

Grey Bruce Animal Shelter  
Financial Statements  
For the year ended December 31, 2021

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For the year ended December 31, 2021

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## Independent Auditor's Report

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To the Board of Directors of Grey Bruce Animal Shelter

### Qualified Opinion

We have audited the financial statements of Grey Bruce Animal Shelter, which comprise the statement of financial position as at December 31, 2021, and the statements of operations, operating fund, internally restricted fund, 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 Grey Bruce Animal Shelter as at December 31, 2021, and its statement of operations and statement of 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 not-for-profit organizations, the Grey Bruce Animal Shelter derives revenue from donations and fundraising activities 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 Grey Bruce Animal Shelter. 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 years ended December 31, 2021, current assets as at December 31 2021 and 2020, and net assets as at January 1 and December 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended December 31, 2020 was modified accordingly because of the possible effects of this limitation in 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 Grey Bruce Animal Shelter 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 audit opinion.

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

Management is responsible for the preparation and fair presentation of these 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.

#### 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.

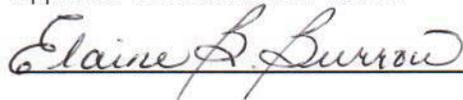
Chartered Professional Accountants, Licensed Public Accountants

Owen Sound, Ontario  
May 20, 2022

**Grey Bruce Animal Shelter**  
**Statement of Financial Position**

December 31	2021	2020
<b>Assets</b>		
<b>Current</b>		
Cash and bank	\$ 670,831	\$ 86,894
Temporary investments (Note 2)	34,173	33,768
Accounts receivable (Note 3)	5,262	24,058
Prepays	-	450
	710,266	145,170
<b>Restricted</b>		
Restricted cash	47,781	27,487
Temporary investments (Note 2)	119,636	138,177
Accrued interest	447	452
	167,864	166,116
	\$ 878,130	\$ 311,286
<b>Liabilities and Fund Balances</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 4)	\$ 17,976	\$ 18,781
Deferred revenue (Note 5)	454,500	2,000
	472,476	20,781
<b>Net assets</b>		
Operating fund (Page 5)	173,707	126,158
Internally restricted fund (Page 5)	231,947	164,347
	405,654	290,505
	\$ 878,130	\$ 311,286

Approved on behalf of the Board:



Director

Grey Bruce Animal Shelter  
Statement of Operating Fund

For the year ended December 31	2021	2020
Surplus, beginning of the year	\$ 126,158	\$ 93,426
Excess of revenues over expenses for the year (Page 6)	<u>115,149</u>	<u>116,831</u>
	241,307	210,257
Transfer to internally restricted fund	<u>(67,600)</u>	<u>(84,099)</u>
Surplus, end of the year	<u>\$ 173,707</u>	<u>\$ 126,158</u>

Grey Bruce Animal Shelter  
Statement of Internally Restricted Fund

For the year ended December 31	2021	2020
Internally restricted fund, beginning of the year	\$ 164,347	\$ 80,248
Transfer from operations	<u>67,600</u>	<u>84,099</u>
Internally restricted fund, end of the year	<u>\$ 231,947</u>	<u>\$ 164,347</u>

Grey Bruce Animal Shelter  
Statement of Operations

For the year ended December 31	2021	2020
<b>Revenue</b>		
Donations	\$ 158,312	\$ 201,085
Fundraising	11,884	34,159
Grants	4,500	2,131
Membership fees	640	840
Miscellaneous revenue	3,658	1,908
Pet adoption fees	41,900	33,455
Pet surrender fees	6,145	5,290
Sale of goods	25,127	11,836
	<u>252,166</u>	<u>290,704</u>
<b>Expenses</b>		
Advertising and promotion	340	709
Accounting and professional fees	7,879	7,336
Bank charges and interest	2,301	2,380
Capital	1,408	16,965
Fundraising	4,410	8,743
Insurance	3,003	2,796
Medical	58,106	42,171
Miscellaneous	2,063	3,275
Office	2,598	1,994
Property taxes	4,654	4,537
Rent	3,150	2,700
Repairs and maintenance	10,120	15,988
Salaries and benefits	45,280	56,277
Supplies	4,047	6,972
Utilities and telephone	16,507	17,337
Vehicle	3,196	2,264
Website costs	302	530
	<u>169,364</u>	<u>192,974</u>
	82,802	97,730
<b>Other income</b>		
Government subsidy revenue	<u>32,347</u>	<u>19,101</u>
<b>Excess of revenue over expenses</b>	<u>\$ 115,149</u>	<u>\$ 116,831</u>

The accompanying notes are an integral part of these financial statements.

Grey Bruce Animal Shelter  
Statement of Cash Flows

For the year ended December 31	2021	2020
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenses (Page 6)	\$ 115,149	\$ 116,831
Changes in non-cash working capital balances		
Accounts receivable	18,801	(17,878)
Prepaid expenses	450	(450)
Accounts payable	(805)	2,184
Deferred revenue	452,500	-
	<u>586,095</u>	<u>100,687</u>
Investing activities		
Decrease (increase) in temporary investments	<u>18,136</u>	<u>(121,945)</u>
Increase (decrease) in cash during the year	604,231	(21,258)
Cash, beginning of the year	<u>114,381</u>	<u>135,639</u>
Cash, end of the year	<u>\$ 718,612</u>	<u>\$ 114,381</u>
Represented by		
Cash and bank	\$ 670,831	\$ 86,894
Restricted cash	<u>47,781</u>	<u>27,487</u>
	<u>\$ 718,612</u>	<u>\$ 114,381</u>

The accompanying notes are an integral part of these financial statements.

