

2025

annual report





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MESSAGE FROM THE BOARD OF DIRECTORS

Dear Supporters, Community Partners, and Members of the Border Paws Family

The past year has been one of continued dedication and resilience. As an organization, we have remained committed to our mission of serving animals in need while supporting responsible pet ownership within our community. Through the combined efforts of our staff, volunteers, fosters, and supporters, we have been able to provide care, shelter, medical attention, and placement opportunities for numerous animals.

2025 brought both opportunities and challenges. Like many animal welfare organizations, we have continued to experience fluctuations in intake, increasing demand for services, and ongoing resource constraints. Despite these pressures, the organization has demonstrated adaptability and a strong commitment to maintaining high standards of care. The Board is proud of the operational improvements and program developments achieved during the year, all of which contribute to better outcomes for the animals we serve.

We would like to acknowledge the invaluable contributions of our staff, whose daily work ensures the wellbeing of animals in our care, and our volunteers and foster homes, whose generosity of time and compassion significantly extend our capacity. We are equally grateful to our donors, sponsors, and community partners whose financial and in-kind support makes our work possible.

As a Board, we remain focused on good governance, financial stewardship, and long-term sustainability. We continue to work closely with management to support strategic priorities, strengthen internal processes, and ensure the organization is well-positioned to meet future needs. Transparency, accountability, and responsible decision-making remain central to our role.

Looking ahead, we are committed to enhancing program effectiveness, and continuing to improve outcomes for animals in our care. We recognize that the work of animal welfare is ongoing and requires collaboration across the community, and we are encouraged by the continued support we receive.

Thank you to everyone who has contributed to Border Paws Animal Shelter Society over the past year. Your support directly impacts the lives of animals and helps us fulfill our mission.

Respectfully submitted,
The Board of Directors
Border Paws Animal Shelter Society

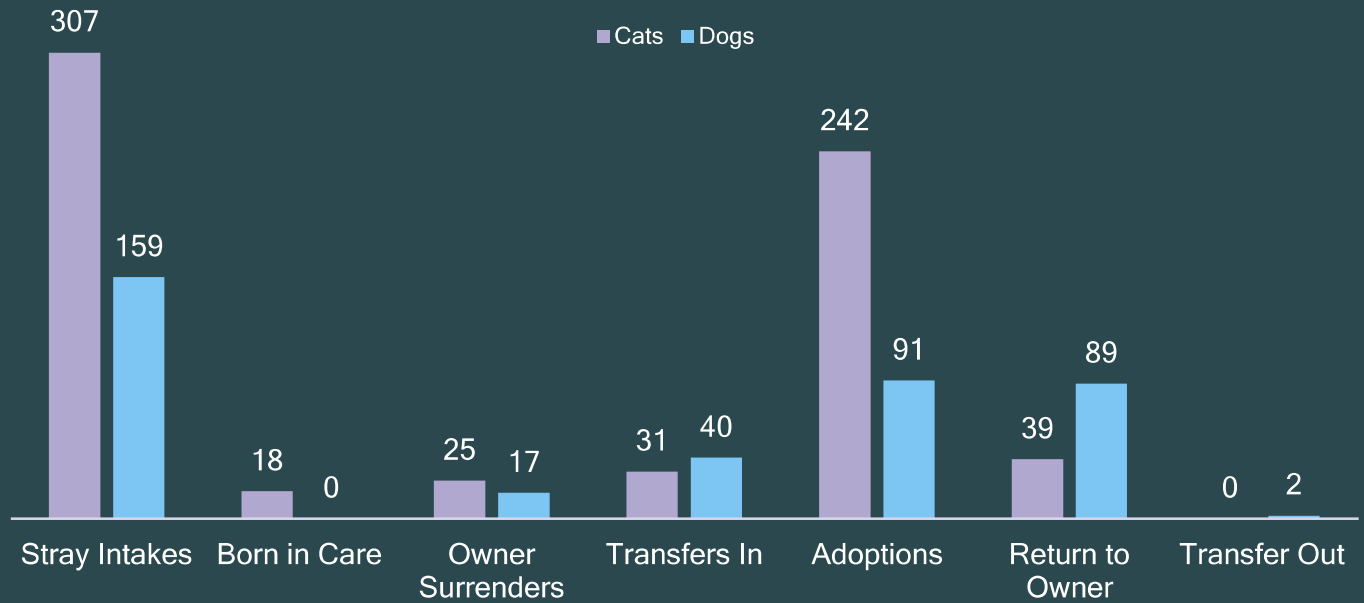


We recognize that the work of animal welfare is ongoing, and requires collaboration across the community.

