

Ottawa Humane Society  
Financial Statements  
For the year ended March 31, 2021

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## Independent Auditor's Report

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To the members of the  
Ottawa Humane Society

### Qualified Opinion

We have audited the accompanying financial statements of the Ottawa Humane Society (the Society), which comprise the statement of financial position as at March 31, 2021, 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 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 Society as at March 31, 2021, and its result of operations 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 not-for-profit organizations, the Society derives revenue from 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 Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2021 and 2020, current assets as at March 31, 2021 and 2020, and net assets as at April 1 and March 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended March 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 Society 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 Society'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 Society'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 Society 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario  
August 11, 2021

## Ottawa Humane Society Statement of Financial Position

2021                      2020

### Assets

#### Current

Cash	\$ 1,180,377	\$ 1,489,436
Accounts receivable	152,835	94,981
Inventory	11,694	15,676
Short-term investments (Note 2)	3,964,281	628,064
Prepaid expenses	147,265	195,917

	5,456,452	2,424,074
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Long-term investments (Note 3)

	5,602,576	5,342,998
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Tangible capital assets (Note 4)

	12,160,993	12,682,629
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Intangible assets (Note 5)

	38,810	38,810
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	\$ 23,258,831	\$ 20,488,511
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### Liabilities and Net Assets

#### Current

Accounts payable and accrued liabilities	\$ 556,057	\$ 552,324
Deferred revenue	65,893	125,096

	621,950	677,420
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Contractual obligations (Note 7)

Contingency (Note 11)

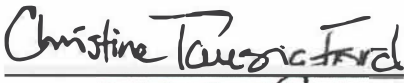
#### Net Assets

Unrestricted operating fund	9,671,268	1,963,865
Internally restricted		
Trust fund (Note 8)	-	4,441,986
Property and equipment fund	12,199,803	12,721,439
Externally restricted		
Capital replacement fund	765,810	683,801

	22,636,881	19,811,091
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	\$ 23,258,831	\$ 20,488,511
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On behalf of the Board:

 Chair  
Christine Tausig Ford

 Treasurer  
Brittany Ward

Ottawa Humane Society  
Statement of Financial Position

	2021	2020
<hr/>		
Assets		
Current		
Cash	\$ 1,180,377	\$ 1,489,436
Accounts receivable	152,835	94,981
Inventory	11,694	15,676
Short-term investments (Note 2)	3,964,281	628,064
Prepaid expenses	147,265	195,917
	<hr/>	<hr/>
	5,456,452	2,424,074
Long-term investments (Note 3)	5,602,576	5,342,998
Tangible capital assets (Note 4)	12,160,993	12,682,629
Intangible assets (Note 5)	38,810	38,810
	<hr/>	<hr/>
	\$ 23,258,831	\$ 20,488,511
<hr/>		
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 556,057	\$ 552,324
Deferred revenue	65,893	125,096
	<hr/>	<hr/>
	621,950	677,420
Contractual obligations (Note 7)		
Contingency (Note 11)		
Net Assets		
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Internally restricted		
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Capital replacement fund	765,810	683,801
	<hr/>	<hr/>
	22,636,881	19,811,091
	<hr/>	<hr/>
	\$ 23,258,831	\$ 20,488,511

On behalf of the Board:

\_\_\_\_\_  
Christine Tausig Ford      Chair

\_\_\_\_\_  
Brittany Ward      Treasurer

Ottawa Humane Society  
Statement of Changes in Net Assets

	Unrestricted Operating Fund	Internally Restricted		Externally Restricted	Total Restricted Funds	Total Funds
		Trust Fund	Property and Equipment Fund	Capital Replacement Fund		
For the year ended March 31, 2021						
Balance, beginning of the year	\$ 1,963,865	\$ 4,441,986	\$ 12,721,439	\$ 683,801	\$ 17,847,226	\$ 19,811,091
Excess (deficiency) of revenues over expenses	2,145,083	1,202,742	(604,044)	82,009	680,707	2,825,790
Interfund transfers (Note 8)	5,562,320	(5,644,728)	82,408	-	(5,562,320)	-
Balance, end of the year	\$ 9,671,268	\$ -	\$ 12,199,803	\$ 765,810	\$ 12,965,613	\$ 22,636,881

