

---

**TORONTO CAT RESCUE**

**Financial Statements**

**Year Ended September 30, 2023**

---

**TORONTO CAT RESCUE**  
**Index to Financial Statements**  
**Year Ended September 30, 2023**

---

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Revenues and Expenditures	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 12

---

## INDEPENDENT AUDITOR'S REPORT

---

To the Members of Toronto Cat Rescue

### *Qualified Opinion*

We have audited the financial statements of Toronto Cat Rescue (the "Organization"), which comprise the statement of financial position as at September 30, 2023, 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 Organization as at September 30, 2023, 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 charitable organizations, the Organization derives revenue from adoption fees, donations, foundation grants, merchandise sales and fundraising the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to revenues from adoption fees, donations, foundation grants, merchandise sales and fundraising, excess of revenues over expenditures, cash flows from operations, current assets and net assets. Our audit opinion on the financial statements for the year ended September 30, 2023 was modified accordingly because of the possible effects of this limitation of scope.

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 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 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.

(continues)

Independent Auditor's Report To the Members of Toronto Cat Rescue (*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.

*NVS Professional Corporation*

NVS Professional Corporation  
Chartered Professional Accountants  
Authorized to practise public accounting by  
the Chartered Professional Accountants of Ontario

Markham, Ontario  
March 25, 2024

**TORONTO CAT RESCUE**  
**Statement of Financial Position**  
**September 30, 2023**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 183,218	\$ 237,482
Term deposits (Note 3)	812,630	705,361
Accounts receivable	14,451	45,337
Prepaid expenses	683	1,441
HST receivable	60,668	36,768
	<b>\$ 1,071,650</b>	<b>\$ 1,026,389</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 4)	\$ 117,176	\$ 74,065
Deferred revenue (Note 5)	21,250	90,152
Current portion of Canada Emergency Business Account (Note 6)	40,000	-
	<b>178,426</b>	<b>164,217</b>
CANADA EMERGENCY BUSINESS ACCOUNT (Note 6)	-	40,000
	<b>178,426</b>	<b>204,217</b>
<b>NET ASSETS</b>		
General fund	493,224	422,172
Restricted fund (Note 11)	400,000	400,000
	<b>893,224</b>	<b>822,172</b>
	<b>\$ 1,071,650</b>	<b>\$ 1,026,389</b>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

See accompanying notes to financial statements

**TORONTO CAT RESCUE**  
**Statement of Revenues and Expenditures**  
**Year Ended September 30, 2023**

	2023	2022
<b>REVENUES</b>		
Donations - non receipted ( <i>Note 12</i> )	\$ 564,382	\$ 512,764
Adoption fees	518,319	425,323
Donations - receipted	161,767	340,911
Corporate contributions	202,314	118,825
Donations in-kind ( <i>Note 7</i> )	77,769	95,475
Lottery proceeds	75,570	-
Interest income	33,180	5,568
Corporate and charitable grants	27,136	34,027
Fundraising	42,371	41,506
Merchandise sales	4,635	5,969
	<u>1,707,443</u>	<u>1,580,368</u>
<b>EXPENDITURES</b>		
Veterinary care	915,900	685,082
Salaries and benefits	255,026	247,565
Cat expenses	145,921	108,215
Donations in-kind ( <i>Note 7</i> )	77,769	95,475
Lottery expenses	46,448	-
Fundraising expense	46,433	13,949
Office and general	43,249	18,119
Volunteer centre expenses	33,878	30,895
Volunteer program expenses	31,534	15,706
Professional fees	13,943	12,806
Advertising & promotion	13,271	-
Legal fees	5,376	2,342
Telephone	5,207	4,019
Licenses, memberships and dues	2,438	350
Interest and bank charges	-	336
	<u>1,636,393</u>	<u>1,234,859</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>\$ 71,051</u>	<u>\$ 345,509</u>