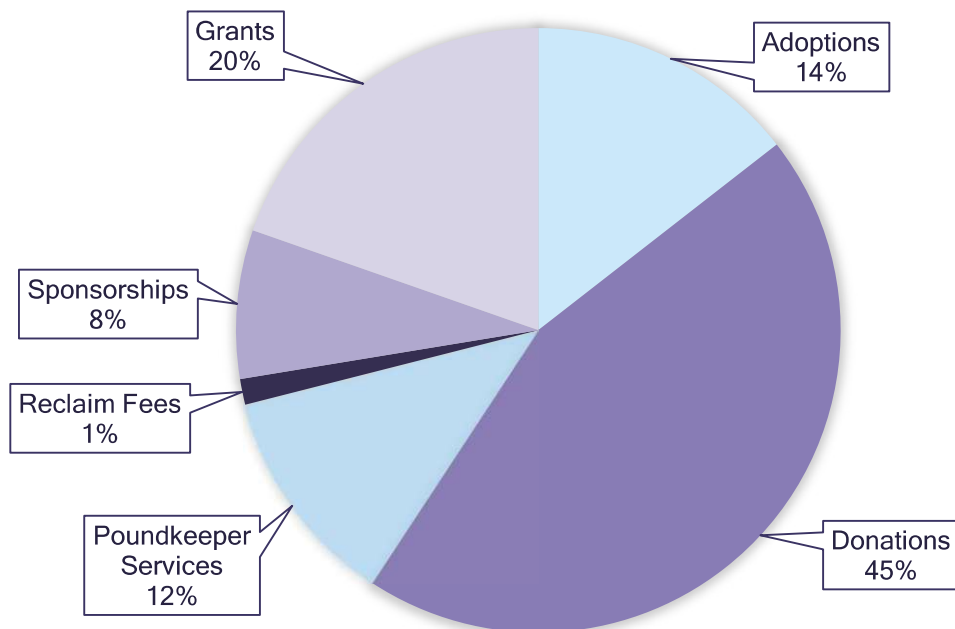


THE NUMBERS

Intakes & Outcomes



Where Does the Funding Come From?





In 2025 our outreach program grew, bringing regular visits and furry friends to senior facilities across our community.

Our partnerships with local businesses helped us host exciting adoption events throughout the year.



Thank You
BorderPaws



Friday, Jan. 31, 2025
Dear Border Paws,
Thank you for bringing Kita in to our class. Thank you for being so nice and kind. I hope you can come again. Also, thank you for being patient with our class.
Best wishes,
Joscelyn
309 Miami Teacher Mentor

We continued inspiring young minds by visiting schools to promote responsible pet ownership.



We deeply appreciated the generous donations that make our work and programs possible



Our staff have implemented advanced training with our adoptable dogs, helping them become even more ready for loving homes.

FINANCIAL STATEMENTS

BORDER PAWS ANIMAL SHELTER SOCIETY
Financial Statements
Year Ended December 31, 2025

BORDER PAWS ANIMAL SHELTER SOCIETY
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Year Ended December 31, 2025

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CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Directors of Border Paws Animal Shelter Society

Qualified Opinion

We have audited the financial statements of Border Paws Animal Shelter Society (the Society), which comprise the statement of financial position as at December 31, 2025, and the statements of revenues and expenditures, 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 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 the Society as at December 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives revenue from donations and fundraising, 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 Society. Therefore, we were not able to determine whether any adjustments might be necessary to donation or fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2025, current assets and net assets as at December 31, 2025.

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 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 audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

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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 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 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.

Lloydminster, Alberta
April 23, 2026

WLS LLP

Chartered Professional Accountants

BORDER PAWS ANIMAL SHELTER SOCIETY

Statement of Financial Position

December 31, 2025

	2025	2024
ASSETS		
Current		
Cash	\$ 113,101	\$ 317,956
Accounts receivable	35,500	11,114
Goods and services tax recoverable	5,494	6,853
Prepaid expenses	-	9,342
	<u>154,095</u>	<u>345,265</u>
Investments (Note 4)	13,843	58,701
Capital assets (Note 5)	<u>1,562,573</u>	<u>1,619,476</u>
	<u>1,576,416</u>	<u>1,678,177</u>
	<u>\$ 1,730,511</u>	<u>\$ 2,023,442</u>
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	\$ 70,263	\$ 57,685
Current portion of loans payable (Note 6)	16,770	17,782
Deferred revenue	<u>27,860</u>	<u>17,667</u>
	<u>114,893</u>	<u>93,134</u>
Deferred capital contributions (Note 7)	942,561	975,742
Loans payable (Note 6)	<u>139,411</u>	<u>260,237</u>
	<u>1,081,972</u>	<u>1,235,979</u>
	<u>1,196,865</u>	<u>1,329,113</u>
Net Assets		
General fund	69,814	328,614
Invested in capital assets	<u>463,832</u>	<u>365,715</u>
	<u>533,646</u>	<u>694,329</u>
	<u>\$ 1,730,511</u>	<u>\$ 2,023,442</u>