	Unrestricted Operating Fund	Internally Restricted		Externally Restricted	Total Restricted Funds	Total Funds
		Trust Fund	Property and Equipment Fund	Capital Replacement Fund		
For the year ended March 31, 2020						
Balance, beginning of the year	\$ 912,423	\$ 4,628,695	\$ 13,221,622	\$ 599,329	\$ 18,449,646	\$ 19,362,069
Excess (deficiency) of revenues over expenses	1,051,442	181,858	(868,750)	84,472	(602,420)	449,022
Interfund transfers (Note 8)	-	(368,567)	368,567	-	-	-
Balance, end of the year	\$ 1,963,865	\$ 4,441,986	\$ 12,721,439	\$ 683,801	\$ 17,847,226	\$ 19,811,091

The notes are an integral part of these financial statements.

Ottawa Humane Society  
Statement of Operations

For the year ended March 31, 2021	Unrestricted Operating Fund	Trust Fund	Property and Equipment Fund	Capital Replacement Fund	Total Funds
Revenues (Note 10)					
Animal shelter	\$ 1,359,081	\$ -	\$ -	\$ -	\$ 1,359,081
Development	7,244,086	-	-	-	7,244,086
Volunteer and outreach	3,810	-	-	-	3,810
Bequests	-	1,724,746	-	-	1,724,746
Building donations	-	1,463	-	-	1,463
Canada Emergency Wage Subsidy	427,278	-	-	-	427,278
Investment income	157,082	747,967	-	12,025	917,074
Other income	36,628	15	-	-	36,643
Government and other funding for building	-	-	-	69,984	69,984
	<u>9,227,965</u>	<u>2,474,191</u>	<u>-</u>	<u>82,009</u>	<u>11,784,165</u>
Expenses (Notes 9,10)					
Animal shelter	2,597,653	-	-	-	2,597,653
Clinic and mobile clinic	875,694	-	-	-	875,694
Development	1,496,504	-	-	-	1,496,504
Volunteer and outreach	724,437	-	-	-	724,437
Premises	448,229	-	-	-	448,229
Central services	822,316	-	-	-	822,316
Community programs	118,049	-	-	-	118,049
Non-capital trust	-	1,271,449	-	-	1,271,449
Amortization of tangible capital and intangible assets	-	-	604,044	-	604,044
	<u>7,082,882</u>	<u>1,271,449</u>	<u>604,044</u>	<u>-</u>	<u>8,958,375</u>
<b>Excess (deficiency) of revenues over expenses</b>	<b>\$ 2,145,083</b>	<b>\$ 1,202,742</b>	<b>\$ (604,044)</b>	<b>\$ 82,009</b>	<b>\$ 2,825,790</b>

The notes are an integral part of these financial statements.

Ottawa Humane Society  
Statement of Operations (continued)

For the year ended March 31, 2020	Unrestricted Operating Fund	Trust Fund	Property and Equipment Fund	Capital Replacement Fund	Total Funds
Revenues (Note 10)					
Animal shelter	\$ 2,099,473	\$ -	\$ -	\$ -	\$ 2,099,473
Clinic and mobile clinic	56,275	-	-	-	56,275
Development	6,239,799	-	-	-	6,239,799
Volunteer and outreach	256,753	-	-	-	256,753
Community programs	13,925	-	-	-	13,925
Bequests	-	2,035,284	-	-	2,035,284
Investment income (loss)	163,320	(307,613)	-	14,488	(129,805)
Loss on disposal of capital assets	-	-	(275,750)	-	(275,750)
Other income	31,450	162	-	-	31,612
Building donations	-	1,259	-	-	1,259
Government and other funding for building	-	-	-	69,984	69,984
	<u>8,860,995</u>	<u>1,729,092</u>	<u>(275,750)</u>	<u>84,472</u>	<u>10,398,809</u>
Expenses (Notes 9,10)					
Animal shelter	3,274,823	-	-	-	3,274,823
Clinic and mobile clinic	1,084,209	-	-	-	1,084,209
Development	1,211,400	-	-	-	1,211,400
Volunteer and outreach	915,166	-	-	-	915,166
Premises	414,163	-	-	-	414,163
Central services	803,199	-	-	-	803,199
Community programs	106,593	-	-	-	106,593
Non-capital trust	-	1,547,234	-	-	1,547,234
Amortization of tangible capital and intangible assets	-	-	593,000	-	593,000
	<u>7,809,553</u>	<u>1,547,234</u>	<u>593,000</u>	<u>-</u>	<u>9,949,787</u>
Excess (deficiency) of revenues over expenses	<u>\$ 1,051,442</u>	<u>\$ 181,858</u>	<u>\$ (868,750)</u>	<u>\$ 84,472</u>	<u>\$ 449,022</u>

