



2025

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, 2025

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

SOCIÉTÉ PROTECTRICE DES ANIMAUX DU NOUVEAU-BRUNSWICK

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Shannon & Buffett, LLP

Chartered Professional Accountants

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

June 15, 2026

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, 2025, 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, 2025, 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.

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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, 2025

	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
Current:		
Cash	\$ 581,391	\$ 545,955
Short-term investments (note 3)	68,664	210,959
Accounts receivable (note 4)	118,644	117,563
Prepaid expenses	<u>6,396</u>	<u>4,510</u>
	<u>775,095</u>	<u>878,987</u>
Long-term investments (note 3)	<u>3,875,403</u>	<u>3,602,178</u>
Capital assets (note 5)	<u>183,005</u>	<u>123,293</u>
	<u>\$ 4,833,503</u>	<u>\$ 4,604,458</u>
<u>LIABILITIES</u>		
Current:		
Accounts payable and accrued liabilities (note 6)	\$ 122,354	\$ 139,120
Deferred revenue	-	120,025
Current portion of long-term debt (note 7)	<u>9,700</u>	<u>-</u>
	132,054	259,145
Long-term debt (note 7)	<u>39,281</u>	<u>-</u>
	<u>171,335</u>	<u>259,145</u>
total liabilities	<u>171,335</u>	<u>259,145</u>
<u>NET ASSETS</u>		
Operating Fund	2,331,866	1,872,716
Contingency Fund	68,664	210,959
The Forbes and Ruth MacLeod Fund	<u>2,261,638</u>	<u>2,261,638</u>
	<u>4,662,168</u>	<u>4,345,313</u>
	<u>\$ 4,833,503</u>	<u>\$ 4,604,458</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, 2025

	<u>2025</u>	<u>2024</u>
Revenue:		
New Brunswick Animal Protection Fund	\$ 9,125	\$ -
Donations and memberships	206,804	110,041
Bequests	423,034	321,719
Trusts and Foundation Grants	72,924	66,594
Province of New Brunswick - Rural Dog Control	162,930	622,365
Province of New Brunswick - Enforcement Grant	1,000,000	1,001,342
Province of New Brunswick - Other Grants	120,025	83,920
Animal Control - Other	662,872	186,283
Tags and kennel licenses	69,473	74,732
HST rebates	99,905	64,143
Cost recoveries	48,220	11,176
Happy Tails/SNIP program	131,967	32,775
Investment income and miscellaneous	110,536	99,549
Change in market value of investments	<u>354,159</u>	<u>290,827</u>
	<u>3,471,974</u>	<u>2,965,466</u>
Expenses:		
Answering service	95,000	68,696
Wages and employee benefits	1,366,555	1,116,042
Inspector travel expenses	18,073	18,401
Animal Care/Veterinary	423,316	433,970
Interest on long-term debt	441	-
Bank charges and interest	5,351	4,597
Broker fees	45,996	37,420
Fundraising	15,830	13,052
Insurance	27,906	25,214
Vehicle operating	127,321	148,471
Meetings and travel	10,721	17,833
Miscellaneous	3,981	1,939
Office	35,993	32,740
Postage	15,855	2,533
Professional services	83,580	66,568
Publicity/Education	43,128	74,976
Rent/Storage	4,950	4,950
Repairs and maintenance	5,630	10,360
Supplies/Training/Uniforms	33,850	23,164
Subcontract	40,609	65,883
Telephone	23,241	25,964
HST	190,601	122,678
Amortization	72,763	62,289
Happy Tails/SNIP program	<u>464,428</u>	<u>62,749</u>
	<u>3,155,119</u>	<u>2,440,489</u>
Excess of revenue over expenses for the year	<u>\$ 316,855</u>	<u>\$ 524,977</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, 2025

	<u>Operating Fund</u>	<u>Contingency Fund</u>	<u>The Forbes and Ruth MacLeod Fund</u>	<u>2025 Total</u>	<u>2024 Total</u>
Balance, beginning of year	\$ 1,872,716	\$ 210,959	\$ 2,261,638	\$ 4,345,313	\$ 3,820,336
Excess of revenue over expenses for the year	316,855	-	-	316,855	524,977
Transfers	<u>142,295</u>	<u>(142,295)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 2,331,866</u>	<u>\$ 68,664</u>	<u>\$ 2,261,638</u>	<u>\$ 4,662,168</u>	<u>\$ 4,345,313</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, 2025

