Grey Bruce Animal Shelter

Financial Statements

For the year ended December 31, 2024

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Independent Auditor's Report

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, 2024, and the statements of operations, operating fund, internally restricted fund, endowment 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, 2024, 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, 2024, current assets as at December 31, 2024 and 2023, and net assets as at January 1 and December 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended December 31, 2023 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 29, 2025

December 31	2024	2023
Assets		
Current		
Cash and bank	$ 219,508	$ 174,214
Investments (Note 2)	696,536	611,854
Accounts receivable (Note 3)	39,562	7,712
Prepaids	3,623	6,625
	959,229	800,405
Restricted		
Restricted cash	85,082	82,854
Investments (Note 4)	604,676	593,129
	689,758	675,983
	$ 1,648,987	$ 1,476,388
Liabilities and Fund Balances		
Current		
Accounts payable and accrued liabilities (Note 5)	$ 30,175	$ 34,697
Deferred revenue (Note 6)	416,891	449,660
	447,066	484,357
Fund balances		
Operating fund (Page 5)	360,089	281,310
Internally restricted fund (Page 5)	691,832	560,721
Endowment fund (Page 5)	150,000	150,000
	1,201,921	992,031
	$ 1,648,987	$ 1,476,388

Approved on behalf of the Board:

______________________________ Director

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

Grey Bruce Animal Shelter
Statement of Operating Fund

For the year ended December 31	2024	2023
Surplus, beginning of the year	$ 281,310	$ 208,551
Excess of revenues over expenses for the year (Page 6)	209,890	323,359
	491,200	531,910
Transfer to internally restricted fund	(131,111)	(250,600)
Surplus, end of the year	$ 360,089	$ 281,310

Grey Bruce Animal Shelter
Statement of Internally Restricted Fund

For the year ended December 31	2024	2023
Internally restricted fund, beginning of the year	$ 560,721	$ 310,121
Transfer from operating fund	131,111	250,600
Internally restricted fund, end of the year	$ 691,832	$ 560,721

Grey Bruce Animal Shelter
Statement of Endowment Fund

For the year ended December 31	2024	2023
Endowment fund, beginning of the year	$ 150,000	$ -
Contributions received in year	-	150,000
Endowment fund, end of the year	$ 150,000	$ 150,000

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

Grey Bruce Animal Shelter
Statement of Operations

For the year ended December 31		2024		2023
Revenue				
Donations	$	156,120	$	176,952
Fundraising		42,263		32,969
Grants		-		6,000
Membership fees		565		560
Pet adoption fees		44,375		46,100
Pet surrender fees		6,230		7,160
Sale of goods		35,179		25,371
		284,732		295,112
Expenses				
Advertising and promotion		1,538		1,346
Accounting and professional fees		18,788		13,029
Bank charges and interest		3,154		2,621
Capital		56,745		64,555
Fundraising		10,340		12,694
Insurance		3,550		2,691
Medical		107,332		76,971
Miscellaneous		1,780		1,248
Office		3,647		2,175
Property taxes		5,169		4,991
Rent		7,059		6,098
Repairs and maintenance		18,805		14,352
Subscription fees		226		605
Salaries and benefits		67,942		56,720
Supplies		8,758		8,562
Utilities and telephone		20,487		21,963
Vehicle		2,346		3,314
Website costs		543		945
		338,209		294,880
Excess of revenue over expenses before other income		(53,477)		232
Other income (expenses)				
Bequests		146,142		274,127
Interest		43,456		28,434
Investment income		20,024		19,627
Realized loss on sale on investments		(3,994)		(6,135)
Unrealized gain on investments		57,739		7,074
		263,367		323,127
Excess of revenue over expenses for the year	$	209,890	$	323,359

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		2024		2023
Cash provided by (used in)				
Operating activities				
Excess of revenues over expenses (Page 6)	$	209,890	$	323,359
Changes in non-cash working capital balances				
Accounts receivable		(31,850)		(2,353)
Prepaid expenses		3,002		(5,487)
Accounts payable and accrued liabilities		(4,522)		4,319
Deferred revenue		(32,769)		(28,530)
		143,751		291,308
Investing activities				
Change in investments		(96,229)		(441,715)
Increase in endowment fund		-		150,000
		(96,229)		(291,715)
Increase (decrease) in cash during the year		47,522		(407)
Cash, beginning of the year		257,068		257,475
Cash, end of the year	$	304,590	$	257,068
Represented by				
Cash and bank	$	219,508	$	174,214
Restricted cash		85,082		82,854
	$	304,590	$	257,068

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

December 31, 2024

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

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.