ON BEHALF OF THE BOARD

Director

Director

BORDER PAWS ANIMAL SHELTER SOCIETY
Statement of Revenues and Expenditures
Year Ended December 31, 2025

	2025	2024
Revenue		
Adoptions	\$ 94,205	\$ 66,818
Donations	230,939	207,969
Fines and licenses	8,534	8,490
Fundraising	51,601	54,589
Grants	116,039	96,198
Interest income	2,497	5,909
Memberships	250	350
Merchandise sales and rentals	222	120
Poundkeeper contracts	70,167	76,417
Sponsorships	39,487	32,333
	<u>613,941</u>	<u>549,193</u>
Expenses (Schedule 1)	<u>873,258</u>	<u>723,103</u>
Deficiency of revenue over expenses from operations	<u>(259,317)</u>	<u>(173,910)</u>
Other income		
Lease revenue	59,452	40,372
Realized capital contributions	39,182	42,640
	<u>98,634</u>	<u>83,012</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (160,683)</u>	<u>\$ (90,898)</u>

BORDER PAWS ANIMAL SHELTER SOCIETY

Statement of Changes in Net Assets

Year Ended December 31, 2025

	General Fund	Invested in Capital Assets	2025	2024
Net assets - beginning of year	\$ 328,614	\$ 365,715	\$ 694,329	\$ 785,227
Purchase of capital assets	(63,729)	63,729	-	-
Repayment of loan payable	(121,838)	121,838	-	-
Capital donations received	6,000	(6,000)	-	-
Excess (deficiency) of revenue over expenses	(79,233)	(81,450)	(160,683)	(90,898)
Net assets - end of year	\$ 69,814	\$ 463,832	\$ 533,646	\$ 694,329

BORDER PAWS ANIMAL SHELTER SOCIETY**Statement of Cash Flows
Year Ended December 31, 2025**

	2025	2024
Operating activities		
Cash received from donations and fundraising	\$ 353,765	\$ 369,555
Cash received from adoptions and merchandise sales	103,261	75,778
Cash received from grants and contracts	205,677	410,615
Cash paid to suppliers and organizations	(278,984)	(235,584)
Cash paid for salaries and benefits	(435,948)	(349,408)
Interest received	2,497	5,909
Interest paid	(14,414)	(13,805)
	<hr/>	<hr/>
Cash flow from (used by) operating activities	(64,146)	263,060
Investing activities		
Purchase of capital assets	(63,729)	(42,239)
Net (increase) decrease in investments	44,858	29,452
	<hr/>	<hr/>
Cash flow used by investing activities	(18,871)	(12,787)
Financing activity		
Repayment of loan payable	(121,838)	(12,555)
	<hr/>	<hr/>
Increase (decrease) in cash flow	(204,855)	237,718
Cash - beginning of year	317,956	80,238
	<hr/>	<hr/>
Cash - end of year	\$ 113,101	\$ 317,956

BORDER PAWS ANIMAL SHELTER SOCIETY

Notes to Financial Statements

Year Ended December 31, 2025

1. Nature of operations

Border Paws Animal Shelter Society (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. Summary of significant accounting policies

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). 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. 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 and cash equivalents

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

Capital assets are recorded at cost and amortized over estimated useful lives on a declining balance basis at the following rates and methods:

Buildings	4%	declining balance method
Land improvements	8%	declining balance method
Equipment	20%	declining balance method
Automotive equipment	30%	declining balance method
Computer equipment	55%	declining balance method

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

Amortization is recorded at one half the full rate in the year of acquisition and none in the year of disposal.

The Society regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

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BORDER PAWS ANIMAL SHELTER SOCIETY

Notes to Financial Statements

Year Ended December 31, 2025

2. Summary of significant accounting policies (*continued*)

Investments

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of net income. Investments for which there is not an active market are carried at amortized cost except when it is established that their value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of net income.

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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

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 materials and services

The operations of the Society depend on both the contribution of time by volunteers and donated materials from various sources. Donated materials are recognized in the financial statements when the fair value can be reasonably determined and the materials would otherwise have been purchased by the Society. These amounts are recorded as gifts-in-kind revenue with a corresponding expense or capital asset. Volunteer services are not recognized in the financial statements as their fair value cannot be reasonably determined.

