
OAKVILLE & MILTON HUMANE SOCIETY
FINANCIAL STATEMENTS
DECEMBER 31, 2023



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Oakville & Milton Humane Society

Qualified Opinion

We have audited the financial statements of Oakville & Milton Humane Society, which comprise the statement of financial position as at December 31, 2023 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Oakville & Milton Humane Society 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Oakville & Milton Humane Society derives part of its revenue from event 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 (deficit) of revenue over expenses and cash flows from operations for the years ended December 31, 2023 and 2022, current assets as at December 31, 2023 and 2022, and net assets as at January 1 and December 31 for both the 2023 and 2022 years. The audit opinion on the financial statements for the year ended December 31, 2022 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 responsibility 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 obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Other Matter

The financial statements of Oakville & Milton Humane Society for the year ended December 31, 2022 were audited by another auditing firm who expressed a qualified opinion on those financial statements on May 31, 2023.



INDEPENDENT AUDITORS' REPORT

(continued)

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 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.

Auditors' 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 auditors' 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.



INDEPENDENT AUDITORS' REPORT
(continued)

Auditors' Responsibilities for the Audit of the Financial Statements - continued

- 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 the auditors' 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.

CAPSTICK MCCOLLUM & ASSOCIATES

Capstick McCollum & Associates

Oakville, Ontario
May 31, 2024

Chartered Professional Accountants
Licensed Public Accountants

OAKVILLE & MILTON HUMANE SOCIETY
STATEMENT OF FINANCIAL POSITION

DECEMBER 31,	2023	2022
ASSETS		
CURRENT		
Cash - unrestricted	\$ 390,837	\$ 751,395
Cash - externally restricted	23,444	9,050
Short-term investments - unrestricted - note 3	699,316	303,971
Short-term investments - invested in tangible capital assets - note 3	199,904	185,756
Short-term investments - externally restricted - note 3	454,475	477,020
Short-term investments - internally restricted - note 3	1,674,239	1,674,239
Accounts receivable	117,714	135,655
Prepaid expenses	50,770	49,671
	3,610,699	3,586,757
LONG-TERM INVESTMENTS - externally restricted - note 3	-	50,000
TANGIBLE CAPITAL ASSETS - note 4	472,564	460,744
	\$ 4,083,263	\$ 4,097,501
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities - note 5	\$ 197,671	\$ 251,795
Deferred contributions - note 6	58,127	136,645
	255,798	388,440
DEFERRED CAPITAL CONTRIBUTIONS - note 7	309,606	303,996
	565,404	692,436
NET ASSETS		
INVESTED IN TANGIBLE CAPITAL ASSETS	362,862	342,504
EXTERNALLY RESTRICTED NET ASSETS		
(CHARLIE FUND)	477,919	536,070
INTERNALLY RESTRICTED NET ASSETS	1,818,733	1,674,239
UNRESTRICTED NET ASSETS	858,345	852,252
	3,517,859	3,405,065
	\$ 4,083,263	\$ 4,097,501

Approved by the Board:

Director MICHAEL SPINELLI

Director Clayton Shold

Subject to accompanying notes to the financial statements

Signature: 

Email: clayton@shold.ca

Signature: 
Michael Spinelli (May 30, 2024 16:49 EDT)

Email: michaelspinelli@kpmg.ca

OAKVILLE & MILTON HUMANE SOCIETY
STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31,	Invested in tangible capital assets	Externally restricted net assets (Charlie Fund)	Internally restricted net assets	Unrestricted net assets	Total 2023	Total 2022
Net assets - beginning	\$ 342,504	\$ 536,070	\$ 1,674,239	\$ 852,252	\$ 3,405,065	\$ 3,124,801
Excess (deficit) of revenue over expenses	(45,032)	(58,151)	144,494	71,483	112,794	280,264
Investment in tangible capital assets	65,390	-	-	(65,390)	-	-
Net assets	\$ 362,862	\$ 477,919	\$ 1,818,733	\$ 858,345	\$ 3,517,859	\$ 3,405,065

