



2024

Audited Financial

Statements

THE NEW BRUNSWICK SOCIETY FOR
THE PREVENTION OF CRUELTY TO ANIMALS/
SOCIÉTÉ PROTECTRICE DES ANIMAUX
DU NOUVEAU-BRUNSWICK
FINANCIAL STATEMENTS
DECEMBER 31, 2024

THE NEW BRUNSWICK SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS/

SOCIÉTÉ PROTECTRICE DES ANIMAUX DU NOUVEAU-BRUNSWICK

TABLE OF CONTENTS

DECEMBER 31, 2024

	<u>PAGE</u>
<u>Independent auditor's report</u>	1 - 2
<u>Financial statements:</u>	
Statement of financial position.....	3
Statement of operations.....	4
Statement of changes in net assets.....	5
Statement of cash flows.....	6
Notes to the financial statements.....	7 - 11

Shannon & Buffett, LLP

Chartered Professional Accountants

GARRY L. ARMSTRONG, CPA, CA RON W. SAUNTRY, CPA, CA

June 16, 2025

INDEPENDENT AUDITOR'S REPORT

To the Directors of The New Brunswick Society for the Prevention of Cruelty to Animals/
Société Protectrice des Animaux du Nouveau-Brunswick:

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of The New Brunswick Society for the Prevention of Cruelty to Animals/ Société Protectrice des Animaux du Nouveau-Brunswick (the Organization), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, 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 adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations revenue as 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 Organization as at December 31, 2024, and its financial performance 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 charitable organizations, the Organization derives revenue from donations, 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 deposit records of the Organization and we were not able to determine whether any adjustments might be necessary to donations revenue, assets and net assets.

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 Organization 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 the 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.

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Shannon & Buffett LLP

Chartered Professional Accountants

THE NEW BRUNSWICK SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS/

SOCIÉTÉ PROTECTRICE DES ANIMAUX DU NOUVEAU-BRUNSWICK

STATEMENT OF FINANCIAL POSITION - DECEMBER 31, 2024

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Current:		
Cash	\$ 545,955	\$ 533,503
Short-term investments (note 3)	210,959	214,244
Accounts receivable (note 4)	117,563	92,321
Prepaid expenses	<u>4,510</u>	<u>4,067</u>
	<u>878,987</u>	<u>844,135</u>
Long-term investments (note 3)	<u>3,602,178</u>	<u>3,174,894</u>
Capital assets (note 5)	<u>123,293</u>	<u>96,883</u>
	<u>\$ 4,604,458</u>	<u>\$ 4,115,912</u>
<u>LIABILITIES</u>		
Current:		
Accounts payable and accrued liabilities (note 6)	\$ 139,120	\$ 101,631
Deferred revenue	<u>120,025</u>	<u>193,945</u>
total liabilities	<u>259,145</u>	<u>295,576</u>
<u>NET ASSETS</u>		
Operating Fund	1,872,716	1,344,448
Contingency Fund	210,959	214,250
The Forbes and Ruth MacLeod Fund	<u>2,261,638</u>	<u>2,261,638</u>
	<u>4,345,313</u>	<u>3,820,336</u>
	<u>\$ 4,604,458</u>	<u>\$ 4,115,912</u>

Approved by the Board:

Director _____

THE NEW BRUNSWICK SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS/

SOCIÉTÉ PROTECTRICE DES ANIMAUX DU NOUVEAU-BRUNSWICK

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>2024</u>	<u>2023</u>
Revenue:		
New Brunswick Animal Protection Fund	\$ -	\$ 2,758
Donations and memberships	110,041	92,528
Bequests	321,719	120,000
Trusts and Foundation Grants	66,594	67,843
Province of New Brunswick - Rural Dog Control	622,365	615,971
Province of New Brunswick - Enforcement Grant	1,001,342	600,000
Province of New Brunswick - Other Grants	83,920	152,673
Animal Control - Other	186,283	148,275
Tags and kennel licenses	74,732	80,366
HST rebates	64,143	43,910
Cost recoveries	11,176	16,229
Fundraising Rafflebox (expenses)	-	(2,500)
Investment income and miscellaneous	132,324	106,362
Change in market value of investments	<u>290,827</u>	<u>162,505</u>
	<u>2,965,466</u>	<u>2,206,920</u>
Expenses:		
Answering service	68,696	34,783
Wages and employee benefits	1,116,042	955,033
Inspector travel expenses	18,401	18,799
Animal Care/Veterinary	433,970	225,739
Bank charges and interest	4,597	3,835
Broker fees	37,420	10,204
Fundraising	13,052	787
Insurance	25,214	21,722
Vehicle operating	148,471	113,008
Meetings and travel	17,833	7,164
Miscellaneous	1,939	1,465
Office	32,740	34,531
Postage	2,533	2,094
Professional services	66,568	60,696
Publicity/Education	74,976	60,423
Rent/Storage	4,950	4,954
Repairs and maintenance	10,360	8,438
Supplies/Training/Uniforms	23,164	32,640
Subcontract	65,883	60,000
Tags and kennel licences	-	6,340
Telephone	25,964	23,353
HST	122,678	82,925
Amortization	62,289	47,385
Happy Tails/SNIP program costs	<u>62,749</u>	<u>-</u>
	<u>2,440,489</u>	<u>1,816,318</u>
Excess of revenue over expenses for the year	<u>\$ 524,977</u>	<u>\$ 390,602</u>