Deferred capital contributions

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

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

BORDER PAWS ANIMAL SHELTER SOCIETY

Notes to Financial Statements

Year Ended December 31, 2025

3. Financial instruments

The Society is exposed to various risks through its financial instruments. The following analysis provides information about the Society's risk exposure and concentration as of December 31, 2025.

Credit risk

The Society is exposed to credit risk from its funders and customers. 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.

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 its funders and customers. The Society controls liquidity risk through management of its cash flows.

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 & 6.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant other price risks arising from these financial instruments.

4. Investments

	<u>2025</u>	<u>2024</u>
Equity - Co-op	\$ 8,843	\$ 8,701
GIC - 2.50%, maturing September 15, 2026	5,000	50,000
	<u>\$ 13,843</u>	<u>\$ 58,701</u>

5. Capital assets

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Land	\$ 189,538	\$ -	\$ 189,538	\$ 189,538
Land improvements	8,882	355	8,527	-
Buildings	1,186,037	129,840	1,056,197	1,049,806
Equipment	500,269	198,226	302,043	366,913
Automotive equipment	21,498	15,230	6,268	8,954
Computer equipment	7,789	7,789	-	4,265
	<u>\$ 1,914,013</u>	<u>\$ 351,440</u>	<u>\$ 1,562,573</u>	<u>\$ 1,619,476</u>

BORDER PAWS ANIMAL SHELTER SOCIETY
Notes to Financial Statements
Year Ended December 31, 2025

6. Loans payable

	2025	2024
Royal Bank of Canada loan was repaid during the year.	\$ -	\$ 278,019
Synergy Credit Union commercial mortgage bearing interest at a floating rate of prime plus 1.60% repayable in monthly blended payments of \$1,397. The mortgage matures March 1, 2026 and is secured by a general security agreement and a collateral mortgage on the land and building. The mortgage is subject to renewal at the end of the current term.	156,181	-
	156,181	278,019
Amounts payable within one year	(16,770)	(17,782)
	\$ 139,411	\$ 260,237

Principal repayment terms are approximately:

2026	\$	16,770
2027		16,770
2028		16,770
2029		16,770
2030		16,770
Thereafter		72,331
		\$ 156,181

BORDER PAWS ANIMAL SHELTER SOCIETY

Notes to Financial Statements

Year Ended December 31, 2025

7. Deferred capital contributions

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

Changes in the unamortized capital contributions are as follows:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 975,742	\$ 783,581
Amount received during the year	6,000	234,801
Recognized as revenue during the year	<u>(39,181)</u>	<u>(42,640)</u>
Balance, end of year	<u>\$ 942,561</u>	<u>\$ 975,742</u>

8. Related party transactions

The following is a summary of the Society's related party transactions:

	<u>2025</u>	<u>2024</u>
Expenses		
Professional fees - Board member owned company	\$ -	\$ 24,000

At the end of the year, the amounts due to and (from) related entities are as follows:

Due to Bookkeeper	\$ -	\$ 2,100
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These balances are payable on demand and are without interest or terms of repayment. They have arisen from the sales of product and provisions of services referred to above.

9. Subsequent events

The following events occurred subsequent to the fiscal year end:

Lease Renewal and Facility Renovation

Subsequent to year-end, the Society's lease agreement with the tenant was terminated effective March 31, 2026. Management plans to renovate the space and open a grooming facility to operate internally. Capital expenditures related to the renovations are expected to be minimal and will be funded through the Society's existing line of credit.

10. Compliance with the disclosure requirement of the charitable fund-raising act and regulation

During the year, \$0 (2024 - \$0) 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.

BORDER PAWS ANIMAL SHELTER SOCIETY**Expenses****(Schedule 1)****Year Ended December 31, 2025**

	2025	2024
Advertising and promotion	\$ 3,150	\$ 962
Amortization	120,632	91,843
Fundraising	24,061	5,927
GST expense	4,696	6,895
Insurance	15,251	18,780
Interest and bank charges	4,432	2,034
Interest on long term debt	10,758	11,771
Licenses, memberships and fees	323	377
Postage and office supplies	4,840	2,325
Professional fees	42,200	35,030
Repairs and maintenance - premises	27,367	22,314
Salaries and benefits	437,779	359,116
Security	585	767
Supplies and small tools	40,968	48,663
Telephone	2,861	689
Training	26	412
Travel and meals	130	418
Utilities	28,025	17,904
Vehicle	3,321	2,956
Veterinary fees - shelter treatment	44,228	47,851
Veterinary fees - spay and neuter program	57,625	46,069
	\$ 873,258	\$ 723,103