The notes are an integral part of these financial statements.



## Ottawa Humane Society Statement of Cash Flows

For the year ended March 31, 2021	2021	2020
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Cash flows from operating activities		
Excess of revenues over expenses	\$ 2,825,790	\$ 449,022
Items not affecting cash:		
Changes in unrealized (gains) and losses on investments	(813,713)	262,713
Realized (gains) losses on investments	(3,079)	44,900
Loss on disposal of tangible capital assets	-	275,750
Amortization of tangible and intangible capital assets	604,044	593,000
Unrealized foreign exchange gain	(349,228)	-
	<hr/>	<hr/>
	2,263,814	1,625,385
Changes in non-cash working capital:		
Accounts receivable	(57,854)	115,417
Inventory	3,982	(7,031)
Prepaid expenses	48,652	1,386
Accounts payable and accrued liabilities	3,734	(15,183)
Deferred revenue	(59,203)	(43,605)
	<hr/>	<hr/>
	2,203,125	1,676,369
Cash flows from investing activities		
Purchase of investments	(9,845,237)	(7,337,183)
Proceeds from disposal of investments	7,414,980	7,128,685
Acquisition of tangible capital assets	(82,408)	(382,567)
Proceeds from disposal of tangible capital assets	-	14,000
	<hr/>	<hr/>
	(2,512,665)	(577,065)
Other activity		
Foreign exchange gain on cash held in foreign currency	481	-
	<hr/>	<hr/>
Net (decrease) increase in cash	(309,059)	1,099,304
Cash, beginning of the year	<hr/>	<hr/>
	1,489,436	390,132
Cash, end of the year	<hr/>	<hr/>
	\$ 1,180,377	\$ 1,489,436

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# Ottawa Humane Society

## Notes to Financial Statements

March 31, 2021

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### 1. Accounting Policies

**Status and Purpose of Organization** The Ottawa Humane Society (the Society) is a not-for-profit organization incorporated without share capital under the laws of Canada. The Society's mission is to lead Ottawa in building a humane and compassionate community for all animals. The Society is a registered charity under the Income Tax Act and, as such, is exempt from income taxes and may issue income tax receipts to donors.

**Basis of Accounting** The Society applies the Canadian accounting standards for not-for-profit organizations.

**Use of Estimates** The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the year covered. The main estimates relate to the amortization of tangible capital and intangible assets.

**Revenue Recognition** The Society follows the restricted fund method. Under this method, externally restricted contributions which consist of grants, donations and fundraising are recognized in the fund corresponding to the purpose for which they were contributed. Unrestricted contributions are recognized as revenues in the Operating Fund. Restricted contributions with no corresponding fund are recognized in the Operating Fund under the deferral method.

#### Operating Fund

The Operating Fund is for the day-to-day operations of the Society. Animal shelter, clinic and mobile clinic, development, volunteer and outreach and other revenues are recognized as revenue in the Operating Fund when these services are provided. Investment income earned from the Trust Fund is recognized as revenue in the Operating Fund.

#### Trust Fund

The Trust Fund includes funds received from bequests, unless otherwise specified by the donors, specified donations and unrealized gains and losses on investments. Interest and dividends earned on the Trust Fund investments are to be used for current operations and are recognized as revenue in the Operating Fund.