**TORONTO CAT RESCUE**  
**Statement of Changes in Net Assets**  
**Year Ended September 30, 2023**

	General Fund	Restricted Fund	<b>2023</b>	2022
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 422,172	\$ 400,000	\$ <b>822,172</b>	\$ 476,663
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	71,051	-	<b>71,051</b>	345,509
<b>NET ASSETS - END OF YEAR</b>	\$ 493,223	\$ 400,000	\$ <b>893,223</b>	\$ 822,172

**TORONTO CAT RESCUE**  
**Statement of Cash Flows**  
**Year Ended September 30, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures	\$ 71,051	\$ 345,509
Changes in non-cash working capital:		
Accounts receivable	30,885	(34,052)
Prepaid expenses	757	(401)
HST receivable	(23,900)	34,648
Accounts payable and accrued liabilities	43,113	(43,632)
Deferred revenue	(68,902)	(22,859)
	<u>(18,047)</u>	<u>(66,296)</u>
<b>INCREASE IN CASH FLOW</b>	<b>53,004</b>	<b>279,213</b>
Cash - beginning of year	<u>942,843</u>	<u>663,630</u>
<b>CASH - END OF YEAR</b>	<b>\$ 995,847</b>	<b>\$ 942,843</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 183,218	\$ 237,482
Term deposits	<u>812,630</u>	<u>705,361</u>
	<b>\$ 995,848</b>	<b>\$ 942,843</b>



**TORONTO CAT RESCUE**  
**Notes to Financial Statements**  
**Year Ended September 30, 2023**

---

**1. DESCRIPTION OF BUSINESS**

Toronto Cat Rescue (the "Organization") is a no-kill, not-for-profit charitable organization working with the public to promote individual responsibility for animal welfare. Its objective as stated in its Mission Statement is to rescue and find homes for abandoned, sick or injured cats from situations of abuse, neglect or imminent euthanasia.

The Organization is registered as a charitable organization and, as such, is exempt from income tax in Canada under subsection 248 (10) of the Income Tax Act (Canada). TCR's charity number is 720884691RR0001.

**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) applied on a basis consistent with that of the preceding year. Outlined below are those policies considered particularly significant.

Revenue recognition

Adoption fees and sales are recognized as revenue when services are rendered and merchandise are delivered to customers. Fundraising, corporate, individual donations and lottery proceeds are recognized as revenue when received. Interest is recognized as revenue when earned. Toronto Cat Rescue follows the deferral method of accounting for contributions. Under this method, restricted contributions for expenditures of the current year are recognized in the current year. Restricted contributions for expenditures of one or more future periods are deferred and recognized as revenue in the same period the related expenditures are recognized. Unrestricted contributions are recorded as revenue when received.

Contributed Services

Volunteers have contributed time and services to assist the Organization in delivery of its services and other activities. Because of the difficulty of determining their fair market value, contributed services provided to the society are not recognized in the financial statements.

Income taxes

The Organization is a registered charity under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reported period. Significant items subject to such estimates and assumptions include the useful lives of capital assets, and year-end accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

Financial instruments

Measurement of financial instruments

The organization measures its financial instruments (cash, term deposits, accounts receivable, HST receivable, deferred revenue, Canada Emergency Business Account, accounts payable and accrued liabilities) at fair value at the acquisition date. The organization subsequently measures all of its financial assets and financial liabilities at amortized cost.

*(continues)*

**TORONTO CAT RESCUE**  
**Notes to Financial Statements**  
**Year Ended September 30, 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Transaction Costs

Transaction costs related to the acquisition or issuance of financial instruments subsequently measured at fair value are recognized in excess of revenue over expenditures when incurred. The carrying amounts of financial instruments not subsequently measured at fair value are adjusted by the amount of the transaction costs directly attributable to the acquisition or issuance of the instrument, and the adjustment is recognized in excess of revenues over expenditures over the life of the instrument using the straight-line method.