THE NEW BRUNSWICK SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS/

SOCIÉTÉ PROTECTRICE DES ANIMAUX DU NOUVEAU-BRUNSWICK

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Operating Fund</u>	<u>Contingency Fund</u>	<u>The Forbes and Ruth MacLeod Fund</u>	<u>2024 Total</u>	<u>2023 Total</u>
Balance, beginning of year	\$ 1,344,448	\$ 214,250	\$ 2,261,638	\$ 3,820,336	\$ 3,429,734
Excess of revenue over expenses for the year	524,977	-	-	524,977	390,602
Transfers	<u>3,291</u>	<u>(3,291)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 1,872,716</u>	<u>\$ 210,959</u>	<u>\$ 2,261,638</u>	<u>\$ 4,345,313</u>	<u>\$ 3,820,336</u>

THE NEW BRUNSWICK SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS/

SOCIÉTÉ PROTECTRICE DES ANIMAUX DU NOUVEAU-BRUNSWICK

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>2024</u>	<u>2023</u>
CASH GENERATED FROM (USED IN):		
OPERATING ACTIVITIES:		
Excess of revenue over expenses for the year	\$ 524,977	\$ 390,602
Items not requiring a cash outlay:		
- Amortization	62,289	47,385
- Change in market value of investments	<u>(290,827)</u>	<u>(162,505)</u>
	296,439	275,482
Net change in current assets and liabilities other than cash and short-term investments (note 7)	<u>(62,116)</u>	<u>243,821</u>
	<u>234,323</u>	<u>519,303</u>
INVESTING ACTIVITIES:		
(Increase) decrease in short-term investments	3,285	(6,336)
(Increase) decrease in long-term investments	(136,457)	1,216
Additions to capital assets	<u>(88,699)</u>	<u>(71,333)</u>
	<u>(221,871)</u>	<u>(76,453)</u>
INCREASE IN CASH, in the year	12,452	442,850
CASH, beginning of year	<u>533,503</u>	<u>90,653</u>
CASH, end of year	<u><u>\$ 545,955</u></u>	<u><u>\$ 533,503</u></u>

THE NEW BRUNSWICK SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS/

SOCIÉTÉ PROTECTRICE DES ANIMAUX DU NOUVEAU-BRUNSWICK

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. The Organization:

The Organization was incorporated by an Act of the Province of New Brunswick Legislature (1881 Private Act) (1903 Public Act) and is a registered charity under the Income Tax Act. The Organization provides animal protection and related education/inspection services.

2. Significant accounting policies:

(a) Basis of accounting -

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

The Organization follows the deferral method of recognizing contributions. The amount of net assets designated as "Contingency Fund" represents amounts which have been segregated internally by the Organization into short-term investments. The Forbes and Ruth MacLeod Fund is an externally restricted Fund and represents endowment bequest from the Estate of Ruth A. MacLeod to be held in perpetuity with annual income available for operations of the Organization.

(b) Cash -

Cash includes cash on hand and cash balances held by banks and investment brokers.

(c) Short-term and long-term investments -

Investments consist of mutual funds and equities held by investment brokers and recorded at fair value (quoted market price). Change in market value of the investments is recorded in the Statement of Operations.

(d) Capital assets -

Additions to capital assets are recorded at cost. Provision for amortization is made utilizing the straight-line method as follows:

Office and field equipment	-	5 years
Computer equipment	-	3 years
Vehicles	-	5 years
Sign	-	5 years

THE NEW BRUNSWICK SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS/

SOCIÉTÉ PROTECTRICE DES ANIMAUX DU NOUVEAU-BRUNSWICK

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

2. Significant accounting policies (continued):

(e) Revenue recognition -

Donations, memberships, bequests, trust revenue, foundation grants and interest/miscellaneous revenue are recognized when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

HST rebates, Animal Control - Other and revenue from contracts with the Province of New Brunswick are recognized in the year in which the corresponding rebates are earned, services performed and costs are incurred.