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.

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

The organization follows the deferral method of accounting for restricted contributions and uses two funds to record its transactions.

(i) Operating Fund

The operating fund includes and records general operations and unrestricted contributions.

(ii) Internally Restricted Fund

The internally restricted fund has been established by the Board of directors to accumulate amounts for major repairs, renovations and specific board initiatives.

(iii) Endowment Fund

The endowment fund accumulates bequests to be retained in perpetuity. The income from the endowment fund is used to support the operating activities of the organization.

1. Summary of Significant Accounting Policies - (continued)

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.

Revenue Recognition

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. Endowment contributions are recorded as direct increases of the endowment fund.

Grant and subsidy revenue is recorded when stipulations relating to the funding are met, the amount is reasonably estimated and collectibility is reasonably assured.

Sale of goods income is recognized as revenue in the year in which goods are sold.

Contributed Services

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.

Donated Supplies

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.

Financial Instruments

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. Financial instruments quoted in an active market are accounted for at fair value. Changes in fair value are recorded through the statement of operations.

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 could differ from management's best estimates as additional information becomes available in the future. Key estimates include accounts payable and accrued liabilities.

2. Investments

Unrestricted investments held by the organization are as follows:

	2024	2023
Investments held with Scotia Capital Inc. (cost $551,163, 2023 - $524,529)	$ 573,067	$ 488,694
GIC, 3.65% due March 2026	30,000	-
GIC, 4.25%, due December 2025	27,173	26,063
GIC, 4.75% due September 2025	31,575	-
GIC, 4.25%, due July 2025	3,913	3,753
GIC, 5.50%, due March 2025	27,592	26,150
GIC, 5.25% due December 2024	-	30,000
GIC, 5.25%, due June 2024	-	31,575
Accrued interest	3,216	5,619
	$ 696,536	$ 611,854

3. Accounts Receivable

There was no impairment allowance in relation to accounts receivable at December 31, 2024 (2023 - $Nil).

4. Restricted Investments

Restricted investments held by the organization are as follows:

	2024	2023
GIC, 4.00%, due June 2029	$ 40,000	$ -
GIC, 5.36%, due July 2028	75,000	75,000
GIC, 3.75%, due September 2027	43,456	-
GIC, 3.90%, due September 2027	65,907	-
GIC, 4.85%, due December 2026	44,001	41,960
GIC, 3.60%, due October 2026	70,000	-
GIC, 5.60%, due July 2026	75,000	75,000
GIC, 5.62%, due July 2025	50,000	50,000
GIC, 5.20%, due July 2025	60,000	60,000
GIC, 5.20%, due January 2025	70,000	70,000
GIC, 5.25%, due October 2024	-	70,000
GIC, 5.15%, due September 2024	-	61,860
GIC, 5.15%, due September 2024	-	41,840
GIC, 5.20%, due June 2024	-	40,000
Accrued interest	11,312	7,469
	$ 604,676	$ 593,129

5. Accounts Payable and Accrued Liabilities

The government remittances payable at the year-end were $360 (2023 - $1,926).

6. Deferred Revenue

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

	2024	2023
Opening balance	$ 449,660	$ 478,190
Contributions received in the year	-	700
Amounts recognized	(32,769)	(29,230)
Closing balance	416,891	449,660

December 31, 2024

7. Interfund Loans and Advances

The operating fund owed the internally restricted fund and endowment fund a combined $152,074 at December 31, 2024 (2023 the operating fund owed the internally restricted fund $34,738).

8. Financial Instruments

Grey Bruce Animal Shelter's financial instruments consist of cash, investments, accounts 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 instruments. The organization has bank accounts and guaranteed investment certificates totalling $604,466 held at one credit union. The Deposit Insurance Corporation of Ontario (DICO) insures deposits to a maximum of $250,000 per depositor. Guaranteed investment certificates totalling $400,000 have been invested in various financial institution providing the organization with insurance coverage of each individual investment. The Canadian Deposit Insurance Corporation insures up to a maximum of $100,000 per depositor per financial institution. Guaranteed investment certificates have fixed interest rates. The corporation is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the fair value of fixed income denominated investments. The organization is exposed to market risk through the investments held in equities. Investments held with Scotia Capital Inc. are exposed to the risk that the fair value or future cash flows will fluctuate because of changes in market prices. 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.