

People Ensuring Animal Care Exists

Financial Statements

December 31, 2023

(Unaudited)

People Ensuring Animal Care Exists

December 31, 2023

CONTENTS

| | <u>Page</u> |
|---|-------------|
| Financial Statements | |
| Independent Practitioner's Review Engagement Report | 1 |
| Statement of Financial Position | 2 |
| Statement of Operations and Changes in Net Assets | 3 |
| Statement of Cash Flows | 4 |
| Notes to the Financial Statements | 5 |



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Independent Practitioner's Review Engagement Report

To the Board of People Ensuring Animal Care Exists

I have reviewed the accompanying financial statements of People Ensuring Animal Care Exists that comprise the statement of financial position as at December 31, 2023, and the statement of operations and changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, 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.

Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of People Ensuring Animal Care Exists as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Bruce Taylor
J Bruce Taylor Chartered Professional Accountant
Licensed Public Accountant

Warkworth, Ontario
June 21, 2024

People Ensuring Animal Care Exists

Statement of Financial Position

December 31, 2023

(Unaudited)

| | 2023 | 2022 |
|--|-------------------|------------------|
| Assets | | |
| Current Assets | | |
| Cash (note 2) | \$ 26,061 | \$ 52,757 |
| GST Rebate recoverable | 2,399 | 559 |
| Prepaid expenses | 1,850 | - |
| Total Current Assets | 30,310 | 53,316 |
| Property and equipment (note 3) | 85,955 | 11,482 |
| Total Assets | \$ 116,265 | \$ 64,798 |
| Liabilities and Net Assets | | |
| Current Liabilities | | |
| Accounts payable and accrued liabilities | \$ 3,499 | \$ 3,166 |
| Deferred grant revenue (note 4) | 19,000 | 40,783 |
| Total Current Liabilities | 22,499 | 43,949 |
| Net Assets | | |
| Surplus (note 2) | 93,766 | 20,849 |
| Total Liabilities and Net Assets | \$ 116,265 | \$ 64,798 |

Approved:

The accompanying notes are an integral part of these financial statements.
J Bruce Taylor Chartered Professional Accountant

People Ensuring Animal Care Exists

Statement of Operations and Changes in Net Assets

For the Year Ended December 31, 2023

(Unaudited)

| | 2023 | 2022 |
|---|------------------|------------------|
| Revenue | | |
| Contributions | \$ 38,762 | \$ 44,516 |
| Grants | 34,000 | 14,640 |
| Fundraising | 4,512 | 4,900 |
| Membership dues | 210 | 300 |
| Total revenue | 77,484 | 64,356 |
| Operating expenses | | |
| Amortization | 4,437 | 1,556 |
| Billy Fund grant distribution | 500 | 500 |
| Fundraising | 3,126 | 4,572 |
| Farm Sanctuary program | 26,128 | 4,413 |
| Humane activities, education and outreach | 6,222 | 14,574 |
| Insurance | 2,187 | 4,263 |
| Office and administration | 1,256 | 803 |
| Professional fees | 5,047 | 3,908 |
| Rescue program | 17,718 | 11,105 |
| Salaries and benefits | - | 7,498 |
| Veganic Farm supplies | 60 | 1,568 |
| Total operating expenses | 66,681 | 54,760 |
| Surplus from operations | 10,803 | 9,596 |
| Non-operating income | | |
| Grants designated for capital spending | 62,114 | - |
| Net surplus of revenue over expenses | 72,917 | 9,596 |
| Net assets, beginning | 20,849 | 11,253 |
| Surplus | \$ 93,766 | \$ 20,849 |

The accompanying notes are an integral part of these financial statements.
J Bruce Taylor Chartered Professional Accountant

People Ensuring Animal Care Exists

Statement of Cash Flows

For the Year Ended December 31, 2023

(Unaudited)

| | 2023 | 2022 |
|---|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Surplus of revenue over expenses | \$ 72,917 | \$ 9,596 |
| Amortization | 4,437 | 1,556 |
| Increase in prepaid expenses | (1,850) | - |
| Increase (decrease) in accounts payable and accrued liabilities | 333 | (1,485) |
| Decrease (increase) GST Rebate recoverable | (1,840) | 394 |
| Increase (decrease) in deferred grant revenue | (21,783) | 40,783 |
| | 52,214 | 50,844 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Acquisition of property and equipment | (78,910) | (6,011) |
| Net increase (decrease) in cash | (26,696) | 44,833 |
| Cash, beginning of year | 52,757 | 7,924 |
| Cash, end of year | \$ 26,061 | \$ 52,757 |

The accompanying notes are an integral part of these financial statements.
J Bruce Taylor Chartered Professional Accountant

People Ensuring Animal Care Exists

Notes to the Financial Statements

For the Year Ended December 31, 2023

(Unaudited)

1. Significant Accounting Policies

a. Nature of organization and basis of preparation

People Ensuring Animal Care Exists (the organization or "PEACE") is a non-profit organization and for Canadian income tax purposes is a registered charity, which is exempt from income tax under the Income tax Act.

The mission and purpose of the organization is to ensure farmed animals in need are taken care of whether by the prevention of slaughter, or improving the health and care of farmed animals in BC. PEACE was established to help farmed animals and farm sanctuaries through resources, rescues and education.