Subject to accompanying notes to the financial statements

OAKVILLE & MILTON HUMANE SOCIETY
STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31,	Invested in tangible capital assets	Externally restricted net assets (Charlie Fund)	Internally restricted net assets	Unrestricted net assets	Total 2023	Total 2022
REVENUE						
Animal protective services	\$ -	\$ -	\$ -	\$ 1,535,861	\$ 1,535,861	\$ 1,180,076
Community engagement	-	-	-	238,140	238,140	232,063
Fundraising	-	34,005	-	1,889,642	1,923,647	2,509,070
Investment income (loss) - note 3	-	35,009	144,494	60,354	239,857	(101,695)
Other income	8,538	-	-	65,725	74,263	121,250
Thrift store	-	-	-	98,162	98,162	74,527
	8,538	69,014	144,494	3,887,884	4,109,930	4,015,291
EXPENDITURES						
Administrative	-	-	-	473,347	473,347	488,304
Amortization	53,570	-	-	-	53,570	47,954
Animal care	-	127,165	-	211,531	338,696	272,824
Animal protective services	-	-	-	134,846	134,846	127,472
Community engagement	-	-	-	37,355	37,355	29,258
Fundraising	-	-	-	191,055	191,055	245,795
Marketing and communications	-	-	-	18,609	18,609	36,920
Other	-	-	-	21,815	21,815	33,941
Salaries and benefits	-	-	-	2,727,843	2,727,843	2,452,559
	53,570	127,165	-	3,816,401	3,997,136	3,735,027
EXCESS OF REVENUE OVER EXPENDITURES						
	\$ (45,032)	\$ (58,151)	\$ 144,494	\$ 71,483	\$ 112,794	\$ 280,264

Subject to accompanying notes to the financial statements

OAKVILLE & MILTON HUMANE SOCIETY
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31,	2023	2022
CASH PROVIDED FROM (USED FOR):		
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 112,794	\$ 280,264
Items not requiring a cash payment		
Amortization	53,570	47,954
Amortization of deferred capital contributions	(8,538)	(9,144)
Non-cash contributions	(32,104)	(75,657)
Non-cash expenses	14,297	-
Gain on disposal of tangible capital assets	-	(20,856)
Unrealized (gain) loss on investments	(130,338)	212,904
	9,681	435,465
Net change in non-cash working capital balances		
Accounts receivable	17,941	(55,581)
Prepaid expenses	(1,099)	(37,953)
Accounts payable and accrued liabilities	(54,124)	20,024
Deferred contributions	(78,518)	67,330
	(115,800)	(6,180)
	(106,119)	429,285
INVESTING ACTIVITIES		
Investment income (loss) on deferred building campaign contributions	14,148	(12,770)
Proceeds on disposal of tangible capital assets	-	25,418
(Purchase) of investments - net of redemptions	(188,803)	(308,834)
(Purchase) of tangible capital assets	(65,390)	(41,708)
	(240,045)	(337,894)
NET (DECREASE) INCREASE IN CASH	(346,164)	91,391
CASH - beginning	760,445	669,054
CASH	\$ 414,281	\$ 760,445
COMPRISED OF:		
Cash - unrestricted	\$ 390,837	\$ 751,395
- externally restricted	23,444	9,050
	\$ 414,281	\$ 760,445

Subject to accompanying notes to the financial statements

OAKVILLE & MILTON HUMANE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

NATURE OF THE ORGANIZATION

Oakville & Milton Humane Society (the "Society") is a registered charity incorporated under the laws of the Province of Ontario as a corporation without share capital. The Society provides shelter for lost, injured or abandoned animals, adoption of unclaimed animals, investigation of cruelty complaints, animal control and humane education.

In accordance with section 149(1) of the Income Tax Act, the Society is exempt from income taxes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, which is in accordance with Canadian generally accepted accounting principles.

b) Fund accounting

The Society maintains its accounts in accordance with the principles of fund accounting. Resources are classified for accounting and reporting purposes into funds according to the activity or objective specified by determinations made by the Board of Directors.

Net assets invested in tangible capital assets represent the Society's investment in tangible capital assets net of related liabilities and deferred contributions.

Amounts restricted by external sources are reported as externally restricted net assets. Included in these net assets in the Charlie Fund, which was created to cover the cost of medical emergencies for lost or abandoned animals.

The amounts restricted by the Board for future projects are reported as internally restricted net assets.

Any general activities, excluding the items above, are reported as unrestricted net assets.

c) Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and bank deposits, and term deposits with a term to maturity of ninety days or less from the date of purchase.