Impairment:

Financial assets measured at amortized cost are assessed for indication of impairment at the end of each reporting period. If impairment is identified, the amount of the write-down is recognized as an impairment loss in excess of revenues over expenses. Previously recognized impairment losses are reversed when the extent of the impairment decreases, provided that the adjusted carrying amount 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 amount of the reversal is recognized in excess of revenues over expenditures.

Net Assets

Net assets comprise the excess of revenue over expenses accumulated by the organization each year, net of transfers, and are available for general purposes.

Donated materials and services

Any donated goods and services, to the extent that they would normally be purchased if not donated, are recorded at fair value. Volunteer services are not recognized in these financial statements because of the difficulty associated with determining the fair value.

**3. TERM DEPOSIT**

The term deposit represents a guaranteed investment certificate bearing interest at different rate and maturing October 13, 2023. The organization also has an investment savings account with Royal Bank of Canada. Funds can be withdrawn from these GICs on demand; as such, these investments are considered to be cash equivalents and have been classified as such.

	<u>2023</u>	<u>2022</u>
One Year Cashable GIC - earning interest at 4.480 % matures on October 13, 2023	\$ 100,000	\$ 100,000
One Year Cashable GIC - earning interest at 4.480% matures on October 13, 2023	100,000	100,000
One Year Cashable GIC - earning interest at 4.530 % matures on October 13, 2023	100,000	100,000
One Year Cashable GIC - earning interest at 4.500 % matures on October 13, 2023	100,000	100,000
Short Term Cashable GIC at Maturity - earning interest at 4.500 % matures on October 13, 2023	150,000	-
RBC Investment Savings Account	242,408	300,000
Interest receivable	20,222	5,361
	<u>\$ 812,630</u>	<u>\$ 705,361</u>

**TORONTO CAT RESCUE**  
**Notes to Financial Statements**  
**Year Ended September 30, 2023**

**4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2023</u>	<u>2022</u>
Account payable and accrued liabilities	\$ 109,113	\$ 65,329
Accrued charges	3,951	6,060
Credit card payable	3,738	2,292
Other payable	374	384
	<u>\$ 117,176</u>	<u>\$ 74,065</u>

**5. DEFERRED GRANTS AND CONTRIBUTIONS**

Deferred grants and contributions consist of the following corporate grants which are designated for future years' activities:

	<u>2023</u>	<u>2022</u>
Hackworks Inc. - Capital One Gift the Code	\$ -	\$ 10,152
Pet Smart Charities of Canada	-	50,000
Pet Smart Charities of Canada Transportation Grant	17,500	30,000
Pet Smart Adoption Prep Grant	3,750	-
	<u>21,250</u>	<u>90,152</u>

The changes in the deferred grants and contributions balance for the year are as follows

Deferred grant and contributions, beginning of the year	90,152	113,011
Add - grants and contributions received/receivable during the year	3,750	30,000
Less - grants and contributions recognized during the year	<u>(72,652)</u>	<u>(52,859)</u>
	<u>21,250</u>	<u>90,152</u>

**6. CANADA EMERGENCY BUSINESS ACCOUNT (CEBA) LOAN**

During the 2020 and 2021 fiscal years, the Organization obtained \$60,000 interest free loan from the Canadian Emergency Business Account (CEBA) (2021: \$20,000, 2020: \$40,000) made available by the Federal government in response to COVID-19. The purpose of the loan is to assist the Organization in financing its non-deferrable expenses with a forgiveness option available if 67% of the outstanding balance is repaid by December 31, 2023 with an annual interest rate of 0% and no terms of repayment. Subsequent to December 31, 2023, any unpaid balance will be converted into a term-loan with a maturity date of December 31, 2025 and a fixed annual interest rate of 5%. The Organization recognized \$20,000 as grant income during the 2021 and 2020 fiscal years.

