268)</u>	<u>(23,166)</u>
Net Increase (Decrease) In Cash	116,262	(119,139)
Cash at beginning	<u>111,012</u>	<u>230,151</u>
Cash At End	\$ <u>227,274</u>	\$ <u>111,012</u>
Cash is comprised of the following:		
Cash	164,701	46,566
Restricted cash	<u>62,573</u>	<u>64,446</u>
	\$ <u>227,274</u>	\$ <u>111,012</u>

LLOYDMINSTER & DISTRICT SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019

1. Statutes of Incorporation and Nature of Organization

The Lloydminster & District Society for the Prevention of Cruelty to Animals (the "Society") was incorporated under the *Canada Corporations Act* as a not-for-profit organization and is a registered charity under the *Income Tax Act (Canada)*. The Society's mission is to provide shelter and care to unwanted and neglected companion animals. The Society educates the community about the proper care and maintenance of animals towards the goal of reducing the number of unwanted and neglected animals in Lloydminster and area.

2. Significant Accounting Policies

The financial statements have been prepared for management in accordance with Canadian accounting standards for not-for-profit organizations. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

Cash

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the following method and rates intended to amortize the cost of assets over their estimated useful lives. Amortization is recorded at one half the full rate in the year of acquisition and none in the year of disposal.

	Method	Rate
Buildings	declining balance	4%
Automotive	declining balance	30%
Computer equipment	declining balance	55%
Computer software	declining balance	100%
Equipment	declining balance	20%

Investments

Investments are portfolio investments recorded at fair value for those with prices quoted in an active market. They have been classified as long-term assets in concurrence with the nature of the investment.

LLOYDMINSTER & DISTRICT SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

2. Significant Accounting Policies (con't)

Revenue Recognition

The Society 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.

Revenue from shelter activities, including adoptions and owner releases, are recognized when the transactions are completed.

Pledges and Bequests are recognized as revenue when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

Contributed Services and Materials

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Society's operations and would otherwise have been purchased.

Volunteers contribute many hours annually to assist the Society in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed volunteer services are not recognized in the financial statements.

Unamortized capital contributions

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

Financial Instruments

The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash, accounts receivable and long-term investments. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and deferred contributions.

LLOYDMINSTER & DISTRICT SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

3. Financial Instruments

The Society is exposed to various risks through its financial instruments.

Credit Risk

The Society is exposed to credit risk on receivables from its funders and customers. As at December 31, 2019, two customers accounted for 81% (2018 - two customers accounted for 45%) of the accounts receivable. The Society believes that there is no unusual exposure associated with the collection of these receivables. The Society performs regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.

Interest Rate Risk

Interest rate risk is the risk to the Society's earnings that arise from fluctuations in interest rates and the degree of volatility of these rates. See Note 4.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from funders and customers. The Society controls liquidity risk through management of its cash flows.

4. Investments

	2019	2018
Equity - Co-op	7,122	6,195
Marketable securities	<u>448,190</u>	<u>403,671</u>
	<u>\$ 455,312</u>	<u>\$ 409,866</u>

Investments are recorded at market value as of December 31, 2019. The adjusted cost base of the marketable securities is \$401,578 (2018 - \$389,123). Marketable securities include investments in mutual funds.

A portion of the investments relates to the McLean Estate bequest, donated in 2008 (2019 - \$401,578; 2018 - \$389,123).

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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

5. Capital Assets

	2019			2018
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Automotive	26,644	22,392	4,252	6,073
Buildings	762,773	264,457	498,316	499,032
Computer equipment	12,054	7,727	4,327	4,403
Computer software	8,000	8,000	-	-
Equipment	87,173	80,551	6,622	7,220
	\$ 896,644	\$ 383,127	\$ 513,517	\$ 516,728

Buildings include expenditures for architectural and engineering fees and property tax relating to the new building with a carrying value of \$481,112 (2018 - \$481,112). No amortization of this asset has been recorded during the current year because it is currently under development.

6. Restricted Cash

Restricted cash consists of:

	2019	2018
Spay and neuter sick /injured animal fund	61,532	63,405
Casino	1,029	1,029
New Building fund	12	12
	\$ 62,573	\$ 64,446

7. Deferred Contributions

Contributions are received from contributors who have restricted their use for operating purposes. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made.

Changes in the deferred revenue balances are as follows:

	2019	2018
		Restated (Note 11)
Balance, beginning of year	12	28,611
Less: Amounts recognized as revenue during the year	-	(28,599)
Balance, end of year	\$ 12	\$ 12

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**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

8. Unamortized Capital Contributions

Unamortized capital contributions related to capital assets represent the unamortized portion of in-kind capital assets received. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

Changes in the unamortized capital contributions related to the in-kind capital asset received are as follows:

	2019	2018
Balance, beginning of year	38,895	40,023
Amount received during the year	-	1,500
Recognized as revenue during the year	<u>(2,148)</u>	<u>(2,628)</u>
Ending balance	<u>\$ 36,747</u>	<u>\$ 38,895</u>

9. Commitments

The Society occupies leased premises owned by the City of Lloydminster subject to annual payments of \$7,500 until 2029. The Society has the option to terminate this lease at any time by providing the City with three months written notice.

2020	7,500
2021	7,500
2022	7,500
2023	7,500
2024	7,500
2025 and subsequent	<u>37,500</u>
	<u>\$ 75,000</u>

10. Internally Restricted Net Assets

Internally restricted funds represent amounts restricted for the long-term sustainability of the Society. These internally restricted and reinvested amounts are not available for other purposes without the approval of the Board of Directors.

11. Prior Period Adjustment

In the current year, management identified an internally restricted net asset that was incorrectly classified as a deferred contribution. The error was corrected retrospectively and resulted in a reduction of deferred contributions of \$389,123 and a corresponding increase in internally restricted net assets of the same amount. There was no impact on the excess (deficiency) of revenue over expenses.

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**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

12. Subsequent Events

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has the potential to have a significant financial, market and social impact on the Society's operations. The City of Lloydminster declared a state of local emergency effective March 19, 2020.

COVID-19 presents uncertainty over future cash flows for the Society, may cause significant changes to assets or liabilities, and may have a significant impact on future operations. Due to the unprecedented nature of this event, it is not feasible to estimate the full financial impact on the Society at this time.

13. Compliance with the Disclosure Requirement of the Charitable Fund-Raising Act and Regulation

During the year, \$20,131 (2018 - \$48,934) was paid as remuneration to employees whose duties involved fundraising. No fundraising business was used to either make solicitations on behalf of the charitable organization, or to manage or be responsible for fundraising solicitation.

14. Comparative Amounts

Certain 2018 comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year. The reclassifications resulted in no effect on reported net income.