OAKVILLE & MILTON HUMANE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

d) Revenue recognition

The Society follows the restricted fund method of accounting for contributions.

Restricted contributions for which there is a corresponding restricted fund are recognized as revenue of that fund in the current year. Restricted contributions for which no corresponding restricted fund is presented and recognized in accordance with the deferral method of accounting for contributions. Amounts restricted for the purchase of tangible capital assets are deferred and recognized in revenue on the same basis as the amortization expense related to the acquired tangible capital assets.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Animal protective services revenue are recognized over the term of the underlying service contracts.

Community engagement, which includes customer care, adoption and general shelter, and revenue from services performed are recognized when the services have been performed.

Revenue from the Thrift Store sales is recognized when title to the goods is transferred to customers, the selling price is fixed and determinable and collectibility is reasonable assured.

The Society recognizes non-cash contributions when received. Included in contributions are non-cash contributions of \$32,104 (2022 - \$75,657) relating to animal care and investments.

Government assistance is recognized when the Society qualifies for it.

e) Contributed assets and services

Contributed assets and services are recognized in the statement of financial position or included in revenue and expenses when the values can be reasonably estimated and it is likely that the Society would have had to otherwise pay for those goods and services. Volunteers also contribute a considerable amount of time to the Society. Because of the difficulty in determining the volunteer time, these contributed services are not recognized in the financial statements.

OAKVILLE & MILTON HUMANE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

f) Tangible capital assets

Tangible capital assets and intangible capital assets are stated at cost of deemed cost less accumulated amortization. Tangible capital assets and intangible assets are amortized over their estimated useful life on a declining balance basis at the following rates:

Building	- 5%
Computer equipment	- 30%
Computer software	- 30%
Furniture and fixtures	- 20%
Paving	- 8%
Trailers	- 15%
Vehicles	- 30%

When conditions indicate a tangible capital or intangible asset is impaired, the carrying value of the asset is written down to the asset's fair value or replacement cost. The write-down is recorded as an expense in the statement of operations. A write-down will not be reversed.

g) Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value except for certain non-arm's length transactions. The Society subsequently measures all its financial assets and financial liabilities, excluding marketable securities and mutual funds, at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable and certain investments. Financial assets measured at fair value include marketable securities and mutual fund investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Society recognizes transaction costs in excess (deficit) of revenue over expenditures in the period incurred except for financial instruments that will not be measured subsequently at fair value. The carrying amount of these instruments are adjusted by the transaction costs directly attributable to the instrument.

OAKVILLE & MILTON HUMANE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

h) Use of estimates

The preparation of the Society's financial statements in conformity 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 assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in the applicable fund in the period in which they become known. Actual results in the future may differ from those estimates made. Significant estimates are used for, but not limited to, the estimation of the useful lives of tangible capital assets.

2. BANK FACILITY

The Society has a revolving demand credit facility of \$250,000. The facility bears interest at a rate of prime plus 1% and is secured by a general security agreement constituting a first ranking security interest in all property of the Society, a security agreement (chattel mortgage) constituting first ranking and specific interest in vehicles, and a collateral mortgage for \$250,000 on the lands and improvements located at 445 Cornwall Road, Oakville, Ontario.

3. INVESTMENTS

	2023	2022
Cash	\$ 289,067	\$ 57,955
Guaranteed investment certificates	879,948	972,021
Mutual funds	1,858,919	1,661,010
	3,027,934	2,690,986
Less: current portion	(3,027,934)	(2,640,986)
	\$ -	\$ 50,000

Included in investments are guaranteed investment certificates with maturities ranging from March 15, 2024 to October 31, 2024 bearing interest from 2.75% to 5.25%.