Tags and kennel licences revenue is recognized when the tags/licences are sold.

Endowment bequests/contributions are recorded as direct increases to Net Assets (Fund Balances).

(f) 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 amounts reported in financial statements. By their nature, these estimates are subject to measurement uncertainty and actual results could differ.

(g) Donated services -

The value of donated services provided to the Organization such as volunteer work is not recorded in the accounts.

(h) Financial instruments -

(i) Measurement of financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost except short-term and long-term investments which are measured at quoted market value. Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(ii) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down (reversal) is recognized in the excess of revenue (expenses) for the year in the Statement of Operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously.

THE NEW BRUNSWICK SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS/

SOCIÉTÉ PROTECTRICE DES ANIMAUX DU NOUVEAU-BRUNSWICK

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

3. Investments:

	<u>2024</u>	<u>2023</u>
Short-term:		
Mutual Funds	\$ <u>210,959</u>	\$ <u>214,244</u>
Long-term:		
Mutual Funds	\$ 2,913,222	\$ 2,636,736
Equities	<u>688,956</u>	<u>538,158</u>
	<u>\$ 3,602,178</u>	<u>\$ 3,174,894</u>

\$2,261,638 of the long-term investments amount represents externally restricted assets for the Forbes and Ruth MacLeod Fund.

4. Accounts receivable:

	<u>2024</u>	<u>2023</u>
Animal control	\$ 53,420	\$ 38,653
Trust amounts	-	6,100
HST rebate receivable	64,143	43,910
Province of New Brunswick, DPETL	<u>-</u>	<u>3,658</u>
	<u>\$ 117,563</u>	<u>\$ 92,321</u>

5. Capital assets:

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2024 Net Book Value</u>	<u>2023 Net Book Value</u>
Office and field equipment	\$ 66,474	\$ 42,408	\$ 24,066	\$ 33,556
Computer equipment	45,981	35,203	10,778	15,831
Vehicles	392,249	303,800	88,449	47,496
Sign	<u>1,475</u>	<u>1,475</u>	<u>-</u>	<u>-</u>
	<u>\$ 506,179</u>	<u>\$ 382,886</u>	<u>\$ 123,293</u>	<u>\$ 96,883</u>

THE NEW BRUNSWICK SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS/

SOCIÉTÉ PROTECTRICE DES ANIMAUX DU NOUVEAU-BRUNSWICK

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

6. Accounts payable and accrued liabilities:

	<u>2024</u>	<u>2023</u>
Payroll deductions payable	\$ 35,417	\$ 30,761
Other payables	<u>103,703</u>	<u>70,870</u>
	<u>\$ 139,120</u>	<u>\$ 101,631</u>

7. Net change in current assets and liabilities other than cash and short-term investments:

	<u>2024</u>	<u>2023</u>
(Increase) decrease in accounts receivable	\$ (25,242)	\$ 364,923
(Increase) decrease in prepaid expenses	(443)	3,607
Increase in accounts payable and accrued liabilities	37,489	20,840
(Decrease) in deferred revenue	<u>(73,920)</u>	<u>(145,549)</u>
	<u>\$ (62,116)</u>	<u>\$ 243,821</u>

8. Commitments:

The Organization leases equipment under operating leases and contractual commitments which expire on various dates between 2027 and 2028.

Future minimum payments, by year and in aggregate, are as follows:

2025	-	\$ 98,100
2026	-	118,100
2027	-	136,200
2028	-	<u>35,300</u>
		<u>\$ 387,700</u>

THE NEW BRUNSWICK SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS/

SOCIÉTÉ PROTECTRICE DES ANIMAUX DU NOUVEAU-BRUNSWICK

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

9. Financial instruments:

The Organization is exposed to the following risks through its financial instruments:

Liquidity risk -

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they come due.

The Organization mitigates its liquidity risk by preparing an annual budget for operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.

Market risk -

The Organization's investments are quoted in an active market and therefore are subject to market rates. Market fluctuations could lead to significant changes in valuations of these investments. The change in market value of investments of \$290,827 (2023 - 162,505) includes both realized and unrealized gains/losses.

Currency risk -

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. A significant portion of the long-term investments have quoted market values in US dollars and are converted into Canadian dollars at the appropriate exchange rate. Consequently, these investments are exposed to foreign exchange fluctuations.

10. Contingent liability:

There is a claim and corresponding counter-claim against the Organization (resulting from an animal issue) outstanding as at December 31, 2024. Settlement, if any, of this claim and/or counter-claim will be accounted for in the period of settlement.

11. Comparative figures:

Certain 2023 figures presented for comparative purposes have been reclassified in order to conform with the financial statements presentation adopted for the 2024 fiscal year.