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

b. Revenue recognition

Deferral method for contributions

The organization follows the deferral method of accounting for contributions. Contributions are recognized in the period received and pledges are not recognized until received. Due to the voluntary nature of membership, membership fees are recognized as revenue in the year in which they are received

Contributions restricted for an intended purpose or a future period are deferred and recognized in the period the related expenditures are incurred.

Deferred Grant Revenue

The organization records grants and other funding received as revenue in the statement of operations and changes in net assets, in the period of the qualifying expenditures. Grants and other funding received for which the qualifying expenditures have not been made are accordingly deferred, and reported as deferred grants or other funding in the statement of financial position.

Donations-in-kind and contributed services

The organization occasionally receives donated assets and supplies. These donated assets and supplies are recorded in the financial statements at the estimated fair market value in cases that the fair market value can be reasonably determined.

The mission of the organization is dependent upon and thankful for many hours contributed by its volunteers and members. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

People Ensuring Animal Care Exists

Notes to the Financial Statements

For the Year Ended December 31, 2023

(Unaudited)

1. Significant Accounting Policies (continued)

c. Property and equipment

Property and equipment are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Amortization is provided using the declining balance method at the annual rates below:

| | % |
|------------------------------------|-------|
| Buildings, barns and coops | 5.00 |
| Fencing and gates | 10.00 |
| Equipment, furniture, and fixtures | 20.00 |
| Trailer and vehicles | 20.00 |

d. Financial instruments

The organization has determined that the estimated fair value of the financial assets and liabilities do not differ considerably from their book value.

e. 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The reported amounts and note disclosures are determined using management's best estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Actual results could differ from those estimates and would impact future results of operations and cash flows. Areas requiring the use of estimates include allowance for doubtful accounts, deferred revenue and accrued liabilities and fair market value of donations-in-kind.

2. Internally designated funds

The Board of Directors has internally restricted reserves for contributions that when received were designated by donors for specific projects and programs. Funds are maintained in segregated accounts to provide for the donors wishes. The programs designated include:

- The Billy Fund
- Rescue program
- Humane activities
- Farm Sanctuary and Farm Sanctuary Buddy Program

People Ensuring Animal Care Exists

Notes to the Financial Statements

For the Year Ended December 31, 2023

(Unaudited)

3. Property and equipment

Property and equipment consist of the following:

| | | | 2023 | 2022 |
|-----------------------------------|-------------------|--------------------------|------------------|------------------|
| | Cost | Accumulated Depreciation | Net Book Value | Net Book Value |
| Buildings, barns and coops | \$ 59,026 | \$ (150) | \$ 58,876 | \$ 5,861 |
| Fencing and gates | 17,899 | - | 17,899 | - |
| Equipment, furniture and fixtures | 9,171 | (635) | 8,536 | 540 |
| Trailer and vehicles | 15,247 | (10,166) | 5,081 | 5,081 |
| Total | \$ 101,343 | \$ (10,951) | \$ 90,392 | \$ 11,482 |

4. Deferred grant revenue

The details of grants received during the year for projects commencing after year end are as follows:

| | 2023 | 2022 |
|--|------------------|------------------|
| Deferred revenue, beginning of period | \$ 40,783 | \$ - |
| Disbursed in the year | (40,783) | - |
| Province of BC grant received for Rescue Program costs | 19,000 | 19,000 |
| Private grant received for rescue barn | - | 18,000 |
| SPCA International grant for rescue barn flooring | - | 3,783 |
| Deferred revenue, end of period | \$ 19,000 | \$ 40,783 |

5. Related party transactions and commitments

a. Property lease agreement and amounts

During the year ended December 31, 2023, the organization paid \$ NIL (2022 - \$ NIL) to founders of the organization as part of a property lease agreement. This transaction is in the normal course of operations and is measured at the exchange amount of consideration established and agreed to by the related parties.

The lease period is for a 5 year period commencing June 1, 2022 and renewable June 1, 2027 thereafter on the agreed amount of \$2,000 monthly. The founders waived the monthly rental fees for the fiscal 2023 period and accordingly no amounts for this rental have been recorded in the statement of operations.

People Ensuring Animal Care Exists

Notes to the Financial Statements

For the Year Ended December 31, 2023

(Unaudited)

6. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's financial statements presentation.

7. Financial instruments and risk

The organization's financial instruments consist of cash, GST rebates recoverable, and accounts payable. It is management's opinion that the organization is not exposed to significant risk arising from these financial instruments. The carrying values of the organization's monetary assets and liabilities approximate their fair values due to their short-term and fixed nature.

Credit risk

The organization does not extend credit to earn revenue and accordingly is not exposed to credit risk.

Interest rate risk

The organization is not exposed to interest rate risk as the capitalization and working capital of the organization does not rely on financing to meet its on-going commitments.

Currency risk

The organization in the normal course of operations does not engage in material foreign currency denominated transactions and is not exposed to currency risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. To manage this operating risk, the organization monitors its budgets and forecasts and maintains an adequate working capital to cover operations. The organization does not embark on other expenditures without already having adequate funding in place and has internally restricted net assets to mitigate liquidity risk.