Pledges and bequests are not recorded as revenue until they are received.

All expenses recorded in the trust fund must be in accordance with the Society's Fund policy and require approval by the Board of Directors.

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# Ottawa Humane Society

## Notes to Financial Statements

March 31, 2021

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### 1. Accounting Policies (continued)

#### Revenue Recognition (continued)

##### Property and Equipment Fund

The Property and Equipment Fund is used to account for all tangible capital and intangible assets owned by the Society. The expense recorded in this fund is the amortization of tangible and intangible capital assets.

##### Capital Replacement Fund

The Capital Replacement Fund is used to account for the City of Ottawa funding related to the amortization of tangible capital assets. In accordance with the agreement between the Society and the City of Ottawa, these funds are to be placed in an interest-bearing account and to be used for the construction of a new animal shelter or any major renovations to the existing shelter. All expenses require written approval from the City of Ottawa. Investment income earned is recorded in this fund and is reinvested until such expenses have been incurred.

#### Translation of Foreign Currency Transactions and Items

The Society uses the temporal method to translate its foreign currency transactions. Monetary assets and liabilities are translated at the exchange rate in effect at the statement of financial position date. Other assets and liabilities are translated at the exchange rate in effect at the transaction date. Revenues and expenses are translated at the average rate for the year. Exchange gains and losses are included in the statement of operations.

#### Financial Instruments

##### Initial and subsequent measurement

The Society initially measures its financial assets and liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in bonds and equity instruments that are quoted in an active market which are measured at fair value. Changes in fair value of these financial instruments are recognized in the statement of operations in the year incurred.

##### Impairment

Financial assets measured at amortized cost are tested for impairment when there are indications of possible impairment.

##### Transaction costs

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in the statement of operations in the year incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in the statement of operations over the life of the instrument using the straight-line method.

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Ottawa Humane Society  
Notes to Financial Statements

March 31, 2021

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1. Accounting Policies (continued)

Inventory	Inventory is measured at the lower of cost and net realizable value. The cost is determined using the first-in, first-out method.										
Tangible Capital Assets	Tangible capital assets are accounted for at cost and amortized on the basis of their useful life using the straight line method over the following durations: <table><tr><td>Buildings and building improvements</td><td>20 - 40 years</td></tr><tr><td>Computer equipment</td><td>4 years</td></tr><tr><td>Furniture and fixtures</td><td>10 years</td></tr><tr><td>Machinery and equipment</td><td>10 years</td></tr><tr><td>Vehicles</td><td>5 years</td></tr></table>	Buildings and building improvements	20 - 40 years	Computer equipment	4 years	Furniture and fixtures	10 years	Machinery and equipment	10 years	Vehicles	5 years
Buildings and building improvements	20 - 40 years										
Computer equipment	4 years										
Furniture and fixtures	10 years										
Machinery and equipment	10 years										
Vehicles	5 years										
Intangible Assets	Intangible assets are recognized at cost and amortized on the basis of their useful life using the straight line method over the following duration: <table><tr><td>Software</td><td>3 years</td></tr></table> <p>Intangible assets with an indefinite life are not amortized. They are tested for impairment when events or circumstances indicate that their carrying amount exceeds their fair value.</p>	Software	3 years								
Software	3 years										
Impairment of Long-Lived Assets	When a tangible capital asset or intangible asset no longer has any long-term service potential to the Society, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.										
Contributed Services	Volunteers contribute many hours per year to assist the Society in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.										
Contributed Materials	Contributed materials over \$1,000 which are used in the normal course of the Society's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution.										

# Ottawa Humane Society Notes to Financial Statements

March 31, 2021

## 1. Accounting Policies (continued)

**Allocation of Expenses**      The Society records their expenses on a functional program basis. Premises, central services and fleet costs are applicable to more than one function and are allocated to these functions on the following basis:

- Premises costs: prorated to the floor area occupied by each function.
- Central services costs: allocated to the Animal Shelter based on the allowed expenses under the Municipal Animal Shelter Service Agreement with the City of Ottawa and to all other functions based on estimated usage.
- Fleet costs: prorated to the usage of the vehicles by each function.

## 2. Short-term Investments

	2021	2020
Measured at fair value		
Bonds, 3.39%, maturing November 2021	\$ 155,264	\$ -
Measured at amortized cost		
High-interest savings account	2,372,657	-
Guaranteed investment certificates, 2.50% to 3.10%, maturing between April 2021 and August 2021.	712,369	-
Restricted high-interest savings account	503,961	-
Restricted guaranteed investment certificates, 2.35% to 2.51%, maturing in March 2022	220,030	-
Guaranteed investment certificates, 2.15% to 2.65%, matured during the year	-	404,206
Restricted guaranteed investment certificates, 2.85% to 2.96%, matured during the year	-	223,858
	3,809,017	628,064
	\$ 3,964,281	\$ 628,064

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Ottawa Humane Society  
Notes to Financial Statements

March 31, 2021

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3. Long-term Investments

	2021	2020
Measured at fair value		
Bonds, 2.00% to 3.25%, maturing between September 2023 and June 2027	\$ 599,575	\$ -
Canadian equities	2,307,705	3,357,718
US and international equities	1,925,181	-
Mutual funds	-	201,928
Restricted mutual funds	-	80,723
	4,832,461	3,640,369
Measured at amortized cost		
Restricted guaranteed investment certificates, (2020 - 2.35% to 2.51%, maturing in March 2022).	-	220,030
Guaranteed investment certificates, 2.21% to 3.36% (2020 - 2.21% to 3.36%), maturing between June 2022 and June 2023 (2020 - April 2021 and January 2023).	770,115	1,482,599
	770,115	1,702,629
	\$ 5,602,576	\$ 5,342,998

The restricted investments from above are restricted as a result of an agreement between the Society and the City of Ottawa. The Capital Replacement funds received are to be placed in an interest-bearing account and to be used for the construction of a new animal shelter or any major renovations to the existing shelter. All expenses require written approval from the City of Ottawa.

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Ottawa Humane Society  
Notes to Financial Statements

March 31, 2021

4. Tangible Capital Assets

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 1,744,284	\$ -	\$ 1,744,284	\$ -
Buildings and building improvements	13,116,575	3,141,061	13,116,575	2,797,659
Computer equipment	181,617	113,822	132,509	91,161
Furniture and fixtures	431,329	381,205	431,329	338,038
Machinery and equipment	1,284,675	1,049,515	1,265,761	942,105
Vehicles	378,334	290,218	378,334	217,200
	<u>\$17,136,814</u>	<u>\$ 4,975,821</u>	<u>\$ 17,068,792</u>	<u>\$ 4,386,163</u>
Net carrying amount		<u>\$12,160,993</u>		<u>\$ 12,682,629</u>

5. Intangible Assets

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Software	\$ 165,623	\$ 165,623	\$ 165,623	\$ 165,623
Time share vacation property	38,810	-	38,810	-
	<u>\$ 204,433</u>	<u>\$ 165,623</u>	<u>\$ 204,433</u>	<u>\$ 165,623</u>
Net carrying amount		<u>\$ 38,810</u>		<u>\$ 38,810</u>

6. Bank Loan

The Society has an authorized operating line of credit of \$800,000 that is due on demand and bears interest at the bank's prime rate plus 0.75%, calculated and payable monthly. It is secured by a general security agreement covering all assets. At March 31, 2021 and March 31, 2020, this line of credit was unused.

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Ottawa Humane Society  
Notes to Financial Statements

March 31, 2021

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7. Contractual Obligations

The Society regularly enters into agreements for the purchase of various supplies and services including the rental of premises and equipment. The total obligation related to these contracts is \$745,626 including the following payments over the next five years:

2022	\$	211,094
2023	\$	145,156
2024	\$	127,091
2025	\$	129,542
2026	\$	132,743

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8. Interfund Transfers

Amounts of \$5,562,320 (2020 - \$nil) were transferred from the trust fund to the operating fund. Amounts of \$82,408 (2020 - \$368,567) were transferred from the trust fund to the property and equipment fund for the purchase of tangible capital assets during the year.

Effective March 31, 2021, the Board of Directors approved the closure of the trust fund and the transfer of the trust fund balance to the operating fund.

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9. Allocation of Expenses

Premises, central services and fleet costs were allocated as follows:

	2021	2020
<u>Premises costs</u>		
Animal shelter	\$ 268,625	\$ 256,709
<u>Central services costs</u>		
Animal shelter	\$ 109,584	\$ 103,980
<u>Fleet costs</u>		
Animal shelter	\$ 4,555	\$ 8,178
Clinic and mobile clinic	5,123	12,666
Development	839	944
Volunteer and outreach	6,293	7,077
	\$ 16,810	\$ 28,865

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Ottawa Humane Society  
Notes to Financial Statements

March 31, 2021

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10. Fundraising Activities

Fundraising revenues are included in multiple financial statement categories. These are summarized below:

	<u>2021</u>	<u>2020</u>
Operating fund - Development revenue		
Individual support	\$ 6,465,372	\$ 5,391,212
Group support	343,936	310,269
Special events	434,778	538,318
	<u>7,244,086</u>	<u>6,239,799</u>
Trust fund		
Bequests	1,724,746	2,035,284
Building donations	1,463	1,259
	<u>1,726,209</u>	<u>2,036,543</u>
Total fundraising revenue	<u>\$ 8,970,295</u>	<u>\$ 8,276,342</u>

Furthermore, there are fundraising expenses included in multiple statement of operations categories. These expenses are based on direct costs and are as follows:

	<u>2021</u>	<u>2020</u>
Operating Fund - Development	\$ 1,496,504	\$ 1,211,400
Trust Fund - Non-capital	923,693	1,302,925
	<u>\$ 2,420,197</u>	<u>\$ 2,514,325</u>

Due to COVID-19, the completion of the current strategic plan and the development of a new plan have both been delayed. Ongoing communication with donors during the year resulted in an increase in both the number of donors and fundraising revenues.

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11. Contingency

The Society has been named as a defendant in a damages claim received on March 18, 2018. The claim is covered by the Society's insurance policy and is being handled by the insurer. As at March 31, 2021, they have determined that it is unlikely to create any additional liability for the Society. Consequently, no provision for this claim has been reflected in the financial statements.

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## Ottawa Humane Society Notes to Financial Statements

March 31, 2021

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### 12. Uncertainty due to COVID-19

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic which also created a high degree of global economic uncertainty. As the impacts of COVID-19 continue, there could be further impact on the Society, its funders and donors. Management is actively monitoring the effect on its financial condition, liquidity, operations, suppliers, industry, and workforce.

The Society's primary cultural value is safety, and has made every effort over the past year to ensure the safety of its employees, volunteers and clients. As an essential service, the Society provided the required care to the animals in need, either at the shelter or in foster homes with volunteers. Intake and adoption services were provided on an appointment basis as needed to meet the needs of the community. The Society's programs and events were cancelled over the past year, however, the Society is hopeful these services will resume in the fall of 2021.

Given the daily evolution of COVID-19 and the global responses to curb its spread, the Society is not able to fully estimate the effects of COVID-19 on its results of operations, financial condition, or liquidity at this time.

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### 13. Financial Instruments

#### Currency risk

Approximately 20% of the Society's investments are denominated in US dollars and have been translated into Canadian dollars at year end. Consequently, these investments are exposed to foreign exchange fluctuations.

Due to the impact of COVID-19, the currency risk could increase in the future.

#### Interest rate risk

The Society is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed interest instruments subject the Society to a fair value risk, since fair value fluctuates inversely to changes in market interest rates.

There have not been any changes in the interest rate risk from the prior year except for potential fluctuations in the future due to uncertainty caused by COVID-19.

#### Other price risk

Other price risk associated with investments in equities is the risk that its fair value will fluctuate because of changes in market prices. This risk is reduced to a minimum since the Society mitigates the risk by regularly rebalancing its portfolio and adhering to its established investment policy

Due to the impact of COVID-19, the other price risk related to investments could increase in the future.