OAKVILLE & MILTON HUMANE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

3. INVESTMENTS - continued

Investment income (loss) is comprised of the following:

	2023	2022
Interest and dividends	\$ 123,667	\$ 98,439
Unrealized gain (loss) on investments	130,338	(212,904)
	254,005	(114,465)
Less: allocated to deferred capital contributions	(14,148)	12,770
	\$ 239,857	\$ (101,695)

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	2023	2022
Land	\$ 3,772	\$ -	\$ 3,772	\$ 3,772
Building	835,547	512,443	323,104	340,110
Computer equipment	131,423	128,895	2,528	3,400
Computer software	42,990	42,086	904	1,292
Furniture and fixtures	425,862	369,657	56,205	41,908
Paving	20,561	18,482	2,079	2,260
Trailers	94,565	82,059	12,506	14,713
Vehicles	207,295	135,829	71,466	53,289
	\$ 1,762,015	\$ 1,289,451	\$ 472,564	\$ 460,744

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Trade accounts payable and accrued liabilities	\$ 181,011	\$ 233,699
Government remittances payable	16,660	18,096
	\$ 197,671	\$ 251,795

OAKVILLE & MILTON HUMANE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

6. DEFERRED CONTRIBUTIONS

	2023	2022
Beginning balance	\$ 136,645	\$ 69,315
Amounts received	56,903	486,321
Amounts recognized as revenue	(135,421)	(418,991)
	\$ 58,127	\$ 136,645

7. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amounts of donations received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations.

The changes in deferred capital contributions are as follows:

	Amount of original contribution	Amount of contribution to be expended	Balance, beginning of year	Investment income (loss) restricted for deferred contributions	Amortization	Balance, end of year
Deferred Building Campaign						
Contributions (a)	\$ 197,123	\$ 197,123	\$ 185,756	\$ 14,148	\$ -	\$ 199,904
Deferred Education Room						
Contributions	39,000	-	19,515	-	976	18,539
Deferred IT Project						
Contributions	150,002	-	1,240	-	819	421
Deferred Roof Contributions	73,721	-	45,421	-	2,384	43,037
Deferred Dog Kitchen						
Contributions	58,700	-	42,063	-	2,103	39,960
Deferred ISO Lab and Wildlife						
Room Contributions	10,509	-	7,226	-	416	6,810
Deferred Cat Colony						
Contributions	16,000	-	2,775	-	1,840	935
	\$ 545,055	\$ 197,123	\$ 303,996	\$ 14,148	\$ 8,538	\$ 309,606

OAKVILLE & MILTON HUMANE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

7. DEFERRED CAPITAL CONTRIBUTIONS - continued

- (a) In fiscal 2006, the Society began to receive externally restricted funds to be used specifically towards new premises. Included in the amount of original contribution are the initial contributions plus accumulated restricted investment income. During the year, investment income of \$14,148 (2022 - investment loss of \$12,770) was restricted for the Building Campaign purposes.

8. FINANCIAL INSTRUMENTS

The significant financial risks to which the Society is exposed are credit risk, liquidity risk and market risk.

a) Credit risk

Credit risk refers to the risk that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party or if there is a concentration of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions.

The Society is exposed to credit risk in the event of non-performance by counter parties in connection and concentration with its accounts receivable. The Society does not obtain collateral or other security to support the accounts receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counter parties and, accordingly, does not anticipate significant loss for non-performance.

b) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Society is exposed to the risk mainly in respect of its accounts payable and accrued liabilities. The Society is expected to meet obligations as they come due primarily from cash flows from operations and has alternate financing available (Note 2).

OAKVILLE & MILTON HUMANE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

8. FINANCIAL INSTRUMENTS - continued

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Society is exposed to interest rate risk and other price risk.

i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Society is exposed to interest rate risk on its bank facility described in Note 2 which has a variable interest rate. Variable interest rate instruments subject the Society to related cash flow risk. The Society is also exposed to interest rate risk on its guaranteed investment certificate investments described in Note 3 which have a fixed interest rate. Fixed interest rate instruments subject the Society to a fair value risk, since fair value fluctuates inversely to changes in market interest rates.

ii) Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Society is exposed to other price risk on its mutual fund investments described in Note 3. The Society's investments are invested in mutual funds for which the value fluctuates with the quoted market price. Mutual fund investments amount to \$1,858,919 (2022 - \$1,661,010), which represents 61.39% (2022 - 61.72%) of total investments.

There have been no changes in the above risks from the prior year.

OAKVILLE & MILTON HUMANE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

9. RELATED PARTY TRANSACTIONS

No remuneration was paid to the Board of Directors during the year.

10. COMPARATIVE FIGURES

Certain comparative figures on the statement of financial position and the statement of cash flows have been reclassified to conform with the presentation adopted in the current year. This reclassification had no overall impact on net results previously reported.