	<u>2025</u>	<u>2024</u>
CASH GENERATED FROM (USED IN):		
OPERATING ACTIVITIES:		
Excess of revenue over expenses for the year	\$ 316,855	\$ 524,977
Items not requiring a cash outlay:		
- Amortization	72,763	62,289
- Change in market value of investments	<u>(354,159)</u>	<u>(290,827)</u>
	35,459	296,439
Net change in current assets and liabilities other than cash and short-term investments (note 8)	<u>(139,758)</u>	<u>(62,116)</u>
	<u>(104,299)</u>	<u>234,323</u>
FINANCING ACTIVITIES:		
Increase in long-term debt	51,344	-
Reduction of long-term debt	<u>(2,363)</u>	<u>-</u>
	<u>48,981</u>	<u>-</u>
INVESTING ACTIVITIES:		
Decrease in short-term investments	142,295	3,285
(Increase) decrease in long-term investments	80,934	(136,457)
Additions to capital assets	<u>(132,475)</u>	<u>(88,699)</u>
	<u>90,754</u>	<u>(221,871)</u>
INCREASE IN CASH, in the year	35,436	12,452
CASH, beginning of year	<u>545,955</u>	<u>533,503</u>
CASH, end of year	<u>\$ 581,391</u>	<u>\$ 545,955</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, 2025

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

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2025

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, 2025

3. Investments:

	<u>2025</u>	<u>2024</u>
Short-term:		
Mutual funds	\$ <u>68,664</u>	\$ <u>210,959</u>
Long-term:		
Mutual funds/Investment trusts	\$ 2,040,981	\$ 1,977,135
Equities	<u>1,834,422</u>	<u>1,625,043</u>
	<u>\$ 3,875,403</u>	<u>\$ 3,602,178</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>2025</u>	<u>2024</u>
Animal control	\$ 18,739	\$ 53,420
HST rebate receivable	<u>99,905</u>	<u>64,143</u>
	<u>\$ 118,644</u>	<u>\$ 117,563</u>

5. Capital assets:

	Cost	Accumulated Amortization	2025 Net Book Value	2024 Net Book Value
Office and field equipment	\$ 70,860	\$ 53,928	\$ 16,932	\$ 24,066
Computer equipment	48,765	45,039	3,726	10,778
Vehicles	517,554	355,207	162,347	88,449
Sign	<u>1,475</u>	<u>1,475</u>	<u>-</u>	<u>-</u>
	<u>\$ 638,654</u>	<u>\$ 455,649</u>	<u>\$ 183,005</u>	<u>\$ 123,293</u>

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

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NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2025

6. Accounts payable and accrued liabilities:

	<u>2025</u>	<u>2024</u>
Payroll deductions payable	\$ 38,127	\$ 35,417
Other payables	<u>84,227</u>	<u>103,703</u>
	<u>\$ 122,354</u>	<u>\$ 139,120</u>

7. Long-term debt:

	<u>2025</u>	<u>2024</u>
3.49% Term loan, payable to Hyundai Capital Canada Inc., secured by vehicle (net book value \$38,600). Payable in monthly instalments of \$935 including principal and interest, due September 2030.	\$ 48,981	\$ -
Current portion of long-term debt	<u>(9,700)</u>	<u>-</u>
	<u>\$ 39,281</u>	<u>\$ -</u>

The interest rate for the term loan is considered to be comparable to current market rates.

Principal due within each of the next five years on long-term debt is approximately as follows:

2026	-	\$ 9,700
2027	-	10,000
2028	-	10,400
2029	-	10,700
2030	-	8,181

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

	<u>2025</u>	<u>2024</u>
(Increase) in accounts receivable	\$ (1,081)	\$ (25,242)
(Increase) in prepaid expenses	(1,886)	(443)
Increase (decrease) in accounts payable and accrued liabilities	(16,766)	37,489
(Decrease) in deferred revenue	<u>(120,025)</u>	<u>(73,920)</u>
	<u>\$ (139,758)</u>	<u>\$ (62,116)</u>

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

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NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2025

9. 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:

2026	-	\$ 118,100
2027	-	136,200
2028	-	<u>35,300</u>
		<u>\$ 289,600</u>

10. Financial instruments:

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

Interest rate risk -

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. The Organization's term loan is locked in at 3.49%.

Credit risk -

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from dog control clients and funding agencies. An allowance for doubtful accounts is established based upon factors surrounding the credit risks of specific accounts, historical trends and additional information. The Organization has a significant number of clients which minimizes concentration of credit risk.

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 \$354,159 (2024 - \$290,827) includes both realized and unrealized gains/losses.

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

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NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2025

10. Financial instruments (continued):

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.

11. Contingent liability:

There is a claim and corresponding counter-claim against the Organization (resulting from an animal issue) outstanding as at December 31, 2025. Settlement, if any, of this claim and/or counter-claim will be accounted for in the period of settlement.

12. Comparative figures:

Certain 2024 figures presented for comparative purposes have been reclassified in order to conform with the financial statements presentation adopted for the 2025 fiscal year.