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Grey Bruce Animal Shelter  
Notes to Financial Statements

December 31, 2021

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1. Summary of Significant Accounting Policies

Management Responsibility	The Board of Grey Bruce Animal Shelter is responsible for the integrity, objectivity and accuracy of the financial information presented in these financial statements. The Board reviews and approves the financial statements.
Nature of Business	<p>The organization is incorporated under the laws of Ontario. Grey Bruce Animal Shelter is a charity dedicated to the provision of animal shelter services to meet the needs of homeless animals.</p> <p>Grey Bruce Animal Shelter is a registered charity under paragraph 149(1)(f) of the Income Tax Act and is exempt from tax by virtue of that section.</p>
Basis of Accounting	These statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations, using the accrual basis of accounting. The accrual basis recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay.
Fund Accounting	<p>The organization follows the deferral method of accounting for restricted contributions and uses two funds to record its transactions.</p> <p>(i) Operating Fund</p> <p>The operating fund includes and records general operations and unrestricted contributions.</p> <p>(ii) Internally Restricted Fund</p> <p>The internally restricted fund has been established by the Board of directors to accumulate amounts for major repairs, renovations and specific board initiatives.</p>
Capital Assets	Capital asset additions are not recorded in the statement of financial position. Expenditures for capital assets in the year are recorded as expenses and disclosed in the statement of operations.

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Grey Bruce Animal Shelter  
Notes to Financial Statements

December 31, 2021

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1. Summary of Significant Accounting Policies - (continued)

Revenue Recognition	<p>Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Revenue from adoptions and pet surrenders is recognized when the animals are adopted or surrendered and payment is made. Donation, fundraising and membership revenues are recognized once amounts are received or event which took place to raise funds has been completed and amounts to be received are known. Miscellaneous revenue is recognized when the amounts can be reasonably estimated and collection is reasonably assured.</p> <p>Grant and subsidy revenue is recorded when stipulations relating to the funding are met, the amount is reasonably estimated and collectibility is reasonably assured.</p> <p>Sale of goods income is recognized as revenue in the year in which goods are sold.</p>
Contributed Services	<p>Volunteers contribute a significant number of hours on education, support, awareness, governance and fundraising activities. Because of the difficulty of determining their fair market value, contributed services are not recognized on the financial statements.</p>
Donated Supplies	<p>A significant amount of materials and supplies are contributed by donors during the year. These donations are not included in these statements. Grey Bruce Animal Shelter does not provide charitable receipts for donated materials and supplies.</p>
Financial Instruments	<p>Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs are charged to the financial instrument for those measured at amortized cost.</p> <p>Financial instruments quoted in an active market are accounted for at fair value. Changes in fair value are recorded through the statement of operations.</p>

Grey Bruce Animal Shelter  
Notes to Financial Statements

December 31, 2021

1. Summary of Significant Accounting Policies - (continued)

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 at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results will differ from management's best estimates as additional information becomes available in the future. Key estimates include accounts payable and accrued liabilities.

2. Temporary Investments

Temporary investments held by the organization are as follows:

	2021	2020
GIC, 1.2% due November 2023	\$ 30,360	\$ 30,000
GIC, 1.2% due November 2023	30,360	30,000
GIC, 1.2% due November 2023	32,890	32,500
GIC, 1.2% due November 2023	32,890	32,500
GIC, 1.15% due November 2022	1,283	1,268
GIC, 1.2% due August 2022	26,026	-
GIC, 0.7%, due November 2021	-	20,000
GIC, 2.7%, due February 2021	-	25,677
	<b>\$ 153,809</b>	<b>\$ 171,945</b>
Represented by:		
Unrestricted	\$ 34,173	\$ 33,768
Restricted	119,636	138,177
	<b>\$ 153,809</b>	<b>\$ 171,945</b>

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Grey Bruce Animal Shelter  
Notes to Financial Statements

December 31, 2021

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3. Accounts Receivable

There was no impairment allowance in relation to accounts receivable at December 31, 2021 (2020 - \$Nil).

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4. Accounts Payable and Accrued Liabilities

The government remittances payable at the year-end were \$Nil (2020 - \$Nil).

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5. Deferred Revenue

Deferred revenue consists of restricted contributions to be used for specific purposes in future periods.

	2021	2020
Opening balance	\$ 2,000	\$ 2,000
Contributions received in the year	452,500	-
Closing balance	454,500	2,000

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6. Financial Instruments

Grey Bruce Animal Shelter's financial instruments consist of cash, accounts receivable, HST receivable and accounts payable and accrued liabilities. It is management's opinion that the organization is not exposed to significant currency risk arising from these financial statements. The organization's bank accounts are held at one credit union. The Deposit Insurance Corporation of Ontario (DICO) insures deposits to a maximum of \$250,000 per depositor. The organization is exposed to credit risk arising from the possibility of default on its accounts receivable. Liquidity risk arises from accounts payable and accrued liabilities and is the risk that the organization will not have sufficient funds to settle a transaction on the due date. The organization has evaluated credit risk and liquidity risk to be low.

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Grey Bruce Animal Shelter  
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7. COVID-19

As the impacts of COVID-19 continue, there could be further impact on the organization, its funders and donors. Management is actively monitoring the affect on its financial condition, liquidity, operations, suppliers, industry, and workforce. In 2020 and 2021, the organization experienced increased revenues due to community donations and government subsidies. Fundraising revenue was decreased due to limited events during COVID-19. Revenues are not expected to remain at these levels in the future.

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8. Comparative Figures

Certain comparative figures have been restated to conform to current year financial statement presentation.

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