On September 14, 2023, the government announced extended deadlines for CEBA loan holders from December 31, 2023 to January 18, 2024 provided that the Organization makes a refinancing application with the financial institution that provided the CEBA loan by January 18, 2024.

Repayment on or before the new deadline of January 18, 2024 or March 28, 2024 if a refinancing application is submitted prior to January 18, 2024 at the financial institution that provided their CEBA loan, will result in loan forgiveness of \$20,000 for a \$60,000 loan.

On November 30, 2023, the Organization repaid the \$40,000 loan.

**TORONTO CAT RESCUE**  
**Notes to Financial Statements**  
**Year Ended September 30, 2023**

---

**7. DONATIONS IN KIND**

During the fiscal year, the Organization was in receipt of donations in kind for goods and services in the amount of \$77,769 ( 2022 - \$95,475 ) which represents foster care and cat expenses.

**8. LEASE COMMITMENT**

The Organization entered into a lease renewal commencing on August 1, 2023 and ending on July 31, 2024 with respect to the premises at 4229C Dundas Street West, Etobicoke, Ontario. The Organization also entered into a new lease commencing on September 1, 2023 and ending August 30, 2028 with regards to the premises of 705 Progress Avenue, Scarborough, Ontario. The required minimum annual rental payments are as follows:

Contractual obligation repayment schedule:

2024	\$	27,026
2025	\$	2,215
2026	\$	2,215
2027	\$	2,215
2028	\$	2,030

**9. FINANCIAL INSTRUMENTS**

Items that meet the definition of a financial instrument include cash, term deposits, account receivable, HST receivable, deferred revenue, Canada Emergency Business Account, accounts payable and accrued liabilities.

Financial instrument transactions, such as collecting receivables and settling payables may result in exposure to significant financial risks and concentrations of risk.

It is management's opinion that the organization is not exposed to significant risks arising from these financial instruments. There have been no changes to the significant risks from the prior year.

**10. CAPITAL MANAGEMENT AND ECONOMIC DEPENDENCE**

The Organization includes cash, term deposits, account receivable, HST receivable, deferred revenue, Canada Emergency Business Account, accounts payable and accrued liabilities in its capital management consideration. The Organization's objectives when managing capital are to safeguard its ability to continue as a going concern and continue to execute its mandate.

The Organization monitors these items to assess its ability to fulfill its ongoing financial obligations. The organization monitors its cash flows and ongoing revenue sources to fund its operations and makes adjustments to its budgeted expenditures in light of changes. The Organization is not subject to externally imposed capital requirements.

**11. INTERNALLY RESTRICTED FUND**

During the 2022 fiscal year, the Board of Directors approved the creation of a contingent reserve fund of \$400,000 for future operations. The forgoing reserve of \$400,000 was designated in the event of an emergency, in the event of damage to the facility, relocation, rent increases, loss of funding, theft, or other unforeseen expenditures. The reserve is expected to serve 4 months of operating expense for the Organization.

**12. DONATIONS - NON RECEIPTED**

Non-receipted donations represent contributions administered and collected by various third party organization's on behalf of Toronto Cat Rescue for which no official tax receipt is issued by Toronto Cat Rescue. During the year, Toronto Cat Rescue was in receipt of \$442,722 (2022 - \$442,053) of non-receipted donations from Canada Helps.

**TORONTO CAT RESCUE**  
**Notes to Financial Statements**  
**Year Ended September 30, 2023**

---

**13. CONTINGENT LIABILITY**

Legal proceedings were brought against the organization in the prior year. The Organization intends to defend this claim and, in management's opinion, the lawsuit is unwarranted. The legal proceedings are being handled by the Organization's insurance company and the maximum deductible is \$1,000. At this time, the future outcome nor the amount of possible settlement cannot be foreseen, therefore, no provision has been made in the financial statements. Any future settlement would be reflected in the fiscal period to which it relates.

**14. COMPARATIVE FIGURES**

Certain of 2022 comparative figures have been reclassified to conform to